**FOR RELEASE**
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**15 JULY 2013**

**ACCESS INTELLIGENCE PLC**
("Access Intelligence" or "the Group")

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR**

**THE SIX MONTHS TO 31 MAY 2013**

Access Intelligence Plc (AIM: ACC), a leading supplier of Software-as-a-Service (SaaS) solutions for the full life cycle management of a company's governance, risk and compliance, announces its unaudited half year results for the six months ended 31 May 2013.

| | **Unaudited 6 months to 31 May 2013** | **Unaudited 6 months to 31 May 2012** |
|---|---|---|
| | (£'000) | (£'000) |
| **Continuing operations** | | |
| Revenue | 4,184 | 3,930 |
| Adjusted EBITDA | 221 | 127 |
| Exceptional re-organisation and centralisation costs | - | (224) |
| Share Based Payments | (18) | (25) |
| EBITDA | 203 | (122) |
| Total loss before tax | (30) | (216) |
| Continuing operations | | |
| Basic loss per share (pence) | (0.01) | (0.09) |
| Diluted loss per share (pence) | (0.01) | (0.09) |

There were no discontinued operations in the period

**Highlights:**

- Revenue up 6% year on year to £4.2m (H1 2012: £3.9m)
- Contracted revenue not yet invoiced up 25% to £5.5m; (H1 2012: £4.4m)
- Recurring revenue of £3.0m (H1 2012: £2.7m), being 72% (H1 2012: 68%) of total revenue
- Loss before taxation was £30k (H1 2012: loss £216k)
- Cash balance at 31 May 2013 £2.3m (H1 2012: £3.2m)
- Due North and AIControlPoint brands recognised by industry leading analysts Gartner

Michael Jackson, Executive Chairman, commented: "Access Intelligence continues to leverage its reputation and position within the expanding Governance, Risk and Compliance (GRC) market to drive long term shareholder and customer value. In the first half of 2013 we have continued to invest in product innovation, sales and marketing, which is driving the Company's growth in a tough economic climate and this trend will continue during the second half of the year. Our centre of excellence in York goes from strength to strength and enables our brands to benefit from shared technologies, which will drive revenue synergy in the future."

**For further information:**


| | |
|---|---|
| **Access Intelligence plc** | 0207 400 0485 |
| Michael Jackson (Executive Chairman) | |
| Joanna Arnold (COO) | |
| Kole Dhoot (CFO) | |
| | |
| **Sanlam Securities** | |
| Simon Clements / Katie Shelton | 020 7628 2200 |
| | |
| **Newgate Threadneedle** | |
| Josh Royston/ Heather Armstrong | 020 7653 9850 |

## Chairman's Statement

I am pleased to announce our results for the six months ended 31 May 2013, which demonstrate the Company's continued progress in line with our strategy. The results reflect the investment in our York based development centre, which is enabling us to produce industry leading software innovation.

## Results

The Company's revenue was up by 6% to £4,184,000 (H1 2012: £3,930,000). The Company's operating profit before taxation was £28,000 (H1 2012: loss £198,000), which includes charges of £176,000 for depreciation and amortisation (H1 2012: £76,000) and £18,000 for share based payments (H1 2012: £25,000).

Cost of sales decreased to £1,117,000 (H1 2012 £1,300,000) due to lower per unit messaging costs at AIControlPoint and lower sub-contractor costs at AITrackRecord and AITalent.

Operating costs rose to £3,021,000 (H1 2012 £2,803,000), reflecting the investment made in central functions as well as at subsidiary operating level, providing expertise in sales, development and training, HR and Finance.

The basic loss per share was 0.01p (H1 2012: loss 0.09p).

The Company had net cash at the end of the period of £2,272,000 (H1 2012: £3,192,000).

On 26 April 2013, an annual dividend of 0.05 pence per share was paid, in respect of 2012, following shareholder approval at our Annual General Meeting on 22 April 2013.

## Strategy

Access Intelligence has continued to see growing demand for its solutions as a result of the heightened pressure, from the public, government and media, to ensure responsible corporate governance and compliance with industry regulations.

