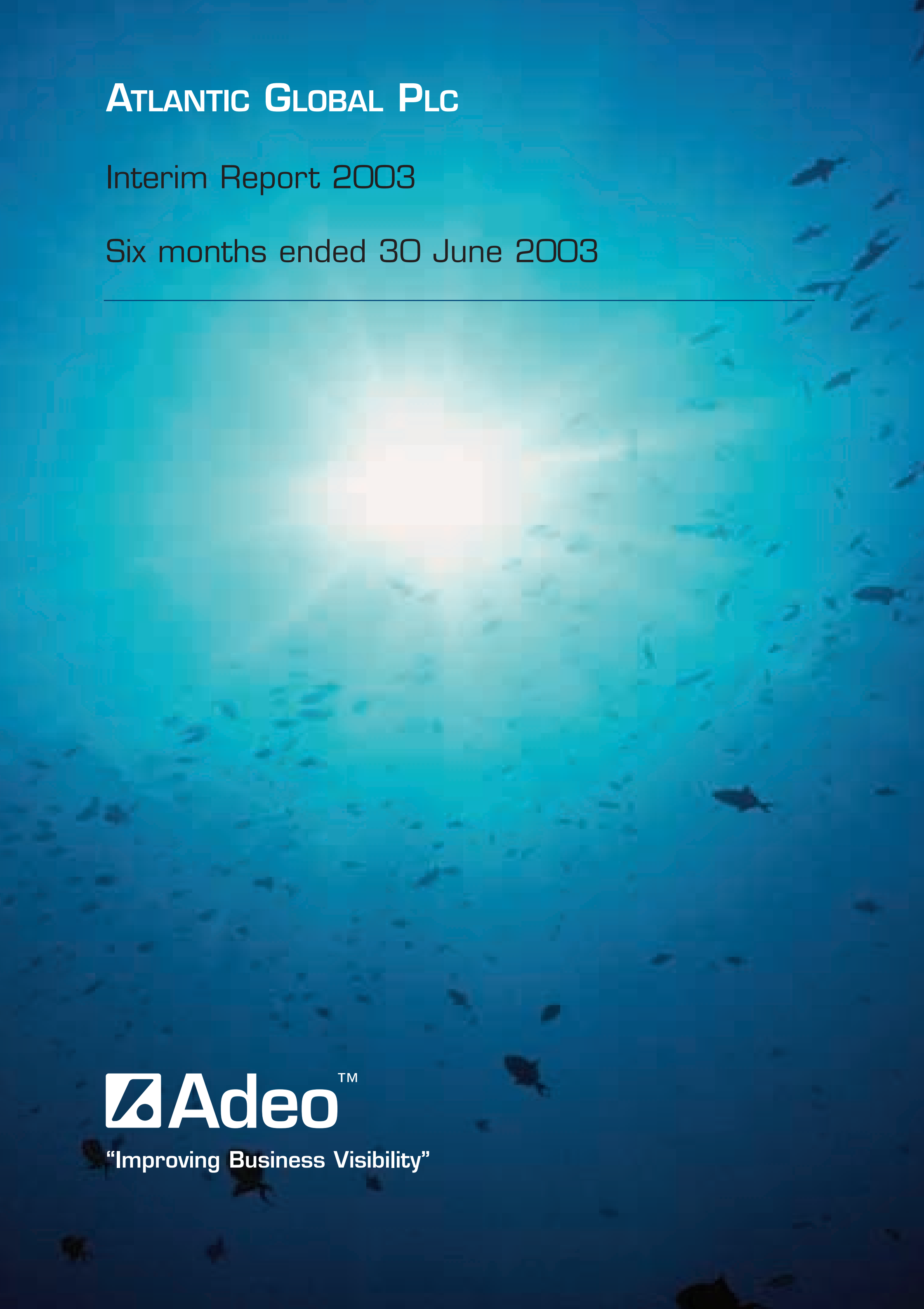

Atlantic Global Plc

Interim Report 2003

Six months ended 30 June 2003

Adeo™

"Improving Business Visibility"

Atlantic Global Plc

Chairman's Statement - Interim Report 2003

1. Introduction

I am very pleased to report on the Group's interim results for the six-month period ended 30 June 2003, my first Statement as your recently appointed non executive Chairman. The results demonstrate further organic growth and business development, notwithstanding the Information Technology sector in general has continued to experience difficult trading conditions. The period under review has in fact been the most rewarding in the company's history in terms of successful product development, with six business management products now available to our customers, including our new "flagship", Corporate Vision, further details of which are given in the Operating Review section of this report. The response from our existing customer base to our Corporate Vision product has confirmed our view that it has the potential to revolutionise and deliver major efficiency savings to large corporations.

