Company Registration No. 2004015

ASITE PLC

Interim Report

for the six months ended 30 June 2007

INTERIM REPORT
For the six months ended 30 June 2007

CONTENTS

ASITE PLC

INTERIM REPORT
For the six months ended 30 June 2007

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CHAIRMAN'S STATEMENT (Continued)
For the six months ended 30 June 2007

Results and Dividends

I am pleased to announce a robust turnaround in the Group's financial performance for the six months ended 30 June 2007. The Group's gross revenues increased to £0.854m, an improvement of 19% over the comparative period in 2006 (£0.719m). In line with the Group's strategy of ceasing its reseller activities, cost of sales continued to fall giving rise to an improvement in net revenue which increased to £0.700m from £0.561m in 2006, an improvement of 25%. We have continued to invest in building our sales team and as a result sales and distribution costs increased by 35% to £0.169m (2006: £0.125m). After administration costs the Group recorded a loss of £0.257m before tax, an improvement of 13% over the comparative prior period (2006: £0.296m).

The loss per share was 0.1p compared with 0.2p and 0.4p for the previous half year and full year respectively. The Board does not propose declaring a dividend (30 June 2006: nil).

Development of the Group

The first half of 2007 has seen the Group return to growth. Since the early part of 2005 management attention has been focused on the reduction of costs, stabilisation of product performance and investing in product development such that the Group's competitive position could be maintained whilst at the same time reducing reliance on reseller agreements. The Group's strategy is now bearing fruit as supported by the performance in the first half of this year.

Investment in the Group's product base has continued, and resource has been made available for new product development and in particular Asite Workspace ("Workspace") and Asite collaborative Building Model ("cBIM") have been developed to a level where market testing is being undertaken. Workspace provides a lower cost entry level product for the Group's flagship product, Asite Project Workflow; cBIM provides complex and innovative building modelling tools. Market sentiment is favourable with regard to both products.

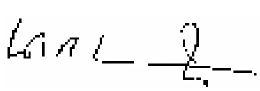
Operational Review

Usage trends of site traffic across the Asite platform are highly favourable. The number of users accessing and uploading documents on the Asite platform continues to grow strongly. In the first half of 2007 users and organisations accessing the site rose from 24,716 and 3,457 to 29,202 and 3,818 respectively. The number of documents managed over the site has increased from 1,809,990 to 2,233,977 during the same period.

We have invested in our sales team and brought in new senior staff in the early part of the year. In particular we have focused on international sales growth. The sales pipeline remains healthy and we have been awarded a number of high value projects, in particular the Al Raha project in Abu Dhabi. The Group has £5.511m of contracted revenue stretching out to 2018.

Prospects

Asite's products are innovative, reliable and provide users with the opportunity to derive significant efficiencies from their deployment. The Group's contract and sales pipeline are growing. The Board, therefore believes that the Group has made significant progress in its journey to profitable trading.



Mr Colin Goodall
Chairman
27 September 2007

CONSOLIDATED INTERIM INCOME STATEMENT
For the six months ended 30 June 2007

	Note	Unaudited six months to 30 June 2007 £'000	Unaudited six months to 30 June 2006 Restated £'000	Audited year to 31 Dec 2006 Restated £'000
REVENUE		**854**	719	1,354
Cost of sales		**(154)**	(158)	(317)
Gross Profit		**700**	561	1,037
Sales & distribution costs		**(169)**	(125)	(288)
Administrative expenses		**(805)**	(770)	(1,564)
OPERATING LOSS		**(274)**	(334)	(815)
Financial income		**37**	48	77
Financial expenses		**(20)**	(10)	(21)
LOSS BEFORE TAXATION		**(257)**	(296)	(759)
Tax credit on loss on ordinary activities		**-**	-	-
LOSS FOR THE PERIOD		**(257)**	(296)	(759)
Attributable to:				
Equity shareholders		**(257)**	(296)	(759)
Minority shareholders		**-**	-	-
LOSS FOR THE PERIOD		**(257)**	(296)	(759)
Loss per share (expressed in pence per share) – basic and diluted	6	**(0.1p)**	(0.2p)	(0.4p)

All transactions are derived from continuing operations. There are no material differences between the loss on ordinary activities before taxation and the loss for the six months stated above and their historical equivalent.

