Press Release 15 June 2009

Ten Alps PLC
Final Results

Ten Alps ("Ten Alps", the "Company" or the "Group"), the factual media company, announces its final results for year ended 31 March 2009.

Ten Alps achieved growth in profits and margins in line with market expectations, despite tough conditions. This was primarily due to the accelerated migration of the business online, more demand for factual TV, the B2B and public sector bias in the client base and attention to costs.

Ten Alps will continue to drive the business online and aim to further increase margins in the 2009-10 year.

Highlights

Financial

- Revenue £80.2m, down by 1.5% (2008: £81.4m)
- EBITDA £5.9m, up 9.3% (2008 £5.4m)
- Pre-tax profit (PBT) £3.3m, up 5% (2008: £3.15m)
- Net profit £3.0m, up 7.1% (2008: £2.8m)
- Basic EPS 5.34p, up 9.7% (2008: 4.87p)
- Adjusted Basic EPS 6.52p, up 7.6% (2008: 6.06p)
- Cash balance at the year end of £13.1m, up 18.0% (2008: £11.1m)
- Shareholders' Equity £22.7m, up 35.1% (2008: £16.8m)

Operational

- All content, including TV catalogue, moving towards a single online database
- Shift towards online publishing in major units, creating cash flow benefits
- Resilience in B2B through focus on less recession-affected sectors – like defence, education and health
- Strong in factual TV, with groundbreaking programmes delivered to Channel 4 (*Dispatches*) and BBC (*Iran and the West*)
- Acquisition of video production company Twenty First Century Media creating a platform for the drive in to online video market
- Acquisition of factual TV producers Films of Record and Below the Radar, with focus on online video projects like *Fermanagh TV*
- Raised £3m (before costs) during March 2009 through the placing of 11.1m shares at 27p

Current projects, aiming for launch this year

- Six online sector portals covering Ten Alps' B2B publications (current roll out)
- Online TV training site Accountancy TV, with international scope
- Online TV science channel Newton TV, with the Science Museum and Open University
- Bid for public sector local news contracts, subject to Digital Britain tenders being issued

Commenting on the results Alex Connock, Chief Executive of Ten Alps, said:

"2008-9 was a volatile economic landscape, but we met financial targets set out before the crisis – for which our managers and staff deserve great credit. We also strengthened our cash position.

The new financial year has commenced with a decent order book. However, it is too early to assume strong organic growth from existing customers. So this year we intend to continue migrating online, targeting further margin benefits and growth opportunities."

Extracts from the final results appear below and a full version, together with frequent updates on content output, is available on the Company's newly-upgraded website www.tenalps.com

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Chairman's Statement

Ten Alps' management team continues to build a multi-platform offering which is meeting the evolving demands of its customers. Examples include:

- Large public sector tenders for combined online and TV service provision;
- Increasing demand for online B2B products previously in print, and for associated events
- Requests from broadcasters for '360-degree' TV and online programming.

Our approach has enabled Ten Alps to not only survive the economic fallout and grow profits, but also to have a powerful and unique platform for growth going forward.

What everyone in the business understands is that fundamental progress on margins is key to long term success.

In order to deliver online projects and margin growth we have continued to operate within the following corporate structure which has served us well over the past three years:

- The Content division produces high-value, factual content, in TV, radio and online TV.
- The Communications division provides clients with specialist audiences – B2B and public sector – online, in print, events and online TV.

The divisions share offices and are integrating their content within a single online resource. The fundamental and increasing strength of the group is that its ability to marry high end content production with powerful commercial exploitation makes it uniquely suited to the content creation and ownership opportunities of the multi-platform age we are undoubtedly in, especially in niche factual media.

Brian Walden
Chairman

Chief Executive's Statement

We aim in both the Content and Communications divisions to drive our content online, own more of it, monetise further revenues against it, and increase margins. We are evolving, from being an independent producer of content for other organisations, to being an independent owner of content. Online migration is the key to that, because we can own online assets more easily than client-funded TV programmes or print products.

Overall Margin Focus

The Group is targeting 3 Key Performance Indicators (KPIs) in order to address and increase margins:

(1) Gross margin

Gross margin has improved on last year to 29.8% (2008: 28.2%) and reflects the change in the product mix due to online migration, the acquisitions of Films of Record and Below the Radar and greater cost control.

(2) Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

This is a key measure we use to assess the results of the Group in any one year, as growth in the EBITDA figure ensures that the Group can increase [profit] margins and not just revenue. The Group produced good EBITDA growth in the year of 9.8% to £5.9m (2008: £5.4m). The EBITDA margin increased from 6.6% to 7.4% during the year.

(3) Adjusted Operating Profit margin (EBITA)

Together with the gross margin KPI, this target aims to maintain profitable products and programmes, to keep overheads under control and increase cashflows. The Group increased EBITA by 11.1% to £5.1m (2008: £4.6m). The margin increased from 5.7% to 6.4% during the year.

<u>Content Division</u>

The Content division produces TV and radio programmes and online TV channels, and is now aiming to migrate and exploit its content online, including its back catalogue of over 500 programmes. The division has a management role in *Teachers TV* (www.teachers.tv) and *Kent TV*, (www.kenttv.com) as well as its own online projects.

The Content division is run by Nitil Patel (also Group Finance Director) from offices in London and Manchester, with up to 100 core staff (depending on productions), and includes reputed TV executives such as Andrew Bethell, Denys Blakeway, Roger Graef, Brian Lapping, Norma Percy, Sarah Murch and Fiona Stourton. During the year we recruited new executives such as Kate

Botting and Eve Kay and through the acquisition of Below the Radar, Trevor Birney, to expand the range of output in the division.

Review of Operations

Revenue in 2008-9 was £23.6m (2008: £25.7m) with EBITDA of £1.6m (2008: £1.8m) (before corporate overheads) and EBITA of £1.2m (2008: £1.3m). The margins were lower after adjusting for a difficult economic environment, increased executive costs and lower KPIs from the new *Teachers TV* contract.

During the year, the Content Division produced ground breaking TV programmes including *Iran and the West (BBC2, National Geographic, France 3,* described by *the Financial Times as "riveting, authoritative"), Attack on the Pentagon (Discovery), Gordon Brown: Where did it all go wrong? (Channel 4), Afghanistan: Mission Impossible? (Channel 4), Secrets of the Austrian Cellar (Channel 4), Forgotten Children of the Congo (Channel 4), 9/11 Faker (Channel 4), Murder Mansions (Channel 4)* and *Health and Safety (BBC 1)*.

The current slate includes *Madoff: The Ultimate Con (BBC2), Hunger (BBC2), The Big Idea (BBC Worldwide), Balmoral (BBC2), The Rise and Fall of Detroit (BBC4), Great Ormond Street Hospital (BBC2)* and *After the Break (BBC2),* all due to be released during the current year

Radio programmes produced included *1968: Philosophy in the Streets (Radio 4), The New York 77 Blackout'(Radio 4), Political Correctness RIP? - parts 1 and 2 (Radio 4), Che Lives! (Radio 2), Human Rights Now! (Radio 2)* and *The Album is Art (Radio 2)*.

The current slate includes *Hearts and Minds: How Intellectuals won the Cold War (R4), On The Outside it Looked Like an Old Fashioned Police Box (R4), Jeopardising Justice (x 4) (Radio 4), Art of Laughter (Radio 2), Shedding Hippie Blood (Radio 2