30 March 2015

Ten Alps Plc

Unaudited Interim Results for the six months ended 31 December 2014

Ten Alps Plc ("Ten Alps" or the "Group"), multimedia producer of high quality TV and radio together with publishing and communications content, today announces its unaudited interim results for the six months to 31 December 2014.

Revenue and EBITDA, which are in line with our internal expectations, show a decline in comparison to figures for the same period in the previous year, largely because of phasing of certain contracted work and the impact of restructuring. We continue to expect our full-year results to be broadly in line with our internal expectations and see encouraging momentum building across the portfolio.

We continue to make progress in refocussing the business. Forward bookings are encouraging in TV, our print business is diversifying with growth of digital and events revenue and we are winning new business in digital content marketing.

Highlights for the period include:

Performance

- Group revenues of £10.17m (2013: £11.71m)
- EBITDA loss of £(0.64)m (2013: £(0.53)m)
- Operating losses of £(0.73)m (2013: £(0.71)m)
- Loss for the period after tax and before discontinued operations £(1.0)m (2013: £(1.01)m)
- Diluted loss per share (0.36)p (2013: (0.42)p)
- Total assets £14.02m (2013: £16.51m)
- Net debt of £6.38m (2013: £6.85m) with facilities maturing in February and March 2016

As mentioned in our previous statement, although we recorded a loss in the period, we believe we are on the right track. Our focus will continue to be on the key performance indicators (KPIs) we have adopted, mainly:

- creative and digital story telling
- cash generation
- core market growth
- enhanced overall performance and
- investment opportunities

These KPIs should enable us to continue to address the interests of the various stakeholders of the Group.

Board Change

With effect from today Brian Walden will be retiring from the plc Board.

Peter Bertram, Chairman, commented "The Board is very grateful to Brian for his invaluable contribution to the Company and we wish him all the best."

Brian Walden commented "I am grateful for the experience I have I had with Ten Alps and I wish everyone in the Group success."

Ten Alps Plc
Condensed Consolidated Interim Financial Statements For
The 6 month Period ended 31 December 2014

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BUSINESS OVERVIEW

Our long term goal is to move all business units into profitability and see encouraging order pipelines building across the Company. We are creating a more integrated business in which digital expertise in particular is shared across the divisions. Ten Alps is being reshaped as an 'indie' programme maker, B2B publisher in attractive niches and digital content marketing and services business. In each case we are focused on markets where we see opportunities for significant growth.

Television

Key highlights included the release of 'Hockney', from Blakeway Productions; a 90-minute biopic of the artist which was first shown in cinemas in the UK, before being broadcast by the BBC. Another Blakeway-produced programme, 'Hunted', about the treatment of gay people in Russia, has been highly praised around the world and nominated for an Emmy Award in the US.

We continued to deliver programmes for BBC's Panorama and Channel 4's Dispatches. A one-hour special for Panorama, 'Ebola Frontline', was nominated for a BAFTA.

We have won a major commission from a global group of broadcasters to produce an ambitious, 4-part series on a US political theme, in addition to which we have been securing orders in other global markets. These include an 8-part series ('The Secrets of Branding') for CCTV China and three one-hour documentaries for the Japanese market. Broadening our international sales will be a top priority for the Company in the period ahead.

Publishing

We signed a new five year contract with the Local Authority Building Control to produce planning guidelines and local trade directories for every local authority in the UK, in conjunction with which we launched a new website, *Home and Build,* which we are now developing into a digital trusted traders directory. Redesigns of many of our key B2B titles, including Farm Business, Business Today, Director of Finance, SME, The Pharmacist and Primary Care Today, have produced higher levels of engagement and an uplift in advertising.

We have launched a series of events including awards, breakfast briefings and roundtable conferences in the health and financial segments, as we drive to diversify revenues. In the Farming sector we have continued to expand our already successful awards events, including the Food and Farming Awards and the premier dairy industry event, the Cream Awards.

We agreed a new three-year contract to produce Community Practitioner magazine and develop a new website for Unite, the national trade union. We also won a contract from British Airways to manage advertising sales in all their staff publications.

