19 November 2008

Intellego Holdings plc
('Intellego' or 'the Company')

INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2008

The Board of Intellego, the AIM traded eLearning and compliance courseware solutions business, is pleased to announce its unaudited interim results for the six months to 30 September 2008.

HIGHLIGHTS

- **50% increase in revenues to £1,110,494 (2007:£740,557)**
- **60% increase in gross profit to £847,844 (2007: £530,498)**
- **53% reduction in EBITDA loss to £50,602 (2007: £107,493)**
- **Deferred income and Forward order book £416,000 (2007: £152,000)**
- **Bolt on acquisitions and integration of Professional Development Partnership Limited and the assets of Zenosis Limited**

Commenting on these results Chairman Angus Forrest, said,
"In the current trading period, sales activity is significantly ahead of last year with an increased forward order book and buoyant prospect list. This is a reflection on the investment made in all aspects of the Company's infrastructure and particularly with emphasis on the sales and marketing activities. However, as I mentioned in the annual report, there is a trend among our customers to take longer in their decision making.

We have instigated a programme to enable the Company to better weather a recession in the event that there is an impact on the training market. The Company's strengths in eLearning should provide us with significant opportunities to grow the business despite the current economic conditions as eLearning is demonstrably effective as a method of training at significantly lower cost than traditional instructor led training."

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Please see below for Chairman's statement and financials

Intellego Holdings plc
Unaudited Condensed Consolidated Interim Financial Statements for the period ended 30 September 2008.

Chairman's Statement

I am pleased to report that during the period under review, Intellego's financial performance has improved with sales growing significantly by 50% to £1,110,494 (2007 £740,557) and gross profit rose 60% to £847,844 whilst EBITDA loss reduced to £50,602 (2007 loss: £107,493)

The Board has, over the past 24 months, been concentrating on increasing the scale of the business and improving its financial performance. I am pleased to report that progress is being made in achieving these objectives, and that the business has operated profitably in the second quarter of the financial year.

A measure of the achievements over the past 18 months is that the revenue in the half year to 30 September 2008 of £1,110,494 is more than was achieved in the full year to 31 March 2007 of £1,051,746

The emphasis on the next phase of development is to improve profitability and increase recurring revenues. Intellego will also look to complement organic growth through acquisition.

Acquisitions

This year we have acquired and integrated two businesses, The Professional Development Partnership Limited (PDPL) and Zenosis. They strengthen our offerings in the financial services and pharmaceutical sectors. We are expanding both businesses and are confident that the purchase price will be recovered within 12 months.

Both these businesses offer opportunities for significant repeat revenues and cross-selling the other products and services offered by Intellego. Additionally, and in contrast to our previous acquisitions we have been able to make significant reductions in the overheads of these businesses.

We have reviewed several other opportunities, but to date we have not been able to agree terms for their acquisition.

In addition to pure acquisition we have also been developing other relationships to both in-license and out-license products.

Current trading and prospects

In the current trading period, sales activity is significantly ahead of last year with a buoyant prospect list. This is a reflection on the investment made in all aspects of the Company's infrastructure and particularly with emphasis on the sales and marketing activities. However, as I mentioned in the annual report, there is a trend among our customers to take longer in their decision making.

We have instigated a programme to enable the Company to weather a recession in the event that there is an impact on the training market. The Company's strengths in eLearning should provide us with significant opportunities to grow the business despite the current economic conditions as eLearning is demonstrably effective as a method of training at significantly lower cost than traditional instructor led training.

Our emphasis is and will continue to be enhancing the value of the business for our shareholders. As well as growing organically we are reviewing several acquisition opportunities.

