

# Totally Plc ("Totally" or "the Company")

## Interim unaudited results for the six month period ended 30 June 2007

Totally Plc, the AIM quoted (ticker 'TLY') international publisher and Internet services provider announces its interim results for the six months ended 30 June 2007.

### Summary

- EBITDA in period improves by 21 per cent. compared with same period in 2006
- Total expenses down 5 per cent. compared with 2006
- All divisions profitable at an operating level
- Internet joint ventures launched in partnership with other media owners
- Search for complementary acquisitions ongoing

Daniel Assor, CEO of Totally commented;

'Totally is now in a strong position to move forward and deliver on its strategy of targeting profit growth and increasing shareholder value through a combination of sustained organic growth and targeted acquisitions. The Board remains confident that 2007 will follow the trend of the previous year and deliver improved financial performance.

The search for earnings enhancing acquisitions has commenced and the Board remains confident of delivering positive news flow in this area in the final quarter of the current year.

Prior to the year end Totally intends to rebrand and reposition its Jewish publishing divisions with a view to offering advertisers and readers multi platform access to both the UK and North American Jewish communities through a combination of its newspapers, magazines and Internet platforms.

Totally Communications, Totally's Internet services division, continues to deliver strong revenue and operating profit growth and in the first half of the current year this division was also restructured and rebranded with a view to exploiting the significant growth being experienced in Internet marketing in the wider marketplace."

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## **Chairman's Statement**

I am pleased to present the results for the six months ended 30 June 2007. During the period the Group made an operating profit of £27,791 (2006: £21,704) and a profit before taxation of £2,540 (2006: loss £11,662) on turnover of £1.32 million (2006: £1.39 million).

### **Internet Services Division (Totally Communications, 'TCL')**

In the reporting period Internet services revenue grew by 20 per cent. compared to the same period last year. Moreover, TCL expanded its client base significantly reducing its reliance on any one client and thus improving the long-term stability of this division.

During the first six months of 2007 Totally Communications was re-structured, introducing a clear strategy to support aggressive organic growth. Operational areas were re-defined to ensure TCL's assets in the form of its employees and its technology were used to ensure the business could be scaled. This also included the introduction of flexible software development and freelance design resource.

Furthermore a sales and marketing strategy was defined with increased emphasis on performance based lead generation including improved search engine optimisation and pay per click advertising. As a direct result significant growth was achieved in the website and web-based application developments division.

The on-going strategy of utilising in-house developed Internet platforms by combining with third party publishers has seen the Company sign agreements with The Express Group and Real City Networks in the first six months of the year. The Board anticipates further partnerships with major portals who command significant and high-profile audiences will be signed in the short to medium term. Additionally, a US-based flat share portal targeting the 6 million strong US Jewish community was also launched as an in-house product.

TCL recently became a re-seller for VCAB's (Virtual Catalogue and Brochures) Flexipage technology and now offer a superb online display of 'offline publications' so they can be read and 'pages turned' similar to a magazine or newspaper offline. There has already been significant interest in this product.

Other re-seller opportunities are currently being reviewed.

### **Publishing Division**

Totally's Jewish publishing divisions in the UK and US remain profitable entities at an operating level. Significant work has been done to enable these divisions to provide relevant offerings to maintain profitability against the backdrop of a fast changing media landscape.

A new bi-monthly lifestyle glossy magazine has been launched in the UK and the first issue was both well received and profitable. When this is combined with the weekly Jewish News newspaper, the website TotallyJewish.com and Totally's annual Jewish celebrations magazine the division is the single largest publisher of Jewish media in the UK. In order to reflect this growth the UK Jewish publishing operation will be re-branded before the year end and will trade under the umbrella brand 'The Jewish News & Media Group'.

Similar expansion plans are planned for the US division.

### **Prospects**

Through the continued development of its media group and Internet services divisions Totally is now well placed to take advantage of opportunities for growth in both revenues and profit.

**Dr Michael Sinclair, Chairman**  
**17 September 2007**

## Consolidated Income Statement

For the six months ended 30 June 2007

	6 months ended 30 June 2007 (unaudited) £	6 months ended 30 June 2006 (unaudited) £	Year ended 31 December 2006 (audited) £
<b>Gross Sales</b>	1,320,493	1,389,251	2,888,000
<b>Less: Share of Joint ventures</b>	29,681	36,300	65,000
<b>Group Sales</b>	1,290,812	1,352,951	2,823,000
Cost of sales	(225,533)	(274,446)	(528,000)
Staff costs	(668,384)	(663,556)	(1,407,000)
Depreciation	(47,213)	(48,074)	(97,000)
Other operating charges	(321,892)	(345,171)	(784,000)
<b>Total expenses</b>	(1,263,022)	(1,331,247)	(2,816,000)
<b>Profit from Operations</b>	27,790	21,704	7,000
Share of loss from operations of joint ventures	(2,227)	(9,708)	(18,000)
Finance costs	(23,023)	(23,658)	(50,000)
<b>Profit/(loss) before taxation</b>	2,540	(11,662)	(61,000)
Taxation	-	20,548	17,000
<b>Profit/(loss) for the period</b>	2,540	8,886	(44,000)
<b>Earnings/(loss) per share (pence) – basic and diluted</b>	-	0.01p	(0.05)p

