

Company Atelis PLC
TIDM ATEL
Headline Interim Results
Released 07:00 26-Sep-06

Atelis PLC
26 September 2006

26th September 2006

ATELIS PLC
("Atelis" or the "Company")

Interim Results

Atelis plc, a specialist telecoms company, today announces unaudited Interim Results for the period ended 30th June 2006. This is the Company's first set of results since it listed on AIM in May 2006.

Highlights:

- Successful IPO to support and fund the sales of the Company's VoIP solution on an international basis.
- Expanded international reseller network to seven.
- Extension of reseller agreement with Bezeq in Israel.
- IBM have given approval for Atelis products to join its Worldwide GTU (Global Technology Unit) network.
- Successfully installed Midas Telecom switch.
- Initial revenue generation post launch - revenues increased 157% to £188,340, compared to £73,294 for the year ended 31st December 2005.
- Loss before tax decreased to £444 compared to a loss of £12,532 for the year ended 31st December 2005.
- Strong pipeline of opportunities both in core VOIP business and other specialist telecoms solutions.

Andrew Caird, Executive Chairman of Atelis commented: "The business has progressed well since our IPO in May and we are trading in line with management

progress well. We are now starting to see growing interest in the market for our VoIP solutions and an increase in opportunities for our products around the world. The proceeds from the IPO have been used thus far to raise the profile of Atelis through targeted marketing initiatives, such as the attendance at key industry trade shows, and to invest in development of the product. We have grown our network of channel partners, which is fundamental to our growth strategy and we are on track to achieve a successful outcome for the year.

Results

It is encouraging to see that revenues for the half-year increased 157% to £188,340 (FY2005: £73,294). Whilst this is a promising start, I think more importantly, it supports our view that we have an attractive product and service offering which bodes well for the future growth of the Company.

Loss on ordinary activities before tax decreased to £444 (FY2005: £12,532).

Net funds carried forward increased to £386,272 (FY2005: £173).

Operations

Atelis' software continues to meet the high standards expected by the world's leading technology and Tier 1 phone companies. IBM has recently approved the Atelis products to be part of its Global Technology Unit (GTU) and will assist the Company in selling our solution to IBM clients through their World Wide GTU network.

We continue to work closely with Bezeq International in Israel and have extended our partnership with them, successfully deploying our 188' International Operator Assisted Dial Switch on the Bezeq network. A further order has recently been received to enhance the switch.

The installation of the telecom switch with Midas is a step forward for Atelis, supporting Midas as they resell VoIP products to their three main markets of Spain, the UK and South Africa.

The Company has increased its resellers from four, at the time of the IPO to

seven. The Company continues to see this as an important route to market for its products.

Trade Shows

Atelis exhibited in the VON (Voice Over Network) Show in Boston, USA, 14-16 September 2006. The show was the first time that Atelis publicly presented its flagship product, the Atelis Access Board Switch.

Atelis also attended the VON Israel Show during July 2006. All the major manufacturers sponsored the VON. Atelis received important recognition because of its commitment to open source Telephony.

Outlook

The business has progressed well since our IPO in May and we are trading in line with management expectations. We are also pursuing several significant opportunities in complimentary areas which if successful are expected to accelerate the take up of Atelis' products. Our strong technological expertise, innovative products and the continued growth in the market for VoIP and advanced telephony solutions, gives the Board confidence in achieving a successful outcome for the year.

Atelis PLC

Group Profit and Loss account
For the six month period ended 30 June 2006

ended	Six months	Year
Dec	Ended	31
2005	30 June	
	2006	
£	£	
Turnover	188,340	
73,294		
Cost of Sales	(15,418)	
(21,921)		
Gross Profit	172,922	
51,373		

Administrative expenses (63,905)	(173,366)
Loss on ordinary activities before Taxation (12,532)	(444)
Tax on loss on ordinary activities (18,324)	(8,608)
Loss on ordinary activities after taxation (30,856)	(9,052)
Loss per share	
Basic loss per share in pence (0.2p)	(0.0004p)
Diluted loss per share (0.2p)	(0.0004p)

Unaudited Consolidated Balance Sheet
As at 30 June 2006

ended	Six months	Year
31 Dec	Ended	
2005	30 June	
	2006	
	£	
£		
FIXED ASSETS		
Tangible assets	149,197	
1,001		
	149,197	
1,001		
CURRENT ASSETS		
Stock	2,209	
-		
Debtors	292,680	
73,294		
Cash at bank and in hand	386,272	
173		
	681,161	
73,467		
CREDITORS		

Amounts falling due within one year (55,324)	(228,372)
NET CURRENT ASSETS 18,143	452,789
NET ASSETS 18,143	601,986
CAPITAL AND RESERVES	
Called up share capital 50,000	62,563
Share premium account -	579,331
Profit and loss reserve (30,856)	(39,908)
Equity shareholders funds 18,143	601,986

Unaudited Consolidated Cashflow Statement
For the six months ended 30 June 2006

ended	Six months	Year
31 Dec	Ended	
2005	30 June	
	2006	
	£	
Net cash outflow from operating Activities (48,825)	(29,995)	
Capital expenditure and financial Investment (1,001)	(175,800)	
Net cash outflow from capital Expenditure and financial Investment (49,826)	(205,795)	
Financing 49,999	591,894	
Increase in cash 173	386,099	
Reconciliation of net cash flow to		

Movement in net funds

Increase in cash 173	386,099
Net funds brought forward -	173
Net funds carried forward 173	386,272

Notes to the Unaudited Interim Accounts
For the Six Months ended 30 June 2006

1. Compliance with accounting standard

The financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost convention. The principal accounting policies of the Group are set out in the Group's annual report and financial statements.

2. Statutory accounts

The financial information set out above does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

3. Dividends

The directors do not recommend the payment of a dividend.

4. Consolidated accounts

The Group financial statements consolidate the accounts of the Company and its interest in subsidiary undertakings. Overseas subsidiaries are consolidated using the closing rate method. Foreign exchange differences arising on consolidation are taken to reserves.

5. Comparative figures

The results for the year ended 31 December 2005 relate to the Company only, as the subsidiary was acquired during the year.

5. Basic and diluted loss per ordinary share

The calculation of basic loss per share is based on loss after taxation of £9,052 (2005: £30,856) and on 20,839,917 ordinary shares (2005: 12,493,301)

being the weighted average number of ordinary shares in issue during the year.

The calculation of diluted loss per share is based on loss after taxation of

£9,052 (2005: £30,856) and on 20,839,917 ordinary shares (2005: 12,493,301)

being the weighted average number of ordinary shares in issue. There were no

dilutive share options or warrants outstanding in the year.