Condensed consolidated interim income statement

	Note	**Unaudited Six months to 30 September 2008 £**	Unaudited Six months to 30 September 2007 £	Audited Year to 31 March 2008 £
Continuing operations				
Revenue		**1,110,494**	740,557	1,671,9676
Cost of sales		**(262,650)**	(210,059)	(429,592)
Gross profit		**847,844**	530,498	1,242,375
Operating charges before depreciation and Amortisation		**(898,446)**	(637,991)	(1,544,233)
EBITDA		**(50,602)**	(107,493)	(301,858)
Depreciation and amortisation		**(51,874)**	(27,845)	(77,605)
Operating loss		**(102,476)**	(135,338)	(379,463)
Investment income		**902**	1,618	3,343
Interest expense		**(15,967)**	(15,391)	(31,998)
Loss on ordinary activities before taxation		**(117,541)**	(149,111)	(408,118)
Taxation		**6,755**	-	-
Loss on ordinary activities after period		**(110,786)**	(149,111)	(408,118)
Basic and diluted loss per share	4	**(0.09p)**	(0.17p)	(0.42p)

Condensed consolidated interim balance sheet

	Unaudited 30 September 2008 £	Unaudited 30 September 2007 £	Audited 31 March 2008 £
ASSETS			
Non-current assets			
Property, plant and equipment	**72,543**	83,185	81,746
Goodwill	**278,295**	72,006	179,070
Other intangible assets	**323,293**	63,087	142,672
	674,131	218,278	403,488
Current assets			
Inventories	**5,475**	5,976	5,472
Trade and other receivables	**976,743**	413,771	576,577
Cash and cash equivalents	**71,520**	199,177	370,738
	1,053,738	618,924	952,787
Total assets	**1,727,869**	837,202	1,356,275
LIABILITIES			
Current liabilities			
Trade and other payables	**1,107,671**	407,578	773,020
Short-term borrowings	**302,714**	119,900	150,057
	1,410,385	527,478	923,077
Non-current liabilities			
Long-term borrowings	**38,629**	16,844	48,236
Total non-current liabilities	**38,629**	16,844	48,236
Total liabilities	**1,449,014**	544,322	971,313
Net assets	**278,855**	292,880	384,962
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	**654,066**	504,637	649,314
Share premium account	**1,423,776**	1,261,824	1,423,849
Merger reserve	**29,387**	-	29,387
Shares to be issued	**15,000**	-	15,000
Profit and loss reserve	**(1,843,374)**	(1,473,581)	(1,732,588)
Total equity	**278,855**	292,880	384,962

Condensed consolidated interim statement of changes in equity (unaudited)

	Share capital £	Share premium £	Merger Reserve £	Shares to be issued £	Profit and loss reserve £	Total equity £
Balance at 1 April 2007	415,138	1,104,574	-	-	(1,324,470)	195,242
Shares issued	89,499	157,250	-	-	-	246,749
Loss for the period	-	-	-	-	(149,111)	(149,111)
Balance at 30 September 2007	504,637	1,261,824	-	-	(1,473,581)	292,880
Balance at 1 October 2007	504,637	1,261,824	-	-	(1,473,581)	292,880
Shares issued	144,677	162,025	29,387	-	-	336,089
Shares to be issued	-	-	-	15,000	-	15,000
Loss for the period	-	-	-	-	(259,007)	(259,007)
Balance at 31 March 2008	649,314	1,423,849	29,387	15,000	(1,732,588)	384,962
Balance at 1 April 2008	649,314	1,423,849	29,387	15,000	(1,732,588)	384,962
Shares issued	4,752	(73)	-	-	-	4,679
Loss for the period	-	-	-	-	(110,786)	(110,786)
Balance at 30 September 2008	654,066	1,423,776	29,387	15,000	(1,843,374)	278,855