Research, development and technical activities remain critical to our corporate strategy and during the first half of 2013 we have expensed £756,000 (H1 2012: £439,000) and capitalised software development costs of £727,000 (H1 2012: £284,000). The investment in product innovation ensures we meet our commitment to producing market leading technology and continue to drive strong performance in highly regulated industries.

As a result of in-house expertise and trusted partnerships with our customers, we have seen growing demand for our professional services and account management team in the first half of 2013. There has been a growing requirement from key customer accounts to extend the use of our solutions for greater integration with their corporate strategic objectives.

Whilst the public sector has experienced ongoing restructuring and spending cuts, the Company has maintained a competitive advantage largely due to our ability to consistently deliver solutions that mitigate risk, reduce costs and improve productivity.

The SaaS business model continues to drive value for our customers, whilst also delivering a foundation of long term stability and growth for our shareholders. This is evident in the 25% increase in first half revenues contracted but not yet invoiced at £5.5m (H1 2012: £4.4m).

## The half year in focus

### 1. GRC Software Portfolio:

**AIMediaComms:** The public sector is still encumbered by tighter budgetary controls, however AIMediaComms has continued to see growth and despite strong competition, has signed up 13 new public sector customers in the first half of 2013. The brand maintains steady growth in the private sector with new customer acquisitions including G4S, Skanska and Scottish and Southern Energy. Further development has strengthened the product offering to include modules for public affairs and complaints handling ensuring that AIMediaComms continues to differentiate itself from its competitors.

**Due North:** Changes to the structuring of government procurement bodies has increased the average sales cycle at Due North. Despite this, the brand has maintained its position as a market leader in the public sector with over 20 NHS organisations, 95% of police forces, 70% of London Boroughs and 7 of the 9 regional efficiency improvement partnerships.

The Due North solution has received recognition from industry leading analysts, Gartner, featuring on their Magic Quadrant for Strategic Sourcing Applications Suites for the first time. Gartner have highlighted Due North's "strong audit trail" and unique functionality as key strengths. The development of the new private sector solution continues, with functionality such as the new eAuctions module already delivering significant cost savings for customers such as Spirit Pubs Group.

**AITalent**: During the period, AITalent, has made significant progress in improving performance of the existing product. This focus resulted in operating losses before exceptional costs increasing to £115,000 (H1 2012: loss £70,000). Encouragingly, no turnaround costs were incurred in the half, whereas for the comparative period last year £139,000 was incurred. Therefore, total losses decreased to £115,000 (H1 2012: £209,000).

The brand continues to see strong demand for the learning compliance suite in highly regulated niche markets, due to the solutions ability to meet specific regulatory requirements. The Company has invested in additional industry specific account management and professional services expertise to provide best of breed support to our growing regulated customers.

Whilst total sales at AITalent are lower than in the corresponding half last year, this is due to fewer one off contracts which were executed by high cost sub-contractors, and thereby at reduced margin. Importantly, the successful integration of AITalent into the head office has delivered a positive impact on the growth of the pipeline as well as the management of day to day. This has contributed to the brand increasing recurring revenue by 16% compared with H1 2012.

**AITrackRecord:** The changes to regulation in the financial services market continue to strengthen the importance of the AITrackRecord solution for our customer base. AITrackRecord has seen increased application of the solution in new departments within existing customers, which has and will continue to deliver strong performance for the brand in the current financial year. In addition there has been substantial interest from both new and existing customers to adopt the new product development, which they have recognised will provide significant additional functional and performance benefits.

**AIControlPoint:** AIControlPoint has continued to see growth in its key vertical markets of oil and gas, aviation and finance and has been able to further expand into additional high risk industries.

AIControlPoint, like Due North, has also been recognised by Gartner for the application of its solution in the business continuity and incident management industry, having been awarded 'Cool Vendor' status. Gartner have highlighted the value of the AIControlPoint solution for business continuity and risk managers who want to mature their mitigation processes and monitor costly day to day business interruptions. Referrals through customers and recognition from industry analysts continue to reinforce AIControlPoint's position as the 'weapon of choice' for incident management.