Communication

On 25 March 2015, we announced that Ten Alps Communicate, our digital content marketing and communications business, secured the renewal of a contract with Transport for London to manage its digital road safety campaigns for children. The contract, worth over £1 million per annum, represents an increase of approximately 30 per cent. of the value of the previous contract. The contract runs for a minimum of three and a half years and rolls over automatically for another three years after expiry of the initial term.

We redesigned the education website we manage for Nationwide and produced a series of animated promotions for their young savers' account scheme.

We have begun to extend our content marketing and corporate communications business, leveraging the story-telling skills in both our TV and our communications businesses. We have begun producing pilots for one large organization and are in commercial discussions with several more.

FINANCIAL REVIEW

Revenue from continuing operations was down by 13.15% to £10.17m (2013: £11.71m) and gross profit decreased by 18.01% to £3.05m (2013: £3.72m). The main variance in revenues came from the Company's publishing division which saw revenues decrease by £1.58m, representing a decrease of 24.06%, year on year.

Gross margin decreased from 31.73% to 29.94% in the period, with operating expenses remaining steady at 36.25% of revenues (2013: 36.24%). The reduction in gross margin was due to an operational reclassification of cost of sales in certain business units.

EBITDA, or headline profit, a key performance indicator used by the board, was recorded at a loss of £0.64m (2013: loss of £0.53m). Operating loss was at a similar level to the corresponding period last year, at £0.73m (2013: loss of £0.71m), after an amortisation charge of £0.06m (2013: £0.1m).

The finance charges for the period were £0.27m (2013: £0.23m) and reflect the accrued costs on the Company's outstanding debt obligations. As the Group recorded losses at the 31 December period end, no corporation tax charge was incurred. With no movement in the deferred tax asset, no charge was incurred for the period £Nil (2013: £0.08m). The loss for the period was £1.0m (2013: £1.01m).

Earnings per share

Basic and diluted loss per share from continuing operations in the year was 0.36p (2013: loss 0.37p) and was based on the losses for the period of £0.94m (2013: loss £1.01m) with a weighted average number of shares in issue during the year of 276,666,012 (2013: 276,666,012).

Statement of Financial Position

Assets

Non-current assets consisted of goodwill and intangibles of £6.91m (2013: £7.04m), property, plant and equipment of £0.16m (2013: £0.22m) and deferred tax asset of £0.49m (2013: £0.69m)

Inventories and trade receivables have decreased by £2.20m to £2.83m (2013: £5.03m) reflecting the impact of a reduction in revenue and work in progress. On a like for like basis, the net decrease in inventories and trade receivables since 30 June 2014 was £0.71m. Other receivables have also decreased to £1.17m (2013: £1.44m) reflecting a decrease in accrued income in the period.

The Group had a cash balance of £2.47m as at 31 December (2013: £2.01m). The balance is higher than last year, reflecting the increase in gross long term debt from £8.3m to £8.61m. Net debt at the period end was £6.39m (2013: £6.85m). Included in the 2013 comparative is a balance due of £0.65m regarding a loan relating to production finance. This was repaid following successful completion of the production.

Total assets of the Group were £14.02m (2013: £16.51m) with the main movements being net working capital of £1.8m and losses incurred in the period.

Equity and Liabilities

Retained losses as at 31 December 2014 were £23.85m (2013: losses: £21.54m) and total shareholders' equity at that date was £(2.39)m (2013:loss of £0.08m).

On 4 December 2014 the Group entered into an underwriting agreement ("Letter of Subscription") with certain existing shareholders and directors of the Company (the "Investors") to subscribe for ordinary shares of the Company up to an aggregate value of approximately £1 million (the "Subscription").

Under the Letter of Subscription certain directors of the Company being Peter Bertram, Mark Wood and Tim Hoare will each subscribe for £50,000 and Nitil Patel for £20,000. The maximum amount that can be raised under the Letter of Subscription may be increased if other investors become party to the agreement and is valid till 31 May 2015.