2. Financial Review

Turnover for the period increased by 5.5% to £907,000 compared to £860,000 in the first six months of 2002. Operating profit before amortisation of goodwill rose slighty to £288,000, compared to £284,000 in the first six months of 2002 while profit before tax for the period was unchanged at £231,000 (2002: £230,000).

Earnings per share (before amortisation of goodwill) of 1.01p were generated for the six-month period, (2002: 1.03p).

Profit growth has been constrained in the first half in part due to a doubling of our marketing expenditure to £85,000 compared with £43,000 for the equivalent period in 2002 and also by an increase in our research and development expenditure of £16,000. However, the financial benefits of these investments should be felt in the second half of the year and beyond.

At 30 June 2003 the Group had net cash resources of £1,884,000, being cash at bank and on deposit (2002: £1,800,000). The free cash flow since the start of the year has been £101,000 confirming the cash generative nature of the business. Net cash has continued to increase since 30 June 2003 and as at 1 September 2003 stood at £2,075,000.

3. Dividend

The Directors intend to continue to pursue a progressive dividend policy. At the present time, they believe it would be prudent to recommend dividend payments at the year-end and therefore no interim dividend is being declared.

4. Operating Review

During the period the company has made significant progress in many areas, notably the following:

- The release of the Adeo 9 software at the beginning of April 2003, providing significant improvement and updates to the functionality of our Adeo suite (the core product of the business). A significantly greater amount of the software's administration has been transferred to web-based technology, increasing its flexibility. Adeo 9 also now includes two new modules, Contractor Management and Risk Management.

- The Contractor Management module was based on two major existing installations, which have been enhanced and further developed to include many additional features. All of these improvements are now available through our Web enabled Software. This module has already been contracted for by Norwich Union in June 2003.
  The Risk Management module has been developed in consultation with LogicaCMG and Barclays Bank Plc and has produced a generic risk management module within Adeo that is capable of being modelled and used to manage risk at all levels in any organisation.

- The development of Corporate Vision which is a generic resource, organisation planning and milestone management tool. This system is capable, through the provision and sharing of real time management information, of changing how an organisation operates and makes decisions. Corporate Vision has been developed in conjunction with Pfizer and Norwich Union. When linked to the other core Adeo modules, an organisation's people, milestones and costs will be clearly visible enabling day to day management decisions to be made to ensure the best use of scarce resources. We have already won a major contract for Corporate Vision from Norwich Union Life Services in June 2003.

- Continued investment in the research and development of our software products, expenditure on which amounted to £136,000 during the period (2002: £120,000).

- Our blue chip client base has been further expanded during the period with new contracts including:

    - Telewest Communications
    - Aspect Communications
    - Echostar International Corporation
    - Atlan
    - NEC Technologies (France and Portugal)
    - Dunnhumby

- The recruitment of the new sales and marketing personnel is starting to produce results with improved focus and clearer messaging resulting in record interest being shown in our software products. This follows our recent and very successful inaugural Adeo User Group Seminar, held in London, hosted by the Company and attended by 64 senior managers from 37 of our existing and prospective customers. The objective of the seminar was to provide Adeo users with an insight into different customer experiences, the future direction of Adeo, and to introduce them to Adeo Corporate Vision. The event was designed to be factual, informative and, above all, to deliver a platform for customers to successfully network and discuss their experiences. Guest speakers included representatives from Norwich Union, Virgin Mobile and Aspect Communications, all of who provided excellent presentations provoking keen interest and dialogue from the audience.

