28 January 2016

Ten Alps plc
(“Ten Alps”, the “Company” or the “Group”)

Trading Update

Ten Alps, the TV and multimedia content producer, provides an update on current trading of the Group, ahead of the announcement of its half-year results for the period ended 31 December 2015, which it expects to release on 8 March 2016.

The Board is pleased to report that an increase in the Group’s revenue pipeline at the start of the calendar year has reinforced management’s confidence in returning the Company to profitability in the current financial year, which ends in June. Furthermore, we are also already seeing the revenue pipeline start to build for FY16-17, across all parts of the business.

While we anticipate achieving full year revenues broadly in line with market expectations, we now expect that EBITDA will come in below current market expectations; although still anticipate that the Group will move from a loss to a material profit at EBITDA level. This is largely owing to slower than planned progress in the turnaround of the Group’s Publishing division.

In the Group’s TV division, commissions from broadcasters accelerated in January, compensating for a slower than expected period in the previous quarter. Despite the delays in programme commissioning we are still expecting Television to perform strongly with revenues, which make up two-thirds of the Group’s business, to achieve annual growth of over 20 per cent. on a comparable basis. We are also seeing positive results from our revised strategy of focussing on larger-scale commissions for series rather than one-off programmes. Reef TV (“Reef”), acquired in July 2015 and which has integrated well with the existing Ten Alps TV businesses, is performing strongly and according to plan. We are confident that Reef will achieve its full-year targets and make a significant contribution to Group profitability.

The first half of the Group’s financial year, which is traditionally slower than the second half across the business, saw slow advertising sales in parts of the Group’s publishing portfolio as well as delays in programme commission sign-offs for Television. The Group’s interim results, due to be published in March, will show a small EBITDA loss for the first half, however management are confident that the revenue pipeline for the second half is of sufficient scale to deliver its current expectations of full year EBITDA profit, achieving our target of a fundamental turnaround after several years of losses.

Our Communications business has recently extended into video communications targeted at large blue chip corporates, in line with our strategy of building a video-led corporate story-telling and content marketing business.

There will be some further rationalisation of the Group’s Publishing division, which is being transformed from a print-based business into one focussed on growing events and digital revenues. Although the division has been trading behind target in the first half, we remain confident that management have taken the right actions to refocus the business and the Board remains confident that it will deliver profits in the current financial year, for the first time in many years.

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