The Group had an outstanding balance on current and long term debt of £8.86m (2013: £8.95m), held predominantly by several of the Company's shareholders, with borrowings are split into four categories. Long term debt comprises an unsecured debt facility of £4.54m (2013: £4.35m), secured loan notes of £2.60m (2013: £2.52m) and unsecured loan notes of £1.47m (2013: £1.43m). The debt facility is due for repayment in February 2016 and the loan notes in March 2016 with no mandatory repayments on either of these amounts until the due dates. Furthermore, the Company has a short term unsecured loan note of £0.25m (2013: £Nil) which is due for repayment by 30 June 2015.

Current liabilities consisting of trade, other creditors (including deferred income of £1.77m (2013: £1.54m)) and current borrowings have decreased in the period under review by £0.48m to £7.81m (2013: £8.29m).

Cash flows

During the period the Group used £0.34m (2013: £1.53m) of cash flow from day to day operations. After accounting for finance costs and investing and an increase in borrowings of £0.25m (2013: £1.90m), the net movement in the period was a decrease in cash of £0.11m (2013: increase of £0.35m).

Mark Wood
CEO

Ten Alps Plc
Condensed Consolidated Interim Financial Statements For
The 6 month Period ended 31 December 2014

Condensed consolidated interim income statement

	Half Year to 31-Dec 2014 £'000's	Half Year to 31 Dec 2013 £'000's	15 months to 30 June 2014 £'000's
Continuing operations			
Revenue	**10,171**	11,707	29,454
Cost of sales	**(7,126)**	(7,992)	(20,030)
Gross Profit	**3,045**	3,715	9,424
Operating expenses	**(3,687)**	(4,243)	(10,549)
EBITDA	**(642)**	(528)	(1,125)
Reorganisation and restructuring costs	**-**	-	(329)
Depreciation	**(34)**	(77)	(179)
Amortisation and impairment of intangible assets	**(57)**	(102)	(353)
Operating loss	**(733)**	(707)	(1,986)
Finance costs	**(265)**	(226)	(570)
Finance income	**-**	-	-
Loss before tax	**(998)**	(933)	(2,556)
Taxation	**-**	(80)	(247)
Loss for the period	**(998)**	(1,013)	(2,803)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	**-**	243	243
Loss for the period	**(998)**	(770)	(2,560)
Continuing operations attributable to:			
Equity holders	**(998)**	(1,013)	(2,803)
Discontinued operations attributable to:			
Minority interest	**-**	-	-
Equity holders	**-**	243	243
Retained profit for the year	**(998)**	(770)	(2,560)
Basic earnings per share			
From continuing operations	**(0.36)p**	(0.42)p	(1.01)p
From discontinued operations	**-**	0.10p	0.09p
Total	**(0.36)p**	(0.32)p	(0.93)p
Diluted earnings per share			
From continuing operations	**(0.36)p**	(0.42)p	(1.01)p
From discontinued operations	**-**	0.10p	0.09p
Total	**(0.36)p**	(0.32)p	(0.93)p

Ten Alps plc consolidated statement of comprehensive income
For the six months ended 31 December 2014

	Half Year to 31-Dec 2014 £'000's	Half Year to 31 Dec 2013 £'000's	15 months to 30 June 2013 £'000's
Profit for the period	**(998)**	(770)	(2,560)
Other comprehensive income			
Foreign investment translation differences	**-**	(14)	-
Total comprehensive income for the period	**(998)**	(784)	(2,560)
Attributable to:			
Equity holders	**(998)**	(784)	(2,560)
Minority interest	**-**	-	-
	(998)	(784)	(2,560)

Ten Alps Plc
Condensed Consolidated Interim Financial Statements For
The 6 month Period ended 31 December 2014

