



**NetDimensions (Holdings) Limited**  
**(“NetDimensions”, the “Group” or the “Company”)**

**Interim Results for the six months ended 30 June 2008**

NetDimensions is a software publisher that provides companies, government agencies and other organizations with enterprise-class performance, knowledge and learning management related software and services, enabling its clients to manage the delivery and administration of their training programs.

**NetDimensions delivers a strong trading performance**

**Financial Highlights**

- Sales for the six months to 30 June 2008 increased by 37% to US\$2.94 million (2007: US\$2.15 million)
- First half profit of US\$0.09 million
- The Group has continued to generate positive cash flows of US\$0.84 million from its operating activities in the last six months
- As at 30 June 2008, the Company had cash at bank of US\$6.4 million with no borrowings
- Second half results are expected to be stronger, in line with the Company's historical trends

**Operations Highlights**

- Added 47 new clients including DAK Americas LLC, PricewaterhouseCoopers Services Pty Ltd. (Australia), The Miami Herald and Electrabel Nederland
- Formed a joint venture with a leading IT Services company listed on the Singapore Stock Exchange
- Released the latest 5.0 version of flagship product, EKP
- Launched ISO 9000/9001 Quality Management Program

Roger Durn, Chairman, commented: “I am pleased to present an excellent set of results. We have delivered substantial revenue growth and added 47 new clients in the last six months. We have continued to generate cash, increase revenues and invest for future growth while managing costs in a challenging economic environment.

Given that NetDimensions has traditionally generated the majority of its annual revenues in the second half of the year and that we are seeing continued growth in our target markets, the Company is confident of adding new clients in the second half of 2008 and of continuing to see substantial revenue and profit growth. ”

**Enquiries:**

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**CHAIRMAN'S STATEMENT****Introduction**

We are pleased to present our results for the six months to 30 June 2008. The Company made substantial progress in the first half of the year with sales increased by 37% to US\$2.94 million (2007: US\$2.15 million), which led to a profit of US\$0.09 million for the period. Trading performance was driven by repeat business and sales to 47 new clients.

**Financial Review**

For the six months to 30 June 2008, total revenues increased by 37% to US\$2.94 million. License revenue increased 31% to US\$1.46 million from US\$1.11 million in the same period last year and hosting revenue increased 51% to US\$0.98 million from US\$0.65 million in the same period last year.

The Company has continued to focus on cost management and the development of direct and channel sales capabilities.

The Group's cash position remains strong with cash generated from its operating activities of US\$0.84 million during the first half of fiscal 2008. As at 30 June 2008, the Company had cash of US\$6.4 million with no borrowings. Deferred revenue at June 30, 2008 increased 48% to US\$1.5 million from US\$1.0 million in the same period last year.

The Board is currently not recommending the payment of a dividend.

**Strategy**

During the period under review, we continued to deliver on the strategy set out at the time of our IPO, focusing on the following three areas:

- Creating higher value, more powerful performance, knowledge and learning management, support and assessment technology offerings
- Stepping up operations capabilities, sales and marketing efforts and high-end hosted service offerings
- Targeting 'best fit' enterprise clients in our core direct sales markets, including aviation and financial services, as well as sales to mid-market companies.

**Operations Review**

In the six months under review, we added 47 new clients including; DAK Americas LLC, PricewaterhouseCoopers Services Pty Ltd. (Australia), BASF Polyurethane (China), UIC Medical Center (Illinois, USA), The Miami Herald (Florida, USA), Stoke Council (United

Kingdom), Yorkshire Housing Association (United Kingdom) and Electrabel Nederland (The Netherlands). New client wins were generated through direct and partner-led sales channels throughout the world. Many of the new clients operate in highly regulated, compliance driven environments and aim to generate efficiencies through the application of NetDimensions products.

The Company took its second step in furthering its commitment to ISO standards adherence by initiating an ISO 9000/9001 quality management program. The first step was to achieve ISO 27001 security certification for hosted services, which the Company achieved in 2007. NetDimensions expects to undergo its first ISO 9000/9001 certification audit by end-2008. Management's plan is to bring the entire Company into ISO standards compliance as soon as is appropriate.

The Company opened a new hosting operation at a data center in the United Kingdom, giving NetDimensions local hosting capabilities in all three of its global trading regions: the Americas, Asia Pacific and the Europe, Middle East and Africa region.

