

29 September 2008

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

Half-yearly results for the six month period ended 30 June 2008

Totally Plc, the AIM quoted (ticker 'TLY') international publisher and technical services provider announces its half-yearly results for the six month period ended 30 June 2008.

Summary

- Group sales less share of joint ventures £1.19 million (2007: restated: £1.29 million)
- Operating Loss £69,000 (2007: restated £5,000 loss)
- Total expenses £1.26 million (2007: restated £1.29 million)
- Totally Communications Limited has three consecutive quarters of sales growth
- Jewish News & Media Group 18 per cent. increase in second quarter sales

Chairman's Statement

I am pleased to present the results for the six months ended 30 June 2008. During the period the group made an operating loss of £69,000 (2007: restated £5,000 loss) and a loss before taxation of £89,000 (2007: restated loss £27,000) on turnover of £1.19 million (2007: restated £1.28 million). Total expenses were reduced to £1.26 million (2007: restated £1.29 million). The Company ended the period with cash and cash equivalents of £51,000 (2007: restated £74,000).

I am pleased with the progress the group has made this year against the stated objective of repositioning the business to focus on operations in the UK and towards the development of Totally Communications Limited. This division continues to make steady progress, consolidating its position within the UK's Jewish community as the preferred supplier of technology services, as well as securing a number of high profile corporate contracts.

The Jewish News and Media group, which comprises Jewish News Limited and TotallyJewish.com Limited, is operating effectively and efficiently and continues to make steady progress in a competitive and challenging marketplace.

During the period under review the board agreed to the disposal of one of the group's trading subsidiaries, the Jewish Advocate publishing corporation. The board was convinced that the poor trading performance of this business was set to continue and the decision was made to prevent it having an adverse effect on the group's trading activities and being a distraction to management.

I am confident that the group is robust enough to withstand the current slowdown in the UK economy and to deliver an improved performance for 2008 on 2007 on a like for like basis, excluding charges attributable to FRS20 share option awards and any non-recurring losses attributable to the disposal of the Jewish Advocate.

Dr Michael Sinclair, Chairman
29 September 2008

Chief Executive's Operational Review

Despite challenging trading conditions, specifically within the group's US based publishing business, the group has made steady progress in its ultimate goal to reposition itself as a business with a primary focus of delivering web-enabled technology and online marketing solutions to SMEs, membership and not for profit organisations.

Software Development and Online Marketing Division (Totally Communications, "TC")

The board took a strategic decision to close down its creative services division in January this year and focus its attentions exclusively on delivering web-enabled technology solutions, which offer higher margins of return and ongoing revenue streams, through the provision of managed services and licensing agreements including TCs proprietary content management system.

Revenues derived through the provision of technical services have improved for three consecutive quarters and revenues for the first half of 2008 improved by six per cent. when compared to like for like sales in the same period in 2007. Licensing agreements for TCs content management system made up 12 per cent of total revenues in the period under review across over 60 companies.

The board is confident that this growth will continue for the remainder of 2008.

The group has secured and received research & development tax credits for the software development expenditure for the years 2004, 2005, 2006, 2007 and 2008, totalling £202,000

During the period under review this division secured contracts and / or delivered finished software development projects for a number of high profile names as described below.

Paypoint

Paypoint is one of the UK's most recognised brands and one of the country's leading cash and internet Payments Company, handling over £4 billion in payments annually.

TC was approached following Paypoint's acquisition of two additional online payment providers, Secpay and Metacharge. Paypoint required a new customer and prospect facing website which amalgamated all three brands. The project was subject to very tight timescales and TC's experience and technology offered a low-risk approach which resulted in the implementation of an extremely search engine friendly, high-usage, fast downloading robust website, delivered ahead of schedule.

www.paypoint.net

Power

POWER is Europe's number one independent producer and distributor of high quality, award-winning series, mini-series and movies for television.

TC's brief was to upgrade Power's website and look at streamlining its workflows and processes particularly around client interaction. TC recently implemented Power's new website and introduced a client extranet allowing access to information about Power's titles with online access to associated marketing material and downloads to client purchased titles, removing a tier of manual intervention.

www.powcorp.com

TC also continued to consolidate its position as the leading provider of technical services to charities within the UKs Jewish community and completed the following projects during the period under review:

World Jewish Relief

Founded in 1933, World Jewish Relief (“WJR”) is the main overseas aid arm of the UK Jewish community. WJR provides vital welfare support in the form of food, medication and fuel as well as sustaining and renewing Jewish life in communities across the world. With its global outlook today, WJR is positioned as the charity to channel the UK Jewish community’s response to disasters and need affecting the international community regardless of race, religion or nationality.