Condensed consolidated interim cash flow statement

	Note	**Unaudited Six months to 30 September 2008**	Unaudited Six months to 30 September 2007	Audited Year to 31 March 2008
		£	£	£
Cash flows from operating activities				
Loss after taxation		**(110,786)**	(149,111)	(408,118)
Adjustments for:				
Depreciation		**20,712**	18,910	47,975
Amortisation		**31,162**	8,935	29,630
Investment income		**(902)**	(1,618)	(3,343)
Interest expense		**15,967**	15,391	31,998
(Increase) /decrease in trade and other receivables		**(382,513)**	89,904	(10,132)
(Increase) / decrease in inventories		**(7)**	500	1,001
Increase / (decrease) in trade payables		**315,366**	(101,357)	144,852
Cash used in operations		**(111,001)**	(118,446)	(166,137)
Interest paid		**(15,967)**	(15,391)	(31,998)
Net cash used in operating activities		**(126,968)**	(133,837)	(198,135)
Cash flows from investing activities				
Purchase of property, plant and equipment		**(11,509)**	(4,065)	(26,906)
Investment in intangible assets		**(94,968)**	-	-
Overdraft acquired with business		**(8,155)**	-	(19,991)
Acquisition of business		**(191,990)**	-	(18,750)
Interest received		**902**	1,618	3,343
Net cash used in investing activities		**(305,720)**	(2,447)	(62,304)
Cash flows from financing activities				
Proceeds from issue of share capital		**(9,580)**	246,749	532,837
Principle payment of long-term bank loan		**(9,607)**	(3,616)	(12,135)
Net cash used in financing activities		**(19,187)**	243,133	520,702
Net increase / (decrease) in cash and cash equivalents		**(451,875)**	106,849	260,263
Cash and cash equivalents at beginning of period		**239,895**	(20,368)	(20,368)
Cash and cash equivalents at end of period		**(211,980)**	86,481	239,895

Notes to the condensed consolidated interim financial statements

1 General information

The financial information set out in this condensed interim report for the six months ended 30 September 2008 and the comparative figures for the six months ended 30 September 2007 and the year ended 31 March 2008 are unaudited. This financial information does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 31 March 2008, prepared under IFRS, received an unqualified audit report, did not contain statements under section 237(2) or (3) of the Companies Act 1985 and have been filed with the Registrar of Companies.

2 Basis of preparation

These September 2008 condensed consolidated interim financial statements of Intellego Holdings plc are for the six months ended 30 September 2008 and prepared under IFRS. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group prepared under IFRS, for the year ended 31 March 2008.

The accounting policies applied are largely consistent with those of the annual financial statements for the year ended 31 March 2008, as described in those financial statements. The only exception relates to the taxation policy. For the purpose of the interims the tax charge on the underlying business performance is calculated by reference to the estimated effective rate for the full year.

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3 Segment analysis

The Group's primary reporting format is business segment and its secondary format is geographical segment by origin of revenue.

Intellego operates three main business segments Distribution, Services and Publishing. The activities undertaken by the Distribution segment are the resale of software developed by third parties including maintenance and support contracts. The Services segment includes consultancy, customisation, development of bespoke content and integration of e-learning systems. The Publishing segment includes the publishing and sale of internally generated product. The revenues and net result generated by each of Intellego plc's business segments are summarised as follows:

6 months to 30 September 2008

	Distribution	**Services**	**Publishing**	**Group**
	£	£	£	£
Revenue	431,777	581,547	97,169	1,110,494
Loss	(30,234)	(71,705)	(8,846)	(110,785)

6 months to 30 September 2007

	Distribution	**Services**	**Publishing**	**Group**
Revenue	343,356	304,644	92,557	740,557
Loss for the period	(91,920)	(47,911)	(9,280)	(149,111)

Year to 31 March 2008

	Distribution	**Services**	**Publishing**	**Group**
Revenue	776,442	744,195	151,330	1,671,967
Loss for the period	(203,644)	(179,065)	(25,409)	(408,118)

4 Loss per share

The calculation of basic loss per share is based on a loss for the period of £110,786 (31 March 2008: £408,118, 30 September 2007: £149,111) and on 117,078,211 (31 March 2008: 96,896,360, 30 September 2007: 87,502,585) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the purpose of calculating the diluted loss per share are identical to those used for the basic loss per share. Similarly, the adjusted loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the purposes of calculating the diluted loss per share are identical to those used for the loss per share. This is because the exercise of share options and warrants would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33.