



## Nasstar plc

### Interim results for the six months ended 31 March 2007

Nasstar plc ("Nasstar" or "the Group"), the software broadcaster supplying software as a service, is pleased to announce its results for the six months ended 31 March 2007.

### Highlights for the period

- Turnover increased 120% to £490,000 for the six months ended 31 March 2007 (2006: £222,000), new sales team established;
- Operating loss narrowed to £225,000 (2006: loss £276,000)
- The increase in operating expenses reflects the expenditure in establishing a new sales team, customer services department and the acquisition of Network Support International Limited trading as Virtual Email;
- Balance sheet strengthened, with total net assets of £857,000 (2006: £276,000)
- Six-fold increase in Hosted Exchange Subscribers at the end of the period to 3,492 (31 March 2006: 554 subscribers)
- £500,000 raised in December 2006 at 28p per share
- Sales and operations of Network Support International Limited successfully integrated following the acquisition in December 2006;
- Strong sales growth being achieved

Commenting on the results, Charles Black, Chief Executive Officer, said

"Nasstar has achieved a stable cost base and scalable technical platform, and the Group is now focussed on achieving strong sales growth. The Board is of the view that our software broadcasting services are at the forefront of the 'software as a service' market, and during the period we successfully launched Nasstar Desktop at Microsoft's UK headquarters. Nasstar Desktop extends software broadcasting beyond our email service to enable subscribers to access securely all of their documents and business software (including Microsoft Office, accounting software and other applications) from anywhere. The Board believe software broadcasting is quickly emerging as the most efficient and cost effective method for the provision of business software and that Nasstar is in a strong position to capitalise on the fast growing market. The Directors are very confident about the future growth prospects of the Group."

### Chairman's Statement

I am pleased to report the results for the Group for the six months ended 31 March 2007. The Group is currently experiencing strong sales growth and expects to become cash-flow positive on a monthly basis during the second half of the period ending September 2007. The Board is very confident about the future prospects of the Group.

**The Lord Daresbury**  
**Chairman**  
**30 April 2007**

1

Nasstar plc  
14-18 Old Street,  
London EC1V 9BH, United Kingdom  
+44 (0)870 240 1634 – TELEPHONE  
+44 (0)870 240 1630 – 24/7  
+44 (0)870 240 1635 - FAX

[www.nasstar.com](http://www.nasstar.com)

Company registered in England and Wales. Company Registration No. 5623736  
Traded on London Stock Exchange AIM. Code: NASA

## **About Nasstar**

Nasstar is a software broadcaster supplying Software-as-a-Service (SaaS). Nasstar's software broadcasting service distributes business software from a central source to end users so that businesses can access their software from anywhere on a subscription basis. Software broadcasting provides an innovative alternative to the traditional on-site local PC and perpetual license model of software delivery.

Nasstar Desktop is Nasstar's core service enabling subscribers to access their 'My Documents', company data and software applications including Microsoft Office and accounting software from anywhere on a pay monthly basis.

Nasstar Mail is a hosted exchange email service which enables subscribers to access their email, calendar and contacts from anywhere using Outlook, a web browser or a mobile device such as Windows mobile phones or BlackBerry.

Nasstar is a Microsoft Gold Certified Partner, a BlackBerry Alliance Member and Cisco Partner.

Nasstar plc was admitted to the London Stock Exchange AIM in December 2005 (AIM: NASA).

## Nasstar plc

### Consolidated Profit and Loss Account for the six months ended 31 March 2007

	Notes	Six months ended 31 March 2007 <i>unaudited</i> £'000	Six months ended 31 March 2006 <i>unaudited</i> £'000	Year ended 30 September 2006 <i>audited</i> £'000
<b>Turnover</b>		490	222	556
Operating Expenses		(688)	(498)	(1,066)
Equity-settled Share-based payments		(27)	-	(53)
		<hr/>	<hr/>	<hr/>
<b>Operating Loss</b>		(225)	(276)	(563)
Interest Payable and similar charges		(26)	(7)	(66)
		<hr/>	<hr/>	<hr/>
<b>Loss on Ordinary Activities before Taxation</b>		(251)	(283)	(629)
Tax on loss on ordinary activities	2	45	51	104
		<hr/>	<hr/>	<hr/>
<b>Loss on Ordinary Activities after Taxation</b>		<u>(206)</u>	<u>(232)</u>	<u>(525)</u>
<b>Loss per Share - Basic and Diluted</b>	6	<u>(1.55)p</u>	<u>(2.36)p</u>	<u>(5.1)p</u>

The Consolidated Profit and Loss Account includes the figures for Network Support International Limited from its date of acquisition in December 2006.