### **Current Trading and Outlook**

The current year is expected to continue to show substantial sales revenue and profit growth as compared to 2007.

Historically, the Group achieves the greater part of its annual revenue and profit in the second half of the year. We expect second-half 2008 revenue and profit numbers to continue to reflect this trend.

We believe our target markets will continue to show demand despite the current economic uncertainties, particularly in highly regulated and compliance driven industries and also in outwardly focused, extended enterprise deployments.

These last six months have been a successful period with the Company recording substantial revenue growth. The Board is confident the Company is positioned to continue to expand.

Roger Durn  
Chairman of the Board

14 August 2008

**NETDIMENSIONS (HOLDINGS) LIMITED**

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

	Note	Unaudited 6 months to 30.6.2008 US\$	Unaudited 6 months to 30.6.2007 US\$	Audited 12 months to 31.12.2007 US\$
<b>Revenue</b>	3	2,943,398	2,151,994	4,336,659
Cost of sales		<u>(160,739)</u>	<u>(80,799)</u>	<u>(170,057)</u>
<b>Gross profit</b>		2,782,659	2,071,195	4,166,602
Administrative expenses		(2,801,150)	(2,955,109)	(5,269,382)
Analysed as:				
Administration expenses before exceptional items		(2,801,150)	(1,862,704)	(4,174,415)
Exceptional costs of Placing and Admission to AIM		-	(1,092,405)	(1,094,967)
Other operating loss		<u>-</u>	<u>(1,559)</u>	<u>(1,563)</u>
<b>Operating loss</b>	4	(18,491)	(885,473)	(1,104,343)
Finance income		112,311	39,181	156,012
Finance costs		<u>(167)</u>	<u>(166)</u>	<u>(333)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		93,653	(846,458)	(948,664)
Taxation		<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the period</b>		<u>93,653</u>	<u>(846,458)</u>	<u>(948,664)</u>
<b>Attributable to:</b>				
Equity shareholders of the Company		<u>93,653</u>	<u>(846,458)</u>	<u>(948,664)</u>
<b>Earnings/(loss) per share:</b>				
Basic	5	US\$0.004	US\$(0.04)	US\$(0.04)
Diluted	5	<u>US\$0.004</u>	<u>US\$(0.04)</u>	<u>US\$(0.04)</u>

The notes on pages 8 to 13 form an integral part of these condensed consolidated interim financial statements.

**NETDIMENSIONS (HOLDINGS) LIMITED**

**CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2008**

	Note	Unaudited 30.6.2008 US\$	Unaudited 30.6.2007 US\$	Audited 31.12.2007 US\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		166,520	194,637	202,980
Intangible assets		68,459	15,593	40,503
Interest in joint venture	6	199,992	-	-
		<u>434,971</u>	<u>210,230</u>	<u>243,483</u>
<b>Current assets</b>				
Inventories		29,386	2,104	10,584
Trade and other receivables		1,682,509	1,243,838	2,737,537
Cash and cash equivalents		6,401,855	6,356,081	5,711,745
		<u>8,113,750</u>	<u>7,602,023</u>	<u>8,459,866</u>
<b>TOTAL ASSETS</b>		<u>8,548,721</u>	<u>7,812,253</u>	<u>8,703,349</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	7	24,889	24,731	24,864
Share premium		11,116,871	11,077,122	11,116,871
Foreign currency translation reserve		(5,211)	(8,542)	(5,211)
Accumulated losses		(4,743,098)	(4,836,808)	(4,872,470)
<b>Total equity</b>		<u>6,393,451</u>	<u>6,256,503</u>	<u>6,264,054</u>
<b>Non-current liabilities</b>				
Obligations under finance leases		1,699	3,050	2,378
<b>Current liabilities</b>				
Trade and other payables		2,152,212	1,551,344	2,435,558
Obligations under finance leases		1,359	1,356	1,359
		<u>2,153,571</u>	<u>1,552,700</u>	<u>2,436,917</u>
<b>Total liabilities</b>		<u>2,155,270</u>	<u>1,555,750</u>	<u>2,439,295</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>8,548,721</u>	<u>7,812,253</u>	<u>8,703,349</u>

The notes on pages 8 to 13 form an integral part of these condensed consolidated interim financial statements.