CONSOLIDATED INCOME STATEMENT (Continued)
For the six months ended 30 June 2007

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Unaudited six months to 30 June 2007 £'000	Unaudited six months to 30 June 2006 Restated £'000	Audited year to 31 Dec 2006 Restated £'000
Loss for the period	**(257)**	(296)	(759)
Net exchange adjustments offset in reserves	**8**	3	2
Total recognised losses relating to the period	**(249)**	(293)	(757)

CONSOLIDATED BALANCE SHEET
As at 30 June 2007

	Note	Unaudited at 30 June 2007 £'000	Unaudited at 30 June 2006 Restated £'000	Audited at 31 Dec 2006 Restated £'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7	**112**	130	113
Intangible assets		**273**	456	365
		385	586	478
CURRENT ASSETS				
Trade and other receivables	9	**429**	512	409
Cash at bank		**53**	49	3
		482	561	412
TOTAL ASSETS		**867**	1,147	890
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Called up share capital	12	**18,750**	18,750	18,750
Share premium account	12	**2,442**	2,442	2,442
Profit and loss account	12	**(23,084)**	(22,334)	(22,827)
EQUITY SHAREHOLDERS' DEFICIT		**(1,892)**	(1,142)	(1,635)
Minority interest		**-**	(9)	-
TOTAL EQUITY		**(1,892)**	(1,151)	(1,635)
NON-CURRENT LIABILITIES				
Borrowings	10	**1,966**	1,275	1,590
CURRENT LIABILITIES				
Borrowings		**750**	995	889
Provisions		**43**	28	46
		793	1,023	935
TOTAL LIABILITIES		**2,759**	2,298	2,525
TOTAL EQUITY AND LIABILITIES		**867**	1,147	890

These financial statements were approved by the Board of Directors on 27 September 2007.
Signed on behalf of the Board of Directors

Mr Tony Ryan
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2007

	Note	Unaudited six months to 30 June 2007 £'000	Unaudited six months to 30 June 2006 Restated £'000	Audited year to 31 Dec 2006 Restated £'000
Cash flows from operating activities	13	**(261)**	(336)	(595)
Interest received		**37**	48	77
Interest paid		**(20)**	(10)	(21)
Net cash out flow from operating activities		**(244)**	(298)	(539)
Cash flows from investing activities				
Purchase of property, plant and equipment		**(26)**	(9)	(41)
Proceeds from sale of property, plant and equipment		**-**	-	-
Net cash used in investing activities		**(26)**	(9)	(41)
Net cash outflow before financing		**(270)**	(307)	(579)
Cash flows from financing activities				
Net proceeds from borrowings		**320**	379	613
Net cash inflow from financing		**320**	379	613
Increase / (decrease) in cash in the period	14	**50**	72	33

NOTES TO THE INTERIM REPORT
For the six months ended 30 June 2007

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The early stage of development of the Group's business is such that there can be considerable unpredictable variation in the amount of revenue and timing and amounts of cash flows. The directors have projected cash flow information for the period to 31 December 2008. On the basis of this cash flow information, the directors are of the opinion that additional funding will be required. The directors are working towards bringing the Group to a level of profitable trading. In doing so, they are assessing, on a regular basis, cost levels, sales activities and research and development expenditure.

Over the past thirty months, Mr Robert Tchenguiz has provided the Group with the financial support it has required in the form of a loan from R20 Limited, of which Mr Robert Tchenguiz is a director. The directors believe that Mr Robert Tchenguiz will continue to provide the funding required and have received written confirmation from him in the form of a loan facility, of £2.507m, and that he will not call for the repayment of this new loan before 31 December 2008.