- In June 2003 the Company was successfully reassessed for its retention of the Investors in People Standard with very impressive results.

- The Group's management expertise was also independently recognised when Eugene Blaine, Group Managing Director, was nominated as a Northern Regional Finalist in the Entrepreneur of the Year Awards 2003, organised by Ernst and Young.

5. Board Changes

In June 2003, the Board announced that Michael Langmore, who had been Non-executive Chairman of the Company since its flotation in June 2001, had resigned to pursue other business activities. The Board wishes him well in his ongoing commitments. The Company is in the process of recruiting a new non-executive chairman, with relevant software industry experience, and hopes to announce an appointment in the near future. Meanwhile, as announced, I will continue to temporarily fulfil the role.

6. Outlook

We have focused on software product development and product launch activity in the first half of the year. Related product sales are therefore expected to impact in the second half. Accordingly we are looking forward to a higher profit level in the second part of the year and beyond.

With the introduction of Corporate Vision, which is specifically targeted towards very large blue-chip companies, We would expect that the average size of future contracts will be larger and potentially less evenly spread than those won in the past.

The level of sales interest in our software is currently at the highest level in the Company's history and trading since the end of June 2003 has continued successfully. In particular, we expect to sign contracts with a number of new and existing customers in the near future. The total number of supported seats of our software as at 30 June 2003 was 21,000.

Once again, it is a pleasure to be able to congratulate our people within the Company for the continued progress, but special appreciation should be shown to the whole of the Software Development Department for the successful creation of the new and very sophisticated products that we have available for selling into what is becoming for us a large and expanding market place.

The Directors believe that the Company is very well placed to increase its market share, and that it has a committed and highly skilled team with high quality and very competitive software products which deliver innovative business solutions adding considerable value to our customers organisations. Following the recent developments within the Company, the directors believe that its growth potential has been enhanced and that Atlantic Global can expect growth in the years ahead.

Your Board looks forward to announcing further satisfactory progress for the full year.

Adrian Bradshaw

Chairman
18 September 2003

Consolidated profit and loss account
for the six months ended 30 June 2003

	Notes	***Six months to 30 June 2003 (Unaudited) £ 000***	*Six months to 30 June 2002 (Unaudited) £ 000*	*Year ended 31 December 2002 (Audited) £ 000*
Turnover		**907**	860	1,551
Cost of sales		**(258)**	(287)	(624)
Gross profit		**649**	573	927
Administration and establishment expenses		**(452)**	(380)	(763)
Operating profit before goodwill amortisation and exceptional costs		**288**	284	390
Goodwill amortisation		**(91)**	(91)	(181)
Exceptional costs		**-**	-	(45)
Operating profit		**197**	193	164
Interest receivable		**34**	37	71
Profit on ordinary activities before taxation		**231**	230	235
Tax on profit on ordinary activities	3	**(92)**	(96)	(104)
Profit on ordinary activities after taxation		**139**	134	131
Dividends proposed		**-**	-	(114)
Retained profit for the period		**139**	134	17
Adjusted earnings per share	4	**1.01p**	1.03p	1.60p
Basic earnings per share	4	**0.61p**	0.61p	0.59p
Diluted earnings per share	4	**0.56p**	0.57p	0.56p

Consolidated balance sheet
as at 30 June 2003

	Note	***As at 30 June 2003***	*As at 30 June 2002*	*As at 31 December 2002*
		(Unaudited)	*(Unaudited)*	*(Audited)*
		£ 000	*£ 000*	*£ 000*
Fixed assets				
Tangible assets		**61**	64	63
Goodwill		**3,244**	3,550	3,335
		3,305	3,614	3,398
Current assets				
Debtors		**778**	592	365
Cash at bank and in hand		**1,884**	1,800	1,897
		2,662	2,392	2,262
Creditors: amounts falling due within one year		**(653)**	(531)	(485)
Net current assets		**2,009**	1,861	1,777
Net assets		**5,314**	5,475	5,175
Capital and reserves				
Called up share capital		**1,137**	1,137	1,137
Share premium account		**1,545**	1,545	1,545
Shares to be issued reserve	6	**-**	87	-
Other reserves		**2,538**	2,538	2,538
Profit & loss account		**94**	168	(45)
Shareholders' funds equity		**5,314**	5,475	5,175