TC constructed WJR’s original website a number of years ago, and recently won the contract for its second generation online proposition. TC created a visually stimulating interactive website underpinned by TC’s proprietary software; with the resulting proposition winning WebAwards Non-Profit Standard of Excellence award.

www.wjr.org.uk

www.webaward.org/winner.asp?eid=10290

United Jewish Israel Appeal

United Jewish Israel Appeal (“UJIA”) is a leading charity with annual income in excess of £18million and whose mission is to help to guarantee a sustainable and positive future for the UK’s Jewish community and the people of the Galil, northern Israel. This is done through investment in young people and education.

TC constructed a sizable interactive website supporting information flow and fundraising activities, along with web-enabled support software to capture and resize photos and videos from tour groups across the world enabling instant availability via their website. Extremely tight timescales were met by utilising a number of different components of TC’s proprietary website software suite including Content Management, Online Ticketing and Photo Management.

www.ujia.org

Totally Communications

During the period under review TC re-launched its own website and brand in attempt to better convey its product and service set and to attract new clients.

The result was a ‘Best in Class’ award from the Interactive Media Council. The Interactive Media Awards™ recognises the highest standards of excellence in website design and development and honor individuals and organizations for their outstanding achievement.

Post Balance Sheet Events

Roedean Girls School

Roedean is an extremely well known, high profile, leading independent boarding and day school for girls, based in Brighton.

TC pitched for and won the contract to re-design and construct Roedean’s new website by responding to its brief of wanting to be positioned ‘differently’ from its competitors. TC designed a stunning main website for Roedean along with a uniquely positioned separate ‘pupils’ website. Both propositions are underpinned by TC’s proprietary Content Management System.

Projects launch October 2008

Treating Autism

Treating Autism exists to help people with autism and their families reach their potential and live life free of discomfort, anxiety and pain.

TC was approached to re-design and construct a new interactive website for the charity. TC's vast experience in the not for profit sector helped Treating Autism define its proposition, resulting in a phased implementation enabling online tickets to be purchased online for its up-coming International Biometric Conference. The website is underpinned by TC's robust, fully hosted and supported proprietary Content Management System, with TC's proprietary online ticketing system selected as an 'add on'.

www.treatingautism.co.uk

Publishing Division

US – Jewish Advocate

Difficult trading conditions during the period under review resulted in this division posting a like for like for sales decrease of 9%.

The directors have stated their strategy of positioning Totally as a business whose efforts are to be concentrated on the delivery of technical and online marketing services and it was for this reason, and the concern over the potential of this business to become a drag on both the bottom line of the core business and management efforts, which led to the decision to dispose of it.

UK - Jewish News & Media Group

Despite tough trading conditions in the UK advertising market the UK Publishing division known as the "Jewish New Media Group" recovered from a difficult first quarter to report an overall revenue decrease of only 2 per cent. during the period under review and an 18 per cent. increase in revenues in the second quarter of the year, against like for like sales during the same period in 2007. This increase was as a direct result of the publication of two issues of the newly launched glossy lifestyle magazine called Pulse, which is distributed bi-monthly with the Jewish News newspaper.

The directors remaining confident that this business unit is robust enough to withstand the difficulties that advertising led businesses are facing in this current economic climate. Moreover, given its position in the UKs Jewish community as leading publisher, it still continues to provide lucrative introductions to Totally Communications.

Daniel Assor, Chief Executive Officer
29 September 2008

For further information:

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Consolidated Income Statement

For the six months ended 30 June 2008

	Six months ended 30 June 2008 (unaudited) £000	Six months ended 30 June 2007 (unaudited) £000 (Restated - see Note 1)	Year ended 31 December 2007 (audited) £000
Turnover: group and share of joint ventures	1,220	1,317	2,704
Less: Share of joint ventures	(26)	(30)	(60)
Group Turnover	1,194	1,287	2,644
Cost of sales	(208)	(195)	(488)
Gross Profit	986	1,092	2,156
Administrative expenses	(1,055)	(1,097)	(2,474)
Group operating loss	(69)	(5)	(318)
Share of profit/(loss) from operations of joint ventures after taxation	2	(2)	(4)
Finance costs	(22)	(20)	(38)
Loss before taxation	(89)	(27)	(360)
Taxation	18	24	17
Loss for the period	(71)	(3)	(343)
Loss per share (pence) – basic and diluted	(0.06)p	-	(0.30)p

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2008

Period to 30 June 2008	Share capital £000	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000	Equity shareholders' funds £000
At 1 January 2008	1,124	3,353	1	(3,947)	531
Loss for the period	-	-	-	(71)	(71)
At 30 June 2008	1,124	3,353	1	(4,018)	460