There is inherent uncertainty as to the realisation of the forecasts. The directors consider that in preparing the financial statements they have taken into account the uncertainty and all information that could reasonably be expected to be available. On this basis, the directors have formed a judgement at the time of approving the financial statements that they consider it appropriate to prepare these financial statements on the going concern basis. The financial statements do not include any adjustments that would result should the going concern basis of accounting no longer be appropriate.

If the Group were unable to continue in operational existence for the foreseeable future, adjustments would have been made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify assets and long-term liabilities as current assets and liabilities.

2. IFRS

IFRS financial information presented in this statement has been prepared on the basis of the policies the directors expect to adopt for the Group's first full IFRS financial statements for the year to 31 December 2007. These policies include all prevailing and applicable IFRS including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees. These standards and interpretations are subject to ongoing amendment by the IASB and subsequent endorsement by the European Commission and are therefore subject to possible change.

Further standards and interpretations may also be issued that will be applicable for financial years beginning on or after 1 January 2005 or that will be applicable to later accounting periods but may be adopted early. The Group's first IFRS financial statements may, therefore, be prepared in accordance with different accounting policies to those used to prepare the financial information presented in this announcement. In addition, as IFRS is a new reporting basis for UK companies, accounting practice and interpretations of accounting standards will develop as companies gain more experience of the new framework. Accordingly there may be changes in the common approaches currently adopted and the final application of IFRS in the financial statements for the year to 31 December 2007 may be subject to change.

The date of transition to IFRS for the Group was 1 January 2006, being the first day of the comparative period ("the transition date") and the Group is required to prepare a balance sheet as at the transition date ("the transition balance sheet") under IFRS. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. There is one numerical adjustment to the interim report resulting from the adoption of IRFS, IAS 39 Financial Instruments: Measurement and Recognition. The fair value of the Borrowings have been recognised and the comparative figures in respect of 2006 restated.

NOTES TO THE INTERIM REPORT (Continued)
For the six months ended 30 June 2007

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, except for tangible fixed assets listed below. The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2006.

Tangible fixed assets
Depreciation is provided to write down the cost of tangible fixed assets by equal annual instalments over the estimated useful lives of the assets. The rates of depreciation have changed from the prior year for plant and equipment and are as follows:

Plant and equipment	3 years
Website costs	1 to 2 years
Development costs	5 years

4. COMPANIES ACT 1985

The unaudited financial information set out above does not constitute the Company's statutory accounts for the period ended 30 June 2007. The Company's statutory accounts for the year ended 31 December 2006, based on UK GAAP have been delivered to the Registrar of Companies.

The Group results for the year ended 31 December 2006 have been extracted from those statutory accounts as adjusted for IFRS in the unaudited restatement of financial information for the year ended 31 December 2006. The Auditors' Report on the UK GAAP accounts to 31 December 2006 was unqualified and did not contain a statement under Section 237 of the Companies Act 1985. Accounts to 31 December 2007 under IFRS will be delivered in due course.

5. SEGMENT ANALYSIS

The Group has adopted IFRS 14 Segment Reporting. The primary segments are United Kingdom ("UK"), United Arab Emirates ("UAE") and Europe. Information regarding these segments is reported below. Amounts reported for the prior year have been restated on the new basis. IFRS 14 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused on the geographic locations of customers. The Directors believe that compliance with IFRS 8 will result in the same operating segments and the same measure of segment profit or loss.

NOTES TO THE INTERIM REPORT (Continued)
For the six months ended 30 June 2007

5. SEGMENT ANALYSIS (CONTINUED)

Analysis of results

	First half 2007			First half 2006 Restated		
	Revenue (Unaudited) £'000	EBITA (Unaudited) £'000	Operating (loss) / profit (Unaudited) £'000	Revenue (Unaudited) £'000	EBITA (Unaudited) £'000	Operating (loss) / profit (Unaudited) £'000
UK	**710**	**(227)**	**(318)**	692	(259)	(312)
UAE	**124**	**55**	**55**	8	8	8
Europe	**20**	**20**	**20**	19	3	3
	854	**(152)**	**(243)**	719	(248)	(301)
Impact of foreign exchange	**-**	**(14)**	**(14)**	-	5	5
	854	**(166)**	**(257)**	719	(243)	(296)

All of the segment revenue reported above is from external customers.