**NETDIMENSIONS (HOLDINGS) LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE SIX MONTHS ENDED 30 JUNE 2008 (UNAUDITED)**

	Share capital US\$	Share premium US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total US\$
At 1 January 2008	24,864	11,116,871	(5,211)	(4,872,470)	6,264,054
Profit for the period	-	-	-	93,653	93,653
Equity-settled share- based payments	25	-	-	35,719	35,744
At 30 June 2008	<u>24,889</u>	<u>11,116,871</u>	<u>(5,211)</u>	<u>(4,743,098)</u>	<u>6,393,451</u>

**FOR THE SIX MONTHS ENDED 30 JUNE 2007 (UNAUDITED)**

	Share capital US\$	Share premium US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total US\$
At 1 January 2007	19,707	5,291,448	(1,580)	(4,056,900)	1,252,675
Issue of shares	5,024	6,025,227	-	-	6,030,251
Share issue cost	-	(239,553)	-	-	(239,553)
Loss for the period	-	-	-	(846,458)	(846,458)
Currency translation difference	-	-	(6,962)	-	(6,962)
Equity-settled share-based payments	-	-	-	66,550	66,550
At 30 June 2007	<u>24,731</u>	<u>11,077,122</u>	<u>(8,542)</u>	<u>(4,836,808)</u>	<u>6,256,503</u>

**FOR THE YEAR ENDED 31 DECEMBER 2007 (AUDITED)**

	Share capital US\$	Share premium US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total US\$
At 1 January 2007	19,707	5,291,448	(1,580)	(4,056,900)	1,252,675
Issue of shares	5,157	6,065,538	-	-	6,070,695
Share issue cost	-	(240,115)	-	-	(240,115)
Loss for the period	-	-	-	(948,664)	(948,664)
Currency translation difference	-	-	(3,631)	-	(3,631)
Equity-settled share- based payments	-	-	-	133,094	133,094
At 31 December 2007	<u>24,864</u>	<u>11,116,871</u>	<u>(5,211)</u>	<u>(4,872,470)</u>	<u>6,264,054</u>

**NETDIMENSIONS (HOLDINGS) LIMITED**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

	Note	Unaudited 6 months to 30.6.2008 US\$	Unaudited 6 months to 30.6.2007 US\$	Audited 12 months to 31.12.2007 US\$
<b>Cash flows from operating activities</b>	8	<u>837,615</u>	<u>1,272,925</u>	<u>563,738</u>
<b>Cash flows from investing activities</b>				
Purchase of intangible assets		(42,759)	(7,384)	(43,344)
Purchase of property, plant and equipment		(17,364)	(161,125)	(216,391)
Interest received		112,311	39,181	156,012
Investment in joint venture		<u>(199,992)</u>	<u>-</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(147,804)</u>	<u>(129,328)</u>	<u>(103,723)</u>
<b>Cash flows from financing activities</b>				
Interest and finance charges paid		(167)	(166)	(333)
Repayments of borrowings and finance leases		(679)	(678)	(1,359)
Net proceeds from issue of shares		<u>-</u>	<u>4,698,281</u>	<u>4,735,613</u>
<b>Net cash (used in)/generated from financing activities</b>		<u>(846)</u>	<u>4,697,437</u>	<u>4,733,921</u>
<b>Net increase in cash and cash equivalents</b>		688,965	5,841,034	5,193,936
Cash and cash equivalents at beginning of the period		5,711,745	521,332	521,332
Effect of foreign exchange rate changes		<u>1,145</u>	<u>(6,285)</u>	<u>(3,523)</u>
<b>Cash and cash equivalents at end of the period</b>		<u>6,401,855</u>	<u>6,356,081</u>	<u>5,711,745</u>

The notes on pages 8 to 13 form an integral part of these condensed consolidated interim financial statements.

## **NETDIMENSIONS (HOLDINGS) LIMITED**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

#### **1. GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands as a limited liability company under the Companies Law (2000) Revision on 10 July 2000. The registered office of the Company is located at P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies. Its principal place of business is located at 17/F., Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are licensing of computer software and the provision of related services. The principal activity of the Company is investment holding.

The Company's shares were admitted to trading on the Alternative Investment Market ("AIM") of the London Stock Exchange. These condensed consolidated interim financial statements are presented in United States Dollars, unless otherwise stated, and were approved for issue by the Board of Directors on 14 August 2008.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Basis of preparation**

The Company has a financial year end date of 31 December. These condensed consolidated interim financial statements for the six months ended 30 June 2008 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2007.