Condensed consolidated statement of financial position

	Note	**Unaudited 31-Dec 2014 £ '000**	Unaudited 31 Dec 2013 £ '000	Audited 30 June 2014 £ '000
Assets				
Non-current				
Goodwill and intangibles		**6,906**	7,035	6,953
Other intangible assets		**-**	-	-
Property, plant and equipment		**158**	222	186
Deferred tax		**493**	688	493
		7,557	7,945	7,632
Current assets				
Inventories		**942**	1,821	989
Trade receivables		**1,889**	3,211	2,552
Other receivables		**1,165**	1,436	1,596
Cash and cash equivalents		**2,469**	2,099	2,578
		6,465	8,567	7,715
Total Assets		**14,022**	16,512	15,347
Equity and liabilities				
Shareholders' equity				
Called up share capital		**5,534**	5,534	5,534
Share premium account		**15,228**	15,228	15,228
Merger reserve		**696**	696	696
Exchange reserve		**-**	-	-
Retained earnings		**(23,852)**	(21,539)	(22,854)
Total Shareholders' Equity		**(2,394)**	(81)	(1,396)
Minority interest		**-**	-	-
Total Equity		**(2,394)**	(81)	(1,396)
Liabilities				
Non-current				
Borrowings		**8,607**	8,300	8,447
Other non-current liabilities		**-**	-	-
		8,607	8,300	8,447
Current liabilities				
Trade payables		**2,928**	3,245	3,013
Other payables		**4,631**	4,398	5,283
Current tax liabilities		**-**	-	-
Borrowings – current		**250**	650	-
		7,809	8,293	8,296
Total equity and liabilities		**14,022**	16,512	15,347

Condensed consolidated statement of cash flows

	Unaudited	Unaudited	Audited
			15 mth period
	6 month	6 month	to
	31-Dec	31 Dec	30 June
	2014	2013	2014
	£ '000	£ '000	£ '000
Operating activities			
Reconciliation of profit to operating cash flows			
Loss for the period	**(998)**	(770)	(2,560)
Add back:			
Taxation	**-**	80	247
Depreciation	**34**	78	179
Amortisation & impairment	**57**	102	354
Finance costs	**265**	225	570
Finance income	**-**	-	2
(Profit) on disposal of subsidiaries	**-**	(237)	(237)
Loss on sale of fixed assets	**-**	-	3
	(642)	(522)	(1,442)
Decrease/(Increase)in work in progress	**47**	(61)	709
Decrease in trade and other receivables	**1,094**	129	1,483
(Decrease) in trade and other creditors	**(842)**	(1,080)	(2,323)
Cash (used in) from operations	**(343)**	(1,534)	(1,574)
Finance costs	**-**	(100)	(295)
Net cash flows (used in)/from operations activities	**(343)**	(1,634)	(1,869)
Investing activities			
Disposal (Acquisition) of subsidiary undertakings, net of cash and overdrafts acquired		-	163
Payment of deferred consideration	**-**	(90)	(100)
Purchase of property, plant and equipment	**(6)**	6	(5)
Proceeds of sale of property, plant and equipment	**-**	(1)	3
Net cash flows used in investing activities	**(6)**	78	61
Financing activities			
Borrowings repaid	**(50)**	-	-
Borrowings received	**300**	1,901	1,250
Net cash flows from financing activities	**250**	1,901	1,250
Net decrease in cash and cash equivalents	**(99)**	345	(558)
Translation differences	**(10)**	3	6
Cash and cash equivalents at beginning of period	**2,578**	1,752	3,130
Cash and cash equivalents at end of period	**2,469**	2,100	2,578

Condensed consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Exchange reserve £000	Retained earnings £000	Total £000	Non Controlling interest £000	Total equity £000
Balance at 1 January 2013	**5,051**	**15,228**	**696**	**-**	**(14,128)**	**6,847**	**-**	**6,847**
Loss for the Period	-	-	-	-	(7,397)	(7,397)	-	(7,397)
Other comprehensive income								
Translation differences	-	-	-	(14)	-	(14)	-	(14)
Total comprehensive income	**-**	**-**	**-**	**(14)**	**(7,397)**	**(7,411)**	**-**	**(7,411)**
Equity-settled share-based payments	-	-	-	-	-	-	-	-
Shares issued	483	-	-	-	-	483	-	483
Balance at 31 December 2013	**5,534**	**15,228**	**696**	**(14)**	**(21,525)**	**(81)**	**-**	**(81)**
Balance at 1 July 2013	**5,534**	**15,228**	**696**	**-**	**(20,512)**	**946**	**-**	**946**
Loss for the Period	-	-	-	-	(1,013)	(1,013)	-	(1,013)
Foreign investment translation differences	-	-	-	(14)	-	(14)		(14)
Total comprehensive income	**-**	**-**	**-**	**(14)**	**(1,013)**	**(1,027)**	**-**	**(1,027)**
Equity-settled share-based payments	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-	-
Balance at 31 December 2013	**5,534**	**15,228**	**696**	**(14)**	**(21,525)**	**(81)**	**-**	**(81)**
Balance at 1 July 2014	**5,534**	**15,228**	**696**	**-**	**(22,854)**	**(1,396)**	**-**	**(1,396)**
Loss for the Period	-	-	-	-	(998)	(998)	-	(998)
Foreign investment translation differences	-	-	-	-	-	-		-
Total comprehensive income	**-**	**-**	**-**	**-**	**(998)**	**(998)**	**-**	**(998)**
Equity-settled share-based payments	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-	-	-
Balance at 31 December 2014	**5,534**	**15,228**	**696**	**-**	**(23,852)**	**(2,394)**	**-**	**(2,394)**