**Nasstar plc**

**Consolidated Balance Sheet  
as at 31 March 2007**

	Notes	As at 31 March 2007 <i>unaudited</i> £'000	As at 31 March 2006 <i>unaudited</i> £'000	As at 30 September 2006 <i>audited</i> £'000
<b>Fixed Assets</b>				
Tangible Assets		137	165	140
Intangible Assets	7	718	-	-
		<hr/>	<hr/>	<hr/>
		855	165	140
<b>Current Assets</b>				
Debtors		729	270	321
Cash at bank and in hand		89	177	48
		<hr/>	<hr/>	<hr/>
		818	447	369
<b>Creditors:</b> Amounts falling due within one year		(809)	(303)	(453)
		<hr/>	<hr/>	<hr/>
<b>Net Current Assets / (Liabilities)</b>		9	144	(84)
		<hr/>	<hr/>	<hr/>
<b>Total Assets less Current Liabilities</b>		864	309	56
<b>Creditors:</b> Amounts falling due after more than one year		(7)	(33)	(20)
		<hr/>	<hr/>	<hr/>
<b>Net Assets</b>		857	276	36
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Capital and Reserves</b>				
Called Up Share Capital	3 & 4	145	109	109
Share Premium Account	4	1,031	67	67
Merger Reserve	4	662	662	662
Profit and Loss Account	4	(981)	(562)	(802)
		<hr/>	<hr/>	<hr/>
<b>Equity Shareholders' Funds</b>		857	276	36
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Nasstar plc****Consolidated Cash Flow Statement  
for the six months ended 31 March 2007**

	Notes	Six months ended 31 March 2007 <i>unaudited</i> £'000	Six months ended 31 March 2006 <i>unaudited</i> £'000	Year ended 30 September 2006 <i>audited</i> £'000
<b>Net cash outflow from operating activities</b>	5	(126)	(440)	(477)
<b>Returns on investments and servicing of finance</b>				
Interest paid		(26)	(7)	(66)
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets		(16)	(46)	(66)
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertaking (net of cash acquired)		(278)	-	-
<b>Net cash outflow before management of liquid resources and financing</b>		(446)	(493)	(609)
<b>Management of liquid resources</b>				
Capital element of finance lease obligations		(13)	9	(4)
<b>Financing</b>				
Issue of ordinary share capital		500	624	624
<b>Increase in cash</b>		41	140	11

## Nasstar plc

### Notes to the accounts for the six months ended 31 March 2007

#### 1. Basis of preparation

The interim results for the six months ended 31 March 2007 and 31 March 2006 have not been audited and do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

The comparative figures for the year ended 30 September 2006 have been extracted from the statutory accounts of Nasstar plc. These accounts received an unqualified auditors' report and have been filed with the Registrar of Companies.

The financial information has been prepared in accordance with applicable accounting standards and under the historical cost accounting convention. Accounting policies consistent with those applied in the financial statements for Nasstar plc for the year ended 30 September 2006 have been used in preparing the consolidated unaudited interim results for the six months ended 31 March 2007.

#### 2. Taxation

There is no provision for corporation tax due to trading losses incurred during the period and brought forward from previous periods. The directors have recognised a deferred tax asset of £167,000 (2006: £122,000) which is expected to be recovered against future profits.

#### 3. Share Capital

On 8 December 2006 Nasstar plc allotted 3,571,428 ordinary shares of 1p at a premium of 27p. Of these shares, 1,785,714 were allotted in connection with the acquisition of Network Support International Limited.