**York Development Centre:** We have invested significantly in creating a state of the art development centre in York. This provides the foundations to developing our product suite with leading edge innovation. Our commitment has resulted in capitalised development costs of over £700,000 in the first half and we are on track with our plans for this year.

**2. IT Support Services**

**Willow Starcom:** Despite a challenging competitive climate for hosted solutions, Willow Starcom continues to have strong growth in the SME market, with half year revenues up over 20% year on year. Willow Starcom's hosted infrastructure solution, under the AICloud brand, has continued to deliver significant value for Access Intelligence's customers, providing a competitive advantage to the brands and underlining the pivotal role that Willow Starcom plays within the Group.

**Directors and Senior Management**

On 22 April 2013, Ray Jackson ceased to be a director of the company.

**Current Trading**

Despite challenging market conditions, the Group has maintained a strong position in the public and private sectors, with H1 2013 contracted revenue not yet invoiced up 25% to £5.5m (H1 2012: £4.4m), and recurring revenue now representing 72% of the total (H1 2012: 68%).

Product innovation remains core to our ability to drive growth in the individual brands, both in their respective markets and as an integrated enterprise solution. This, combined with continued pressure on companies to meet the requirements of external regulators and internal cost management, will continue to drive sales pipeline growth for the Group.

The consistent increases year on year in contracted revenue not yet invoiced, our recurring revenue base and investment in innovative product development, demonstrate the Group's long term stability and provide a solid foundation for continued growth.

Michael Jackson
Chairman

**Access Intelligence plc**
**Consolidated Statement of Comprehensive Income**
**for the 6 months to 31 May 2013**

There were no recognised gains and losses in the period, or in prior periods, other than the results below

| | Notes | Unaudited 6 months to 31-May-13 £'000 | Unaudited 6 months to 31-May-12 £'000 | Audited Year to 30-Nov-12 £'000 |
|---|---|---|---|---|
| **Revenue** | | 4,184 | 3,930 | 8,053 |
| Cost of sales | | (1,117) | (1,300) | (2,398) |
| **Gross profit** | | 3,067 | 2,630 | 5,655 |
| Administrative expenses | | (3,021) | (2,803) | (6,009) |
| Share based payments | | (18) | (25) | (36) |
| **Operating profit/ (loss)** | | 28 | (198) | (390) |
| Financial income | | 6 | 22 | 23 |
| Financial expenses | | (64) | (40) | (130) |
| **Loss before tax** | | (30) | (216) | (497) |
| Taxation | | 5 | - | 383 |
| **Loss for the period** | | (25) | (216) | (114) |
| **Other comprehensive income** | | - | - | - |
| **Total comprehensive loss for the period attributable to the owners of parent company** | | (25) | (216) | (114) |
| **Earnings per share** | | | | |
| Continuing operations | | Pence | Pence | Pence |
| Basic loss per share | 2 | (0.01) | (0.09) | (0.05) |
| Diluted loss per share | 2 | (0.01) | (0.09) | (0.05) |

