

Atlantic Global Plc

“Think
Differently”

Presented by: David Cox - Chairman, Eugene Blaine - Managing Director, Rupert Hutton - Finance Director



intellect
member



2. Atlantic Global Plc

Highlights

- Results in line with market expectations
- Cash generative business
- Strong balance sheet
- Increasing dividend
- Increased adjusted earnings per share
- Enterprise Module, **Corporate Vision**, significant customers, Norwich Union and LogicaCMG
- New Adeo software products, Risk, Contractor management, Business Information Tracking
- Customer wins, Telewest, MVM, Friends Provident, Microgen and new Norwich Union departments
- Stronger management team, David Cox (non-executive Chairman), Mark Allcock (Sales Director)
- More focused approach to marketing, sales and branding

3. Financial Highlights

	Year Ended 31 Dec 2003 £000	Year Ended 31 Dec 2002 £000	% Growth
Turnover	1,956	1,551	26%
Gross profit	1,374	927	48%
Operating profit (before goodwill)	611	390	57%
Profit before tax	496	235	111%
Goodwill	181	181	
Earnings per share (adjusted)	2.35 pence	1.60 pence	47%
Net cash balance	2,296	1,897	21%
Free cash flow	513	124	314%
Free cash flow per share	2.25 pence	0.57 pence	295%
Proposed dividend per share	0.70 pence	0.50 pence	40%
Brokers forecasts for 2004 show a turnover of £2.6m with profits before tax & goodwill of £1.0m			

4. Revenue Sources

• Revenue Sources	12m Dec 2003	12m Dec 2002
Revenue generated from three sources	% £k	% £k
➢ Licences and activation keys	48% £941	37% £576
➢ Maintenance and support	25% £496	29% £450
➢ Development and services	<u>27%</u> <u>£519</u>	<u>34%</u> <u>£525</u>
(Note changing mix in line with stated strategy and expectations)	<u>100%</u> <u>£1,956</u>	<u>100%</u> <u>£1,551</u>
• Software module, licence and activation key information	2003	2002
➢ Number of modules	6	3
➢ Adeo activation key cost	£1,000 - £7,500	£1,000 – £2,500
➢ <u>Corporate Vision</u> activation key cost	£75,000+	NA
➢ Adeo licence cost	£115	£105
➢ <u>Corporate Vision</u> licence cost	£175	NA
• Maintenance contracts		
➢ One, two and three year contracts		
➢ Over 62% of support customers (by value) are on 3 year contracts, securing <u>higher quality of earnings</u>		
➢ As at 31 December 2003, 24,500 supported Adeo seats		

5. Increasing Business Need

- **Legal obligations**
 - Corporate governance / Greater management accountability

- **Press coverage highlighting sectors coming under pressure include**
 - Pharmaceutical – Patents running out / Increased competition from generic drug manufacturers
 - Financial – Pressure to reduce running costs
 - Telecommunications – Increased competition
 - Technology Services – Clients are more demanding following dot.com and Y2K experience

- **Increased shareholder expectations, especially following mergers & acquisitions**
 - Pressure to take out costs
 - Increase productivity

- **Increasing need for organisations to deliver more while reducing costs, options include...**
 - Outsourcing
 - Moving work overseas
 - Working smarter

- **Atlantic Global services designed to meet these needs**
 - Implementation consultancy & training
 - Technical installation
 - Integration development to other systems

6. Today's Management Challenge

The First Challenge: -

Providing a user interface that is easy to use, yet sufficiently sophisticated to give the business the information that it needs.

Attributes of a Business Case or Business Plan

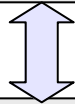
What Resources do I need?
 What other costs will be incurred?
 What are the project delivery milestones?
 What are the benefits?



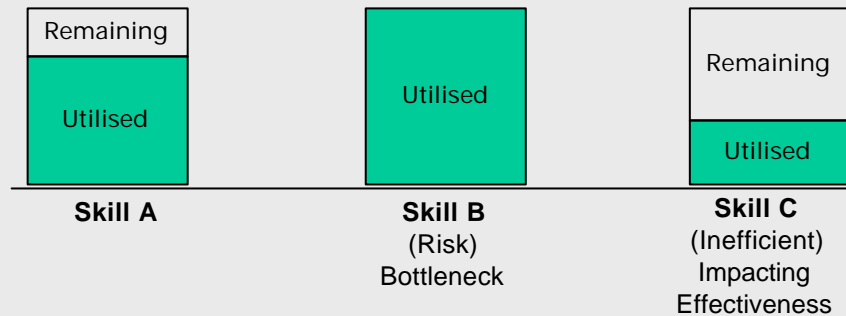
The Second Challenge: -

To Actively Manage the Work Delivery Process summarising potentially several thousand projects and/or business areas at appropriate levels in the organization