The Board measures Group and regional performance by using the EBITA (earnings before interest, tax and net amortisation) performance measure. This excludes the impact of amortisation of acquired intangible assets and also the net impact of capitalisation of certain software development and its subsequent amortisation.

Reconciliation of EBITA to operating loss

	2007 First half (Unaudited) £'000	2006 First half (Unaudited) Restated £'000
EBITA	**(166)**	(205)
Development costs capitalised	**-**	-
Development amortisation	**(91)**	(91)
Operating loss	**(257)**	(296)

The further restatement of UK GAAP figures for the period ended 30 June 2006 to IFRS is presented below.

NOTES TO THE INTERIM REPORT (Continued)
For the six months ended 30 June 2007

5. SEGMENT ANALYSIS (CONTINUED)

Revenue – half year ended 30 June 2006 (Unaudited)

	UK £'000	UAE £'000	Europe £'000	Total £'000
UK GAAP	708	8	3	**719**
IRFS adjustments	-	-	-	**-**
IFRS	708	8	3	**719**

Operating loss – half year ended 30 June 2006 (Unaudited)

	UK £'000	UAE £'000	Europe £'000	Total £'000
UK GAAP	(216)	8	3	**(205)**
IRFS adjustments	-	-	-	**-**
EBITA	(216)	8	3	**(205)**
IAS 38 – Intangible assets	(91)	-	-	**(91)**
Operating loss	(307)	8	3	**(296)**

6. LOSS PER SHARE

	Unaudited six months to 30 June 2007	Unaudited six months to 30 June Restated 2006	Audited year to 31 Dec Restated 2006
Basic and diluted			
Net loss for the period	**£(257,000)**	£(296,000)	£(759,000)
Weighted average number of ordinary shares outstanding	**187,495,637**	187,495,637	187,495,637
Loss per share:	**0.1p**	0.2p	0.4p

Earnings per share is calculated by dividing the net loss for the period, adjusted for minority interest, by the weighted average number of ordinary shares outstanding during the period.

FRS 22 (IAS 33) Earnings per Share requires presentation of diluted loss per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share. For a loss making company with outstanding share options, net loss per share would only be decreased by the exercise of out-of-the-money share options. No adjustment has been made to diluted loss per share for out-of-the-money share options and there are no other diluting future share issues, therefore diluted loss per share is identical to the basic loss per share.

NOTES TO THE INTERIM REPORT (Continued)
For the six months ended 30 June 2007

7. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately £0.026m on equipment and licences. It also disposed of £0.030m of equipment with a carrying amount of £Nil for £Nil proceeds.

8. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The principal subsidiary undertakings of the Company during the year were:

Subsidiaries	% Shareholding	Principal activities
Asite Solutions Limited (Incorporated 20 July 2000)	99.44%	Web based portal and services
Asite Solutions Private Limited (Incorporated 7 November 2005)	99.70%	Web based portal and services
Asite Consulting Limited (Incorporated 15 March 1996)	100.00%	Dormant company

All companies are incorporated in England and Wales with the exception of Asite Solutions Private Limited which is incorporated in India.

9. CHANGES IN WORK IN PROGERSS

Included in Trade and Other Receivables, for the six months ended 30 June 2007 is an amount of (£0.029m) resulting from the recognition of work in progress at 31 December 2006 billed to customers during 2007.

10. BORROWINGS

The loan is from R20 Group Limited and has been drawn down against the company's loan facility agreement. This facility allows the company to draw down a maximum of £2.507m. The amounts drawn down against the facility bear interest at 0% and are not due for repayment until 1 January 2009.