**There were no discontinued operations in the period**

## Consolidated Statement of Financial Position
## at 31 May 2013

| | Unaudited | Unaudited | Audited |
|---|---|---|---|
| | At 31 May 2013 | At 31 May 2012 | At 30 Nov 2012 |
| | £'000 | £'000 | £'000 |
| **Non-current assets** | | | |
| Property, plant and equipment | 509 | 311 | 472 |
| Intangible assets | 9,500 | 8,415 | 8,846 |
| Deferred tax asset | 720 | 199 | 720 |
| **Total non-current assets** | 10,729 | 8,925 | 10,038 |
| **Current assets** | | | |
| Inventories | 168 | 239 | 191 |
| Trade and other receivables | 2,599 | 2,549 | 2,244 |
| Cash and cash equivalents | 2,272 | 3,192 | 2,772 |
| **Total current assets** | 5,039 | 5,980 | 5,207 |
| **Total assets** | 15,768 | 14,905 | 15,245 |
| **Current liabilities** | | | |
| Trade and other payables | 1,150 | 1,285 | 1,012 |
| Accruals and deferred income | 3,643 | 3,105 | 3,400 |
| Current income tax liabilities | 5 | - | - |
| **Total current liabilities** | 4,798 | 4,390 | 4,412 |
| **Non-current liabilities** | | | |
| Trade and other payables | - | - | 37 |
| Interest-bearing loans and borrow | 1,236 | 1,197 | 1,217 |
| Deferred tax liabilities | 502 | 368 | 494 |
| **Total non-current liabilities** | 1,738 | 1,565 | 1,748 |
| **Total liabilities** | 6,536 | 5,955 | 6,160 |
| **Net assets** | 9,232 | 8,950 | 9,085 |
| | | | |
| **Equity** | | | |
| Share capital | 1,324 | 1,286 | 1,286 |
| Treasury Shares | (148) | (148) | (148) |
| Share premium | 224 | - | - |
| Capital redemption reserve | 191 | 191 | 191 |
| Share option valuation reserve | 309 | 251 | 284 |
| Equity reserve | 126 | 126 | 126 |
| Retained earnings | 7,206 | 7,244 | 7,346 |
| **Total equity attributable to equity shareholders** | 9,232 | 8,950 | 9,085 |

**Consolidated Statement of Changes in Equity**
**for the 6 months to 31 May 2013**

| Group | Share capital £'000 | Treasury Shares | Share premium account £'000 | Capital redemption reserve £'000 | Share option valuation reserve £'000 | Equity reserve £'000 | Retained earnings £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| At 1 December 2011 | 1,286 | (148) | - | 191 | 226 | 126 | 7,915 | 9,596 |
| Total comprehensive income for the period | | - | - | - | - | - | (216) | (216) |
| Share-based payments | - | - | - | - | 25 | - | - | 25 |
| Dividends recognised as distributions to owners | - | - | - | - | - | - | (455) | (455) |
| **At 31 May 2012** | **1,286** | **(148)** | **-** | **191** | **251** | **126** | **7,244** | **8,950** |
| At 1 June 2012 | 1,286 | (148) | - | 191 | 251 | 126 | 7,244 | 8,950 |
| Total comprehensive income for the period | - | - | - | - | - | - | 102 | 102 |
| Share-based payments | - | - | - | - | 11 | - | - | 11 |
| Tax reversal relating to share-based payment | - | - | - | - | 22 | - | - | 22 |
| **At 30 November 2012** | **1,286** | **(148)** | **-** | **191** | **284** | **126** | **7,346** | **9,085** |
| At 1 December 2012 | 1,286 | (148) | - | 191 | 284 | 126 | 7,346 | 9,085 |
| Total comprehensive income for the period | - | - | - | - | - | - | (25) | (25) |
| Share-based payments | - | - | - | - | 25 | - | - | 25 |
| Dividends recognised as distributions to owners | - | - | - | - | - | - | (115) | (115) |
| New shares issued less direct costs | 38 | - | 224 | - | - | - | - | 262 |
| **At 31 May 2013** | **1,324** | **(148)** | **224** | **191** | **309** | **126** | **7,206** | **9,232** |