##### **(a) Significant accounting policies**

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair values.

The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007 except for the adoption of standards, amendments and interpretations issued by the International Accounting Standards Board mandatory for annual financial periods beginning 1 January 2008.

The adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

**NETDIMENSIONS (HOLDINGS) LIMITED****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****3. SEGMENT INFORMATION**

The Group operates in three geographic segments, North America, Europe, Middle East and Africa ("EMEA") and Rest of the World. These geographic segments are the basis on which the Group reports its primary segment information, as presented below:

Segmental information for the six months ended 30 June 2008:

	<b>North America US\$</b>	<b>EMEA US\$</b>	<b>Rest of the World US\$</b>	<b>Total US\$</b>
Revenue from external customers	<u>1,612,772</u>	<u>851,524</u>	<u>479,102</u>	<u>2,943,398</u>
Operating loss	(10,131)	(5,349)	(3,011)	(18,491)
Finance income				112,311
Finance costs				<u>(167)</u>
Profit before taxation				93,653
Taxation				<u>-</u>
Profit for the period				<u>93,653</u>

Segmental information for the six months ended 30 June 2007:

	<b>North America US\$</b>	<b>EMEA US\$</b>	<b>Rest of the World US\$</b>	<b>Total US\$</b>
Revenue from external customers	<u>989,917</u>	<u>753,198</u>	<u>408,879</u>	<u>2,151,994</u>
Operating loss	(411,910)	(307,438)	(166,125)	(885,473)
Finance income				39,181
Finance costs				<u>(166)</u>
Loss before taxation				(846,458)
Taxation				<u>-</u>
Loss for the period				<u>(846,458)</u>

Segmental information for the year ended 31 December 2007:

	<b>North America US\$</b>	<b>EMEA US\$</b>	<b>Rest of the World US\$</b>	<b>Total US\$</b>
Revenue from external customers	<u>2,017,356</u>	<u>1,505,697</u>	<u>813,606</u>	<u>4,336,659</u>
Operating loss	(513,726)	(383,430)	(207,187)	(1,104,343)
Finance income				156,012
Finance costs				<u>(333)</u>
Profit before taxation				(948,664)
Taxation				<u>-</u>
Loss for the year				<u>(948,664)</u>

**NETDIMENSIONS (HOLDINGS) LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**4. OPERATING LOSS**

Operating loss is arrived after charging/(crediting):-

	<b>Unaudited 6 months to 30.6.2008 US\$</b>	<b>Unaudited 6 months to 30.6.2007 US\$</b>	<b>Audited 12 months to 31.12.2007 US\$</b>
Research and development - current period expenditure	534,466	565,074	995,946
Bad debts	22,199	-	14,743
Foreign exchange (gain)/loss	<u>(207,333)</u>	<u>13,603</u>	<u>23,776</u>

**5. EARNINGS/(LOSS) PER SHARE**

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

	<b>Unaudited 6 months to 30.6.2008 US\$</b>	<b>Unaudited 6 months to 30.6.2007 US\$</b>	<b>Audited 12 months to 31.12.2007 US\$</b>
Earnings			
Earnings for the purpose of basic earnings/(loss) per share being net profit/(loss) attributable to equity shareholders of the parent	<u>93,653</u>	<u>(846,458)</u>	<u>(948,664)</u>
Earnings/(loss) for the purpose of diluted earnings/(loss) per share	<u>93,653</u>	<u>(846,458)</u>	<u>(948,664)</u>
Number of shares			
Weighted average number of shares for the purpose of basic earnings/(loss) per share	24,881,950	21,346,576	23,089,650
Effect of dilutive potential shares:			
Share options	<u>1,250,659</u>	<u>1,589,346</u>	<u>1,453,451</u>
Weighted average number of shares for the purpose of dilutive earnings/(loss) per share	<u>26,132,609</u>	<u>22,935,922</u>	<u>24,543,101</u>
Earnings/(loss) per share			
Basic	<u>US\$0.004</u>	<u>US\$(0.04)</u>	<u>US\$(0.04)</u>
Diluted	<u>US\$0.004</u>	<u>US\$(0.04)</u>	<u>US\$(0.04)</u>

**NETDIMENSIONS (HOLDINGS) LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**6. INTEREST IN JOINT VENTURE**

	<b>Unaudited 30.6.2008 US\$</b>	<b>Unaudited 30.6.2007 US\$</b>	<b>Audited 31.12.2007 US\$</b>
Share of net assets	<u>199,992</u>	<u>-</u>	<u>-</u>

