

1Spatial grows by over 40%

Expansion into Europe and government initiatives driving growth

Cambridge, UK, 26th February 2008 - 1Spatial, a leader in spatial data management, today announces interim results for the half year ended 31st December 2007.

Highlights

- Revenues increased by over 40% to £4.1m (H1 06: £2.8m)
- 9th consecutive half year of profit
- Won largest contract to date to supply software for the Ordnance Survey's Geospatial Data Management System
- Additional new customers signed in the half year include Thames Water and Wirral MBC in the UK, and PSMA Australia Ltd
- Successfully completed the acquisitions of Proteus Solutions Limited and IME UK Limited in July 2007 to form 1Spatial Ireland and 1Spatial Scotland

Dr Mike Sanderson, CEO of 1Spatial commented, "This first half of this year has seen 1Spatial expand its global footprint, grow revenues and profits, and sign some of its largest contracts to date. We are operating in a growth market being driven by issues such as new Government legislation at a local, national and European level, and an increasing consumer demand for spatial information. We believe that we are ideally positioned to capitalise on this growth, and to maintain our position as a global leader in spatial data management."

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Caroline Evans-Jones/ Mike Smith

CEO Review

I am pleased to report that we have delivered strong growth in the first half of the year, growing revenues by over 40% and significantly increasing profits. We have executed on our strategy to expand both through acquisition and organically and are seeing strong levels of growth in the industry, being driven by government legislation and the convergence of internet, architectural and mapping technologies.

Acquisitions

As part of our expansion strategy, on the 9th July 2007 we acquired Proteus Solutions Limited and IME UK Limited to form 1Spatial Ireland and 1Spatial Scotland. Seamus Gilroy, Managing Director of Proteus has become Managing Director of 1Spatial Ireland, whilst Alan Douglas, Managing Director of IME is now Managing Director of 1Spatial Scotland.

Joining forces strengthens all three parties' ability to deliver spatial data infrastructures and data quality products throughout the UK and beyond, as well as firmly establishing 1Spatial's presence in both Ireland and Scotland to complement existing offices in Cambridge, England and Kongsberg, Norway. The three companies have a track record of working together on several projects, including on the Property Registration Authority of Ireland.

As a result of the acquisitions, the number of employees of the Group grew from 76 to 100, adding 48 new customers to the Group.

Customers

We have experienced excellent progress in the half in growing our customer base. We won 22 new projects across the Group in the period, compared to 38 in the whole of the previous year. These new projects included the addition of five new customers including Thames Water and Wirral MBC. The excellent results we achieve for our clients, and the integration of our services within the core of their organisations, means a large percentage of the new business was with existing customers, such as the Ordnance Survey of Great Britain, the Ordnance Survey Ireland, the UK Royal Air Force and Transport for London.

As well as expanding in Europe through the two acquisitions, 1Spatial has also expanded its operation in Australia, securing and extending contacts with PSMA Australia, the federal mapping Agency and MidCoast Water.

Partners

We now have 59 partners worldwide, adding 10 in the period. Our partners give us access to additional technologies and expertise as well as giving us a global footprint with coverage of five continents. These partners include integrators, channel partners, Universities and consultancies, such as Oracle, Tele Atlas, OSGB, HP, BAE, Capgemini, Fujitsu, IBM, Infotech, LogicaCMG, Autodesk, Pitney Bowes MapInfo, Helsinki Technical University, Snowflake and the Universities of Leeds, Newcastle and Nottingham.

Outlook

This first half of this year has seen 1Spatial expand its global footprint, grow revenues and profits, and sign some of its largest contracts to date. We are operating in a growth market being driven by issues such as new Government legislation at a local, national and European level, and an increasing consumer demand for spatial information. We believe that we are ideally positioned to capitalise on this growth, and to maintain our position as a global leader in spatial data management.