Management should also have complete drill-down capability to help identify potential problems



The Resource Pool (Your Capability)



The Third Challenge

Maximise your delivery by clearly understanding the impact on the Resource Pool

Identify risks to the delivery process due to bottlenecks in the Resource pool

Identify inefficiencies in the Resource pool where Resource are not contributing to the delivery process

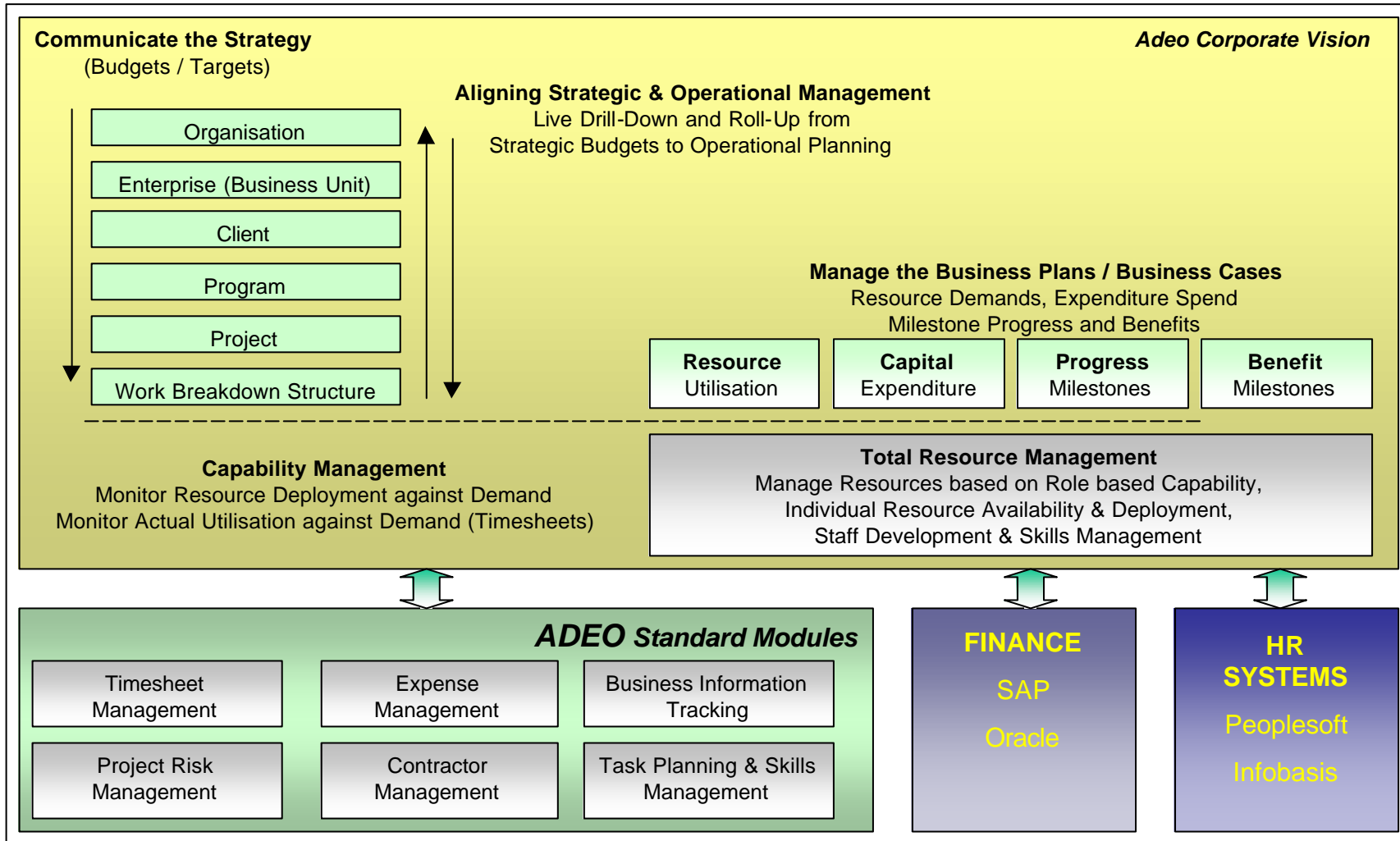
The Ultimate Challenge for any organization

Maximise the delivery process and company effectiveness by aligning the delivery process with your organization's capability