Balance sheet
As at 30 June 2008

	As at 30 June 2008 (unaudited) £000	As at 30 June 2007 (unaudited) £000 (Restated - see Note 1)	As at 31 December 2007 (audited) £000
Assets			
Non-current assets			
Tangible fixed assets	23	19	27
Other intangible assets	1,015	1,228	1,014
	<hr/> 1,038	<hr/> 1,247	<hr/> 1,041
Current assets			
Newsprint inventory	2	5	8
Trade and other receivables	358	434	433
Cash and cash equivalents	51	74	94
	<hr/> 411	<hr/> 513	<hr/> 535
Total Assets	<hr/> <hr/> 1,449	<hr/> <hr/> 1,760	<hr/> <hr/> 1,576
Equity and liabilities			
Equity			
Share capital	1,124	1,124	1,124
Share premium	3,353	3,353	3,353
Translation reserve	1	1	1
Retained Earnings	(4,018)	(3,620)	(3,947)
	<hr/> 460	<hr/> 858	<hr/> 531
Non current liabilities			
Investments in joint ventures	32	29	28
Current liabilities			
Trade and other payables	389	421	475
Bank overdrafts and loans	568	452	542
	<hr/> 957	<hr/> 873	<hr/> 1,017
Total equity and liabilities	<hr/> <hr/> 1,449	<hr/> <hr/> 1,760	<hr/> <hr/> 1,576

Cash Flow Statement

For the six months ended 30 June 2008

	Six months to 30 June 2008 (unaudited) £000	Six months to 30 June 2007 (unaudited) £000 (Restated - see Note 1)	Year to 31 December 2007 (audited) £000
Cash inflow from operating activities			
Loss from operations	(69)	(5)	(318)
Adjustments for:			
Depreciation, amortisation and impairment	22	50	274
Equity settled share based payment	2	9	21
Share of joint venture loss	-	-	(4)
Operating cash flows before movements in working capital	(45)	54	(27)
Increase in inventory	(6)	-	(3)
(Increase)/Decrease in receivables	(75)	14	(11)
Increase/(Decrease) in payables	86	(108)	(52)
Cash used in operations	(40)	(40)	(93)
Interest paid	(22)	(20)	(38)
R&D tax credit	18	-	24
Income tax paid	-	-	(7)
Net cash used in operating activities	(44)	(60)	(114)
Cash flows from investing activities			
Purchase of intangible assets	(25)	(62)	(80)
Cash flows from financing activities			
Issue of ordinary share capital for cash	-	467	467
Receipt for the exercise of share options	-	-	2
Net (decrease)/increase in cash and cash equivalents	(69)	345	275
Cash and cash equivalents at beginning of period	(448)	(723)	(723)
Cash and cash equivalents at end of period	(517)	(378)	(448)

Notes to the half-yearly results

1. Basis of preparation

The half-yearly results for the six months ended 30 June 2008 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 2007, 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.

The results for the six months to 30 June 2007 have been restated due to the introduction of additional IFRS accounting treatments, a tax credit and other minor accounting amendments that were required owing to certain timing issues.

2. Loss per share

The basic loss per share has been calculated by dividing the retained loss for the period of £70,826 (2007: £2,540) by the weighted average number of ordinary shares of 112,447,934 (2007: 91,344,986) 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.

3. Dividends

No dividend is proposed for the six months ended 30 June 2008.

4. Post balance sheet events

On 21 September 2008, the Company entered into a share transfer agreement whereby it conditionally agreed to transfer the entire share capital of Jewish Advocate Publishing Corporation ("Jewish Advocate") to The Zvhil-Mezbuz Rebbe, Grand Rabbi Y.A.Korff of Boston ("the Rebbe"). In consideration for the transfer to him of the entire share capital of Jewish Advocate, the Rebbe has agreed that 20,500,000 of the ordinary shares of £0.01 each ("Ordinary Shares") that he holds in the capital of the Company will be redesignated as Deferred Shares (as defined in the articles of association) and that warrants to subscribe for 4,394,350 Ordinary Shares that he holds will be cancelled. In addition, the Rebbe will be released from his guarantee obligations under the £700,000 banking facility with Bank Hapoalim, which was renewed on 2 July 2008. The transaction was classified as a related party transaction under the AIM Rules as the Rebbe is a director of the Company. The transaction was approved by shareholders at the general meeting of the Company on 25 September 2008.

5. Copies of half-yearly results

Copies of the half-yearly results will be available shortly from the Company's website (www.totallyplc.com) and from the Company's registered office, Unit 611, Highgate Studios, 53-79 Highgate Road, London NW5 1TL.