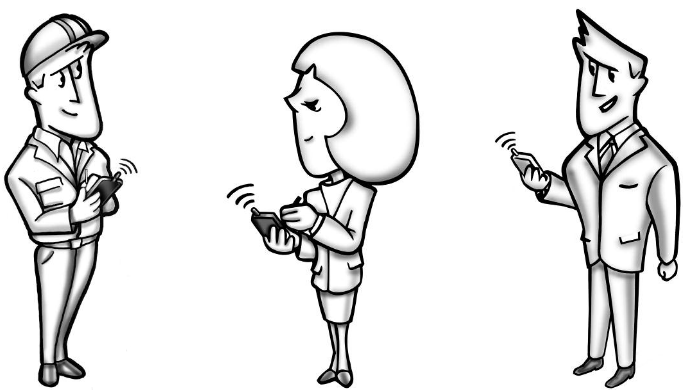
crimson tide plc



crimson tide
mobile data solutions

Interim Results to 30 June 2008

Barrie Whipp, Executive Chairman, commented:

"We continue to make good progress as our customer base and revenues continue to grow".

Highlights

Turnover

up 27%

Loss Before Tax

reduced by 34%

Further growth

in long-term contracted revenues

Chairman's Statement

I am pleased to report on your Company's progress in the first half of the year to 30 June 2008. We have continued to make progress with our business model. Turnover for the period increased to £902,000, an increase of 27% over the comparative period last year.

All areas of the business contributed to the growth and at the EBITDA level the loss for the half year was £126,000, a substantial reduction on the comparative period last year of £222,000. The management continue to work hard on reducing the loss on a monthly basis and are focused on achieving break-even at the earliest opportunity.

The book of contracted revenues from our subscription based business continued to grow. The most pleasing aspect is the further business secured from our existing customers, both in number of users and term of contract. We recently secured our first five year subscription contract and, during the period, we extended the first three year contract we entered into by a further two years.

Our business in Ireland underwent a structural change during the period as we worked on switching the focus from immediate revenue opportunities to subscription based business. In addition, technical staff from Dublin have assisted with UK deliverables. The contribution from Ireland in profit terms was therefore below the previous period but management believes that we are creating a better long term business model for this part of our business.

Our voice and data mobile telecommunications connections and ancillary income have increased and we are increasing our ability to deliver a full range of solutions in this field.

The second half of the year will be exciting as we attempt to secure business from our extensive sales pipeline. The volume of opportunities is very high, some of which are large in numbers of subscribers and, by nature, take longer to negotiate. Furthermore, we are implementing a range of new Microsoft technologies that will improve margins in the medium and long term. The business opportunities remain very encouraging and the management is highly focused on delivering profitability.

Barrie Whipp
Executive Chairman
24 September 2008

Operational Review

In first six months of 2008, the Group has consolidated its position, adding more long-term subscribers and increasing the book of contracted revenues, continuing the progress made last year. Our strategic shift from one-off sales of software solutions to contracted, subscription based, business is proving successful and we expect to maintain this trend.

The market for our mobile data solutions continues to grow as technology improvements and business awareness of the potential productivity gains, both help add to demand. The Crimson Tide subscription model makes these solutions even more attractive because customers are able to quickly implement proven applications without incurring the capital cost usually associated with information technology solutions. In the current economic climate, it is more important than ever that we are able to clearly demonstrate an immediate return on investment for our customers without them incurring any capital expenditure. We continue to focus our marketing on these benefits and have found trade shows in particular, a good way to generate new leads and grow our opportunity pipeline.

As our customer base has increased, so too has our portfolio of mobility solutions focused on specific vertical markets. Facilities management, cleaning, and health and safety are particular areas where our targeted solutions have been well received. We are starting now to see the uptake of these in the Irish market, where the business has increasingly moved away from outright sales to subscription business. The short-term downside of this move is that revenues and profits in Ireland have fallen in the first six months of 2008 but as we are increasingly demonstrating in the U.K., the medium and long term benefits of secure subscription business, stretching out a number of years, is ultimately the best option for shareholders.

Our new sales resources have plenty of opportunities to progress and recent new staff additions have freed up both sales and technical staff to more quickly implement our solutions. Overheads remain under close scrutiny and are well managed. Crimson Tide's employees as a whole, continue to perform exceptionally well and we intend to reward some through our Enterprise Management Incentive (EMI) share option scheme which will also help to keep operating costs down. As before, the options will be aligned to shareholders' aims, only being exercisable if the Group's share price increases. I would again like to take this opportunity to thank the whole Crimson Tide team for their continuing dedication and hard work.

We are pleased with our progress, especially as we were frustrated by limited cash resources in the first half of the year. The placing completed at the end of April which realised £272,500 net of expenses and the new loan facility of up to £300,000 announced in August, now leave us well positioned to accelerate our growth over the second half of 2008 and beyond.