11. CALLED UP SHARE CAPITAL

Called up share capital as at 30 June 2007 amounted to £18.750m. There were no movements in the called up share capital of the Company in either the current or prior interim reporting period.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 January 2006	18,750	2,442	(22,069)	(877)
Loss for the period	-	-	(296)	(296)
Exchange differences arising on translation of overseas operations	-	-	3	3
IAS 39 adjustment	-	-	28	28
At 30 June 2006	**18,750**	**2,442**	**(22,334)**	**(1,142)**

NOTES TO THE INTERIM REPORT (Continued)
For the six months ended 30 June 2007

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT (CONTINUED)

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 January 2007	18,750	2,442	(22,827)	(1,635)
Loss for the period	-	-	(243)	(243)
Exchange differences arising on translation of overseas operations	-	-	(14)	(14)
At 30 June 2007	**18,750**	**2,442**	**(23,084)**	**(1,892)**

13. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW

	Unaudited six months to 30 June 2007 £'000	Unaudited six months to 30 June 2006 Restated £'000	Audited year to 31 Dec 2006 Restated £'000
Operating loss	**(257)**	(296)	(759)
Share based payment expense	**-**	-	42
Depreciation of tangible assets	**28**	70	119
Amortisation of intangible assets	**91**	91	182
Other non-cash charges		-	10
Decrease / (increase) in debtors	**(20)**	100	207
(Decrease) / increase in creditors	**(103)**	(301)	(396)
	(261)	(336)	(595)

NOTES TO THE INTERIM REPORT (Continued)
For the six months ended 30 June 2007

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT) / FUNDS

	Unaudited six months to 30 June 2007 £'000	**Unaudited six months to 30 June 2006 Restated £'000**	**Audited year to 31 Dec 2006 Restated £'000**
Increase / (decrease) in cash in the period	**50**	72	33
Funding received	**(393)**	(340)	(668)
Movement in net debt in the period	**(343)**	(268)	(635)
Net debt at start of period	**(1,590)**	(1,008)	(1,008)
IAS 39 Adjustment	**(33)**	1	53
Net debt at end of period	**(1,966)**	(1,275)	(1,590)

15. ANALYSIS OF CHANGE IN NET DEBT

	At 1 Jan 2007 Restated £'000	**Movement £'000**	**At 30 June 2007 £'000**
Cash	3	50	**53**
Overdraft	(1)	1	**-**
	2	51	**53**
Loan	(1,590)	(376)	**(1,966)**
	(1,588)	(325)	**(1,913)**

NOTES TO THE INTERIM REPORT (Continued)
For the six months ended 30 June 2007

16. RELATED PARTY TRANSACTIONS

Funding was provided to the Company throughout the year by R20 Limited. The balance of the loan outstanding at the year end was £1,966,000 (Restated 31 December 2006: £1,590,000). Mr Robert Tchenguiz is a director of this company.

Mr Robert Tchenguiz's holding of shares is comprised of 26,607,062 Ordinary shares and 84,585,014 B Ordinary shares held indirectly through B&C Plaza Limited, Rotch Property Group Limited and R20 Limited. There has been no change in his holding during the period ended 30 June 2007.

Asite Solutions Limited provided services to Stanhope plc, a shareholder in Asite plc during the period under review. Revenue generated from Stanhope plc totalled £67,985 (31 December 2006: £99,929) with £15,851 (31 December 2006: £23,034) outstanding at the end of the period.

Asite Solutions Limited provided services to BAA plc, a related party through non-executive director Mr Mathew Riley, during the year under review. Revenue generated from BAA plc totalled £65,130 (31 December 2006: £127,104) with £25,703 (31 December 2006: £11,962) outstanding at the end of the period.

Mr Tony Ryan and Mr Nathan Doughty are related parties of Asite plc through their executive directorships. There were no transactions, other than the transactions through the ordinary course of business, which were related party transactions during the period.