Particulars of the jointly controlled entity as at 30 June 2008 are as follows: -

Name of entity	Place of incorporation and operation	Percentage registered capital held	of Principal activities
Great (Bermuda) Island Scientific Limited	Bermuda/Hong Kong	50%	Selling of products of computer services; advisory services and maintenance services

A summary of the financial position on the jointly controlled entity with the Company's effective interests, as at 30 June 2008 is as follows:

	<b>Unaudited 30.6.2008 US\$</b>	<b>Unaudited 30.6.2007 US\$</b>	<b>Audited 31.12.2007 US\$</b>
Non-current assets	-	-	-
Current assets	199,992	-	-
Non-current liabilities	-	-	-
Current liabilities	-	-	-
Net assets	<u>199,992</u>	<u>-</u>	<u>-</u>
Income	-	-	-
Expenses	-	-	-
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>

**NETDIMENSIONS (HOLDINGS) LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**7. SHARE CAPITAL**

	<b>Number of shares</b>	<b>Amount US\$</b>
Authorised share capital:		
Ordinary shares of US\$0.001 each	<u>100,000,000</u>	<u>100,000</u>
Issued and fully paid:		
Ordinary shares of US\$0.001 each	<u>24,888,576</u>	<u>24,889</u>

The movement of issued share capital is as follows:

	<b>Number of shares</b>	<b>Amount US\$</b>
At 1 January 2008	24,863,576	24,864
Shares issued during the period	<u>25,000</u>	<u>25</u>
At 30 June 2008	<u>24,888,576</u>	<u>24,889</u>

**(a) Share capital**

Pursuant to the terms and conditions of the letter of appointment of the non-executive directors of the Company, on 5 April 2008, an aggregate of 25,000 ordinary shares of the Company was allotted to three non-executive directors of the Company.

**(b) Share options scheme**

Details of movement of the share options are as follows:

	<b>Unaudited 6 months to 30.6.2008</b>		<b>Unaudited 6 months to 30.6.2007</b>		<b>Audited 12 months to 31.12.2007</b>	
	Number of	Weighted average	Number of	Weighted average	Number of	Weighted average
	share options	exercise price US\$	share options	exercise price US\$	share options	exercise price US\$
Outstanding at 1 January	1,260,500	0.269	1,641,500	0.260	1,641,500	0.260
Granted during the period	-	-	-	-	-	-
Forfeited during the period	(23,000)	0.300	(58,000)	0.300	(63,000)	0.300
Exercised during the period	-	-	(185,000)	0.223	(318,000)	0.213
Expired during the period	-	-	-	-	-	-
Outstanding at 30 June/31 December	<u>1,237,500</u>	<u>0.264</u>	<u>1,398,500</u>	<u>0.263</u>	<u>1,260,500</u>	<u>0.269</u>
Exercisable at 30 June/31 December	<u>906,826</u>	<u>0.257</u>	<u>856,996</u>	<u>0.244</u>	<u>892,824</u>	<u>0.259</u>

**NETDIMENSIONS (HOLDINGS) LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**8. CASH FLOWS FROM OPERATING ACTIVITIES**

	<b>Unaudited 6 months to 30.6.2008 US\$</b>	<b>Unaudited 6 months to 30.6.2007 US\$</b>	<b>Audited 12 months to 31.12.2007 US\$</b>
Profit/(loss) before taxation	93,653	(846,458)	(948,664)
Exceptional costs of Placing and Admission to trading on the AIM Market	-	1,092,405	1,094,967
Share-based payments	35,744	66,550	133,094
Depreciation	52,679	23,048	70,417
Amortisation of intangible assets	14,803	7,182	18,351
Loss on disposal of property, plant and equipment	-	1,559	1,563
Finance lease charges	167	166	333
Interest income	(112,311)	(39,181)	(156,012)
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Operating cash flows before changes in working capital	84,735	305,271	214,049
(Increase)/decrease in inventories	(18,802)	10,850	2,370
Decrease/(increase) in receivables	1,055,028	1,159,648	(334,051)
(Decrease)/increase in payables	(283,346)	(202,844)	681,370
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<b>Cash flows from operating activities</b>	<b>837,615</b>	<b>1,272,925</b>	<b>563,738</b>