Summarised group cash flow statement
for the 6 months ended 30 June 2003

	Note	***Six months to 30 June 2003***	*Six months to 30 June 2002*	*Year ended 31 December 2002*
		(Unaudited)	*(Unaudited)*	*(Audited)*
		£000	*£000*	*£000*
Net cash (outflow) / inflow from operating activities	5	**80**	(31)	158
Return on investment		**34**	39	72
Taxation		**-**	-	(104)
Capital expenditure		**(13)**	(26)	(47)
Free cash flow		**101**	(18)	79
Acquisitions and disposals – 2001 deferred consideration paid		**-**	(225)	(225)
Equity dividends paid		**(114)**	(104)	(104)
Cash outflow before management of liquid resources and financing		**(13)**	(347)	(250)
Management of liquid resources and financing		**-**	250	250
Financing		**-**	-	-
Net (decrease) in cash in the period		**(13)**	(97)	-

Notes to the interim report

1. The interim financial statements for the six months ended 30 June 2003 have been prepared using accounting policies consistent with those set out in the annual report and accounts of Atlantic Global Plc for the year ended 31 December 2002.

2. The interim financial information for the six months ended 30 June 2003 is unaudited and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The information has been reviewed by the Company's auditors and their report is set out on page 8 of this interim report.

3. The tax charge for the period is based on the anticipated effective tax rate for the year to 31 December 2003.

4. Earnings per share

	Six months ended 30 June 2003 £000	Six months ended 30 June 2002 £000	Year ended 31 December 2002 £000
Profit after tax	139	134	131
Adjustments			
- Goodwill amortisation	91	91	181
- Exceptional costs	-	-	45
Adjusted profits	230	225	357
	Number 000	*Number 000*	*Number 000*
Weighted average number of shares in issue	22,747	21,806	22,281
Dilutive effect of maximum deferred consideration shares	-	233	-
Options and warrants	1,976	1,277	1,298
Diluted number of shares	24,723	23,316	23,579
Basic earnings per share (based on profit after tax)	0.61p	0.61p	0.59p
Diluted earnings per share (based on profit after tax)	0.56p	0.57p	0.56p
Adjusted earnings per share (based on adjusted profits)	1.01p	1.03p	1.60p

5. **Cash inflow from operating activities**

	Six months ending 30 June 2003 (Unaudited) £000	*six months ending 30 June 2002 (Unaudited) £000*	*six months ending 31 December 2002 (Audited) £000*
Operating profit before goodwill amortisation and exceptional costs	**288**	284	390
Goodwill amortisation	**(91)**	(91)	(181)
Exceptional costs	**-**	-	(45)
Operating profit	**197**	193	164
Depreciation	**15**	14	29
Loss on disposal of fixed assets	**-**	-	6
Goodwill amortisation	**91**	91	181
(Increase) in debtors	**(258)**	(265)	(36)
Increase/(decrease) in creditors	**35**	(64)	(186)
Net cash (outflow) / inflow from operating activities	**80**	(31)	158

6. The reported figures for the 6 months ended 30 June 2002 included an amount in respect of shares to be issued which it was anticipated would become due under the terms of the deferred consideration agreement. Due to the level of performance in the second half of 2002 being lower than anticipated the criteria for the payment of the deferred consideration were not met and the amounts were reversed in the reported figures for the year ended 31 December 2002.

7. Copies of this interim report are being sent to all shareholders. Further copies of this interim report and the Company's annual report to 31 December 2002 are available from:

   Mr R Hutton, Finance Director & Company Secretary, Atlantic Global Plc, Maple House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, BD19 6BW.

   Website: www.atlantic-global.co.uk email: info@Atlantic-ec.co.uk

Independent review report by KPMG Audit Plc to Atlantic Global Plc

Introduction

We have been engaged by the company to review the financial information set out on pages 4 to 8 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: *Review of interim financial information* issued by the Auditing Practices Board, for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2003.

KPMG Audit Plc
Chartered Accountants

18 September 2003

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