## Balance sheet

As at 30 June 2007

	6 months ended 30 June 2007 (unaudited) £	6 months ended 30 June 2006 (unaudited) £	12 months ended 31 December 2006 (audited) £
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible fixed assets	292,226	312,375	294,000
Other intangible assets	941,000	928,819	941,000
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	1,233,226	1,241,194	1,235,000
<b>Current assets</b>			
Newsprint inventory	4,532	1,945	5,000
Trade and other receivables	407,361	390,640	422,000
Cash and cash equivalents	74,032	69,144	32,000
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	485,925	461,729	459,000
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<b>Total Assets</b>	<b>1,719,151</b>	<b>1,702,923</b>	<b>1,694,000</b>
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<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	1,124,480	900,747	900,747
Share premium	3,349,590	3,107,217	3,107,217
Retained Earnings	(3,620,424)	(3,595,047)	(3,622,964)
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	853,646	412,917	385,000
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<b>Non current liabilities</b>			
Long term liabilities	30,941	9,708	27,000
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<b>Current liabilities</b>			
Trade and other payables	389,689	496,548	527,000
Bank overdrafts and loans	444,875	783,750	755,000
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	834,564	1,280,298	1,282,000
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<b>Total equity and liabilities</b>	<b>1,719,151</b>	<b>1,702,923</b>	<b>1,694,000</b>
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**Cash Flow Statement**  
**For the six months ended 30 June 2007**

	<b>6 months to 30 June 2007 (unaudited) £</b>	<b>6 months to 30 June 2006 (unaudited) £</b>	<b>6 months to 30 June 2006 (unaudited) £</b>
<b>Cash inflow from operating activities</b>			
Profit from operations	27,791	21,704	7,000
Adjustments for:			
Depreciation, amortisation and impairment	47,213	48,074	97,000
	75,004	69,778	104,000
Decrease/(increase) in inventory	469	2,055	(1,000)
Decrease/(increase) in debtors	14,640	17,360	(14,000)
Decrease in creditors	(137,312)	(31,452)	(1,000)
Cash generated from operations	(47,200)	57,741	88,000
Interest paid	(23,023)	(23,658)	(50,000)
R&D tax credit	-	20,548	21,000
Income tax paid	-	-	(5,000)
<b>Net cash (used in)/generated from operating activities</b>	<b>(70,223)</b>	<b>54,631</b>	<b>54,000</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	(45,404)	(61,387)	(95,000)
Net cash (used in) operating activities	(45,404)	(61,387)	(95,000)
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital for cash	467,785	3,150	4,000
Credit on share options and warrants	-	-	25,000
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>352,159</b>	<b>(3,606)</b>	<b>(12,000)</b>
Cash and cash equivalents at beginning of period	(723,000)	(711,000)	(711,000)
Cash and cash equivalents at end of period	(370,842)	(714,606)	(723,000)

## Notes to the Interim Results

### 1. Basis of preparation

The Interim Results for the six months ended 30 June 2007 are unaudited and do not constitute statutory accounts in accordance with section 240 of the Companies Act 1985.

Full accounts for the year ended 31 December 2006, on which the auditors gave an unqualified report and contained no statement under Section 237 (2) or (3) of the Companies Act 1985, have been delivered to the Registrar of Companies.

### 2. Adoption of International Financial Reporting Standards (IFRS)

For all periods up to 31 December 2006 Totally plc has prepared its financial statements in accordance with UK Generally Accepted Accounting Principles (UK GAAP). AIM Rules require that the annual consolidated financial statements of Totally plc for the year ended 31 December 2007 be prepared in accordance with International Financial Reporting Standards (IFRS).

Accordingly, these interim financial statements which are for the six months ending 30 June 2007 have been prepared for the first time in accordance with International Financial Reporting Standards and are covered by IFRS1, First-time Adoption of IFRS.

The information presented within these interim financial statements is in compliance with IAS 34 'Interim Financial Reporting'.

In preparing these interim financial statements the comparative figures previously reported under UK GAAP have been restated for the transition to IFRS. The disclosures required by IFRS 1 regarding the transition for the relevant periods are given in note 3 below. Unless noted the same accounting policies and methods of computation have been followed in the interim financial statements as compared to the most recent annual financial statements.

### 3. Transition from UK GAAP to IFRS

As required under IFRS 1, the equity reconciliations at 1 January 2006 (the transition date for IFRS) and at 31 December 2006 (date of last UK GAAP financial statements) are set out below. For comparative purposes, the equity reconciliation at 30 June 2006 is also included to enable a comparison of the 2007 published interim figures

The amortisation charged under UK GAAP for the year ended 31 December 2006 was charged in accordance with UK GAAP policies and was also considered necessary to bring the goodwill to an accurate carrying value. Under IFRS goodwill cannot be amortised but an impairment is instead required for the year ended 31 December 2006. The resulting loss for the year ended 31 December 2006 is therefore the same under IFRS as reported in the audited accounts prepared under UK GAAP.

### 4. Reconciliation of UK GAAP equity to IFRS equity

	<b>31 December 2006</b>	<b>30 June 2006</b>	<b>1 January 2006</b>
Capital and reserves according to UK GAAP	385,000	412,917	400,000
Effect of adopting IFRS	-	-	-
Equity according to IFRS	<u>385,000</u>	<u>412,917</u>	<u>400,000</u>

In addition the total assets, equity and liabilities reported under UK GAAP are the same as that reported under IFRS.

## **5. Earnings/(loss) per share**

The basic loss per share has been calculated by dividing the retained profit for the period of £2,540 (2006: £8,886) by the weighted average number of ordinary shares of 91,344,986 (2005: 90,014,378) in issue during the period. The diluted loss per share is the same as the basic loss per share, in accordance with FRS 14 which prescribes that potential ordinary shares should only be used as dilutive when, and only when, their conversion to ordinary shares would decrease net profit or increase net loss per share from continuing operations.

## **6. Dividends**

No dividend is proposed for the six months ended 30 June 2007.

## **7. Copies of Interim Results**

Copies of the Interim Results will be available from the Company's website ([www.totallyplc.com](http://www.totallyplc.com)) and from the Company's registered office, Unit 611, Highgate Studios, 53-79 Highgate Road, London, NW5 1TL.