#### 4. Movements in Shareholders' Funds

	Share Capital	Share Premium Account	Merger Reserve	Profit and Loss Account
	£'000	£'000	£'000	£'000
<b>Balance as at 1 October 2006</b>	109	67	662	(802)
Retained loss for the period	-	-	-	(206)
Equity-settled share-based payments	-	-	-	27
Issue of shares	36	964	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 31 March 2007</b>	<u>145</u>	<u>1,031</u>	<u>662</u>	<u>(981)</u>

Notes to the accounts for the six months ended 31 March 2007 (continued)

5. Reconciliation of Net Cash Flow to movement in Net Funds/(Debt)

	Six months ended 31 March 2007 <i>unaudited</i> £'000	Six months ended 31 March 2006 <i>unaudited</i> £'000	Year ended 30 September 2006 <i>audited</i> £'000
Increase in cash	41	140	11
Cash flow from lease financing	13	(9)	4
	<hr/>	<hr/>	<hr/>
Change in net funds resulting from cash flows	54	131	15
Opening net funds /(debt)	1	(14)	(14)
	<hr/>	<hr/>	<hr/>
Closing net funds	<u>55</u>	<u>117</u>	<u>1</u>

Reconciliation of Operating Loss to Net Cash Outflow from operating activities

	Six months ended 31 March 2007 <i>unaudited</i> £'000	Six months ended 31 March 2006 <i>unaudited</i> £'000	Year ended 30 September 2006 <i>audited</i> £'000
Operating loss	(225)	(276)	(563)
Depreciation	52	45	90
Increase in Debtors	(269)	(98)	(96)
Increase/(decrease) in Creditors	289	(111)	39
Equity-settled Share-based payments	27	0	53
	<hr/>	<hr/>	<hr/>
Net cash outflow from operating activities	<u>(126)</u>	<u>(440)</u>	<u>(477)</u>

## Nasstar plc

### Notes to the accounts for the six months ended 31 March 2007 (continued)

#### 6. Loss per ordinary share

Loss per share has been calculated on the loss after tax divided by the weighted average number of shares in issue during the six months ended 31 March 2007 of 13,280,952 (year ended 30 September 2006 – 10,367,361).

The exercise of outstanding options in the Group is anti-dilutive.

#### 7. Intangible Assets

Intangible assets comprise goodwill arising on the acquisition of Network Support International Limited and research and development costs. No amortisation or impairment provision has been provided for the period on the goodwill element. It is the Directors' intention to carry out regular impairment reviews of intangible assets.

#### 8. Dividends

The Directors do not recommend the payment of an interim dividend.

#### 9. Copies of interim results

Copies of this statement are being sent to shareholders. Further copies can be downloaded from the Group's investor relations web site, [www.nasstar.com/ir/reports.html](http://www.nasstar.com/ir/reports.html) or on request from the Company Secretary, Nasstar plc, 14-18 Old Street, London EC1V 9BH.

## Nasstar plc

### Pro Forma Consolidated Profit and Loss Account - for illustrative purposes only

The current interim figures include only four months trading from the subsidiary, Network Support International Limited, which was acquired in December 2006. In order to demonstrate the progress of the Group the following pro forma consolidated profit and loss account illustrates results for the six months *as if Network Support International Limited had been part of the Group for the entire six months ended 31 March 2007*

	Six months ended 31 March 2007 <i>unaudited</i> £'000	Six months ended 31 March 2006 <i>unaudited</i> £'000	Year ended 30 September 2006 <i>audited</i> £'000
<b>Turnover</b>	568	222	556
Operating Expenses	(734)	(498)	(1,066)
Equity-settled Share-based Payments	(27)	0	(53)
<b>Operating Loss</b>	(193)	(276)	(563)
Interest Payable and similar charges	(27)	(7)	(66)
<b>Loss on Ordinary Activities before Taxation</b>	(220)	(283)	(629)
Tax on loss on ordinary activities	39	51	104
<b>Loss on Ordinary Activities after Taxation</b>	(181)	(232)	(525)
Loss per Share - Basic and Diluted	(1.30)p	(2.36)p	(5.1)p