Notes to the consolidated financial statements

1) GENERAL INFORMATION

The condensed interim financial statements for the six months ended 31 December 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 27 March 2015.

The Company is a public limited company incorporated in the United Kingdom. The address of its registered office is7 Exchange Crescent, Conference Square, Edinburgh, EH3 8AN.

The Company is listed on the London Stock Exchange's AIM Market.

These financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the period ended 30 June 2014, which were approved by the Board of Directors on 3 December 2014, received an unqualified auditors' report and have been delivered to the delivered to the Registrar of Companies. The interim financial information contained in this report is unaudited.

2) BASIS OF PREPARATION

These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the 15 month period to 30 June 2014.

3) SEGMENTAL INFORMATION

The operations of the group are managed in three principle business divisions, Broadcast, Publishing and Communications Agency. These divisions are the basis upon which the management reports its primary segment information.

Revenues by Business Division	**Unaudited 6 Months to 31-Dec 2014 £'000's**	Unaudited 6 Months to 31-Dec 2013 £'000's	Audited 15 months to 30-Jun 2014 £'000's
Television	**4,247**	4,160	10,733
Publishing	**4,983**	6,562	15,874
Communications	**801**	802	2,423
Other	**140**	182	424
Total	**10,171**	11,706	29,454

4) EARNINGS PER SHARE

	6 mths to Dec 2014 Number of Shares	6 mths to Dec 2013 Number of Shares	15 mths to Jun 2014 Number of Shares
Weighted average number of shares used in basic earnings per share calculation	**276,666,012**	276,666,012	276,666,012
Dilutive effect of share options	-	-	-
Weighted average number of shares used in diluted earnings per share calculation	**276,666,012**	276,666,012	276,666,012
	£'000	£'000	£'000
Loss for the period	**(998)**	(1,013)	(2,803)
Amortisation of intangible assets post deferred tax impact	57	102	327
Restructuring costs	-	-	329
Adjusted profit for year attributable to shareholders	**(941)**	(911)	(2,147)
Profit for year from discontinued operations attributable to shareholders	**-**	243	243
Continuing operations			
Basic Earnings per Share	(0.36)p	(0.37)p	(1.01)p
Diluted Earnings per Share	(0.36)p	(0.37)p	(1.01)p
Adjusted Basic Earnings per Share	(0.34)p	(0.33)p	(0.78)p
Adjusted Diluted Earnings per Share	(0.34)p	(0.33)p	(0.78)p
Discontinued operations			
Basic Earnings per Share	-	0.09 p	0.09 p
Diluted Earnings per Share	-	0.09 p	0.09 p

5) SHARE CAPITAL

	2014			2013		
	Shares No	**Share capital £'000**	**Share premium £'000**	Shares No	Share capital £'000	Share premium £'000
Authorised ordinary shares of 2p each	**unlimited**			unlimited		
Allotted, called up and fully paid ordinary of 2p each:						
At start of year	**276,666,012**	**5,533**	**15,228**	276,666,012	5,533	15,228
Shares issued as consideration	**-**	**-**	**-**	-	-	-
Shares issued as remuneration	**-**	**-**	**-**	-	-	-
Shares issued as private placement	**-**	**-**	**-**	-	-	-
At end of year	**276,666,012**	**5,533**	**15,228**	276,666,012	5,533	15,228

ENDS