7. Atlantic Global's Development Approach

- **Solutions Developed in partnerships with large corporations**
 - Pfizer and Norwich Union
- **Fresh approach to software development**
 - Easy to Use – must require little or no training.
 - High Capacity – scalable for potentially 300,000 staff.
 - Highly Configurable – capable of mirroring any business model.
 - Speed of Deployment – weeks or months / not years
 - Reasonable Cost – offering a rapid return on investment
- **Solution focussed to deliver what management need to run their businesses**
 - Resource
 - Expenditure
 - Delivery & Benefit Milestones
- **Fully integrated solution (modules) resulting in...**
 - Reduced duplication of effort (Technical & Administration)
 - Reduced duplication of data
 - Better decision making
 - Risk Reduction

8. Adeo - Complete Management Solution



9. Atlantic Global's Customer Base

Financial & Professional Services



Pharmaceuticals



Telecommunications



IT Services



Other



10. Corporate Vision - Commercial Impact

Historical Sales

Customer requires a timesheet application

Typical Characteristics

Single Department Orientated Sale

Approximately 300 staff

Commercial Value

Module Activation Key = £1,000

300 Licences @ £100 each = £30,000

10 Days Installation Consultancy @ £995 per Day = £9,950

Total Sale = £40,950

Forecast Sale of Corporate Vision

Customer requires a system to increase the utilisation and effectiveness of its resources

Typical Characteristics

Company or Division Orientated Sale

Minimum 500 staff

Commercial Value

Module Activation Key = £75,000

500 Resource Licences @ £175 each = £87,500

20 Days Installation Consultancy @ £995 per Day = £19,900

Total Sale = £182,400

Additional Revenue

500 User Licence of Timesheet Module (Piggy back sale)

Business Change Consultancy (£100K Revenue)

Annual Maintenance (Calculated at 20% of Cost of Activation Key and Licence Total)

Note:

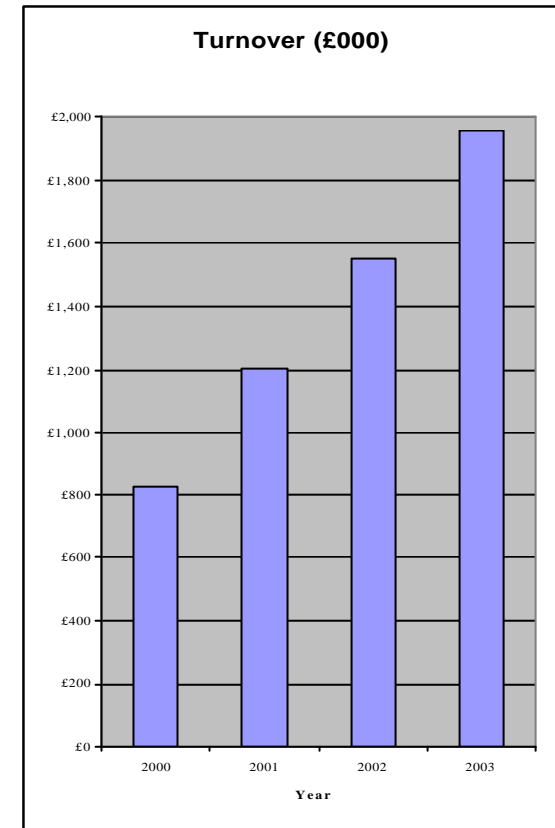
Adeo Corporate Vision went live in Norwich Union Business Services in December 2003 and was released to a wider customer base on the 1st February 2004

11. Current Trading and Prospects

- **Current trading in line with budget**
- **New products**
- **Repeat business strong across all areas**
- **Growing sales pipeline**
- **More focused approach to marketing, sales and branding**
- **Senior sales appointments**
 - January 2004 - Appointed another senior sales resource (starts April 2004)
 - March 2004 – Offer made to another senior sales resource
- **Marketing highlights 2004**
 - Launch of new web site (coincided with launch of Corporate Vision)
 - Introduction of Annual User Group
- **Consultancy appointments**
 - Recruitment of 3 new consultants
- **Partnerships**
 - Exploring several business opportunities one with Celerant in North America
 - Working with clients to generate “cross sector appeal”

David Cox quotation from the 2003 Chairman’s statement:

“I am therefore very confident that 2004 will be another successful year and we can continue to maximise shareholder returns”



12. Future Strategy and Summary

- **Investment attractions...**

- Strong balance sheet and cash flow
- Experienced management team
- Expanding blue-chip client base
- Broad range of sectors
- Strong product range with the addition of Corporate Vision adding new scale and impetus

- **Future strategy...**

- Strengthening the sales, marketing and branding functions
- Product development to be at the forefront of best technical and business practice
- Strategic alliances
- Well positioned for growth