## Consolidated Statement of Cash Flow
## for the 6 months to 31 May 2013

| | Unaudited | Unaudited | Audited |
|---|---|---|---|
| | 6 months to | 6 months to | Year to |
| | 31-May-13 | 31-May-12 | 30-Nov-12 |
| | £'000 | £'000 | £'000 |
| **Cash flows from continuing operating activities** | | | |
| Loss for the period attributable to equity shareholders of the parent | (25) | (216) | (114) |
| Adjustments for: | | | |
| Depreciation | 103 | 76 | 154 |
| Amortisation of intangible assets | 73 | - | 122 |
| Share option valuation charge | 18 | 25 | 36 |
| Financial income | (6) | (22) | (23) |
| Financial expense | 64 | 40 | 130 |
| Taxation | (5) | - | (383) |
| **Operating cash inflow/(outflow) before changes in working capital and provisions** | 222 | (97) | (78) |
| Increase in trade and other receivables | (354) | (617) | (555) |
| Decrease in inventories | 23 | 14 | 62 |
| Increase in trade and other payables | 382 | 551 | 634 |
| **Net cash inflow/(outflow) from the continuing operations** | 273 | (149) | 63 |
| Tax received | 5 | - | 20 |
| **Net cash inflow/ (outflow) from continuing operating activities** | 278 | (149) | 83 |
| **Cash flows from investing in continuing activities** | | | |
| Interest received | 6 | 22 | 23 |
| Acquisition of property, plant and equipment | (140) | (62) | (462) |
| Proceeds of sale of subsidiary (net) | - | - | 243 |
| Cost of software development | (727) | (284) | (715) |
| **Net cash (outflow)/inflow from investing in continuing activities** | (861) | (324) | (911) |
| **Cash flows from financing continuing activities** | | | |
| Interest paid | (64) | (40) | (80) |
| Issue of equity share capital | 262 | - | - |
| Repayment of borrowings | - | - | (25) |
| Payment of dividend | (115) | (455) | (455) |
| **Net cash outflow from financing continuing activities** | 83 | (495) | (560) |
| Net (decrease)/increase in cash and cash equivalents | (500) | (968) | (1,388) |
| Opening cash and cash equivalents | 2,772 | 4,160 | 4,160 |
| **Closing cash and cash equivalents** | 2,272 | 3,192 | 2,772 |

## Notes

### 1. Unaudited notes

**Basis of preparation and accounting policies**
The condensed financial statements are unaudited and were approved by the Board of Directors on 15 July 2013.

The interim financial information for the six months ended 31 May 2013, including comparative financial information, has been prepared on the basis of the accounting policies set out in the last annual report and accounts, with the exception of the amendment to IAS 1 (Presentation of Financial Statements) referred to below, and in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 (Interim Financial Reporting), as issued by the International Accounting Standards Board and adopted by the European Union.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may subsequently differ from those estimates.

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same, in all material respects, as those applied to the consolidated financial statements for the year ended 30 November 2012.

The Group has elected to present comprehensive income in one statement.

**Going concern assumption**
The Group manages its cash requirements through a combination of operating cash flows and long term borrowings in the form of convertible loan notes.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its existing cash deposits.

Consequently, after making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

**Information extracted from 2012 Annual Report**
The financial figures for the year ended 30 November 2012, as set out in this report, do not constitute statutory accounts but are derived from the statutory accounts for that financial year.

The statutory accounts for the year ended 30 November 2012 were prepared under IFRS and have been delivered to the Registrar of Companies. The auditors reported on those accounts. Their report was unqualified, did not draw attention to any matters by way of emphasis and did not include a statement under Section 498(2) or 498(3) of the Companies Act 2006.

### 2. Earnings per share

The calculation of earnings per share is based upon the loss after tax for the respective period, for continuing operations only. The weighted average number of ordinary shares used in the calculation of basic earnings per share is based upon the number of ordinary shares in issue in each respective period. This has been adjusted for the effect of potentially dilutive share options granted under the company's share option schemes and in connection with the convertible loan notes in calculating the diluted earnings per share.

This has been computed as follows:

| **Continuing operations** | **H1 2013** | | **H1 2012** | | **FY 2012** | |
|---|---|---|---|---|---|---|
| | | | | | | |
| | **Basic** | **Diluted** | **Basic** | **Diluted** | **Basic** | **Diluted** |
| Loss after tax (£000's) | (25) | (25) | (216) | (216) | (114) | (114) |
| | | | | | | |
| Number of shares | 235,110,347 | 302,370,762 | 227,604,029 | 300,257,811 | 227,604,029 | 227,604,029 |
| | | | | | | |
| Loss per share (pence) | (0.01) | (0.01) | (0.09) | (0.09) | (0.05) | (0.05) |

There were no discontinued operations in the period.

This statement will be available at the Company's registered office at 32 Bedford Row, London WC2R 4HE and on the Company's website www.accessintelligence.com.