Stephen Goodwin
Chief Executive
24 September 2008

Unaudited consolidated income statement

for the 6 months to 30 June 2008

	Unaudited 6 Months ended 30 June 2008 £000	Unaudited 6 Months ended 30 June 2007 £000	Audited 12 Months ended 31 December 2007 £000
Revenue	902	715	1,674
Cost of sales	(416)	(307)	(745)
Gross profit	486	408	929
Total operating expenses	(638)	(648)	(1,328)
Loss from operations	(152)	(240)	(399)
Interest income	–	7	10
Interest payable and similar charges	(7)	(8)	(19)
Loss before taxation	(159)	(241)	(408)
Tax on loss on ordinary activities	–	–	–
Loss for period attributable to equity holders of the parent	(159)	(241)	(408)

Loss per share

Basic and diluted loss per ordinary share	(0.05)p	(0.09)p	(0.14)p

Unaudited consolidated 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			
Fixed Assets			
Intangible assets	869	850	889
Equipment, fixtures & fittings	23	27	29
Total non current assets	892	877	918
Current Assets			
Inventories	27	23	25
Trade and other receivables	499	290	383
Cash and cash equivalents	71	267	175
Total current assets	597	580	583
Total assets	1,489	1,457	1,501
Equity and liabilities			
Equity			
Share capital	6,038	5,789	5,790
Capital redemption reserve	49	49	49
Share premium	1,041	1,010	1,006
Other reserves	499	457	507
Reverse acquisition reserve	(5,244)	(5,244)	(5,244)
Retained earnings	(1,730)	(1,404)	(1,571)
Total equity	653	657	537
Creditors			
Amounts falling due within one year	751	681	862
Creditors			
Amounts falling due after more than one year	85	119	102
Total liabilities	836	800	964
Total equity and liabilities	1,489	1,457	1,501

Unaudited consolidated statement of changes in equity
as at 30 June 2008

	Share Capital	Capital redemption reserve	Share premium	Other reserves	Reverse acquisition reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000	£000
Balance as at 31 December 2006	5,679	49	915	457	(5,244)	(1,163)	693
Loss for the period	–	–	–	–	–	(241)	(241)
Proceeds from new shares issued during 6 months	110	–	95	–	–	–	205
Balance as at 30 June 2007	5,789	49	1,010	457	(5,244)	(1,404)	657

Balance as at 31 December 2007	5,790	49	1,006	507	(5,244)	(1,571)	537
Loss for the period	–	–	–	–	–	(159)	(159)
Proceeds from new shares issued during 6 months	248	–	35	–	–	–	283
Translation movement	–	–	–	(8)	–	–	(8)
Balance as at 30 June 2008	6,038	49	1,041	499	(5,244)	(1,730)	653

Unaudited consolidated statement of cashflows

for the 6 months to 30 June 2008

	Unaudited 6 Months ended 30 June 2008 £000	Unaudited 6 Months ended 30 June 2007 £000	Audited 12 Months ended 31 December 2007 £000
Cash flows from operating activities			
Loss from operations	(152)	(240)	(399)
Adjustments for:			
Amortisation of Intangible Assets	20	16	41
Depreciation of equipment, fixtures and fittings	5	2	10
Operating cash flows before movement in working capital and provisions	(127)	(222)	(348)
(Increase)/Decrease in inventories	(2)	5	3
(Increase)/Decrease in trade and other receivables	(117)	123	31
(Decrease)/Increase in trade and other payables	(102)	(207)	30
Cash used in operations	(348)	(301)	(284)
Income taxes paid	–	–	–
Net cash used in operating activities	(348)	(301)	(284)
Cash flows from/(used in) investing activities			
Purchase of fixed assets	–	(4)	–
Acquisition of subsidiaries	–	–	(60)
Interest received	–	7	10
Net cash from/(used in) investing activities	–	3	(50)
Cash flows from financing activities			
Net proceeds on issues of shares	283	205	206
Interest paid	(7)	(8)	(19)
Net decrease in borrowings	(32)	(22)	(49)
Net cash from financing activities	**244**	**175**	**138**

Unaudited consolidated statement of cashflows
for the 6 months to 30 June 2008
(continued)

	Unaudited 6 Months ended 30 June 2008	Unaudited 6 Months ended 30 June 2007	Audited 12 Months ended 31 December 2007
	£000	£000	£000
Net decrease in cash and cash equivalents	**(104)**	**(123)**	**(196)**
Net cash and cash equivalents at beginning of period	175	371	371
Net cash and cash equivalents at end of period	**71**	**248**	**175**

Notes to the Unaudited Interim Results for the 6 months ended 30 June 2008

1. Basis of preparation of interim report

The information for the period ended 30 June 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. It has been prepared in accordance with the accounting policies set out in, and is consistent with, the audited financial statements for the twelve months ended 31 December 2007. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.

2. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	Unaudited 6 Months ended 30 June 2008	Unaudited 6 Months ended 30 June 2007	Audited 12 Months ended 31 December 2007
Earnings			
Reported loss (£000)	(159)	(241)	(408)
Reported loss per share (pence)	(0.05)	(0.09)	(0.14)

	No. 000	No. 000	No. 000
Weighted average number of ordinary shares:			
Shares in issue at start of period	290,940	279,899	279,899
Effect of shares issued during the period	4,682	1,537	6,314
Weighted average number of ordinary shares for the purpose of basic earnings per share	295,622	281,436	286,213

Due to the Group's loss for the period, the diluted loss per share is the same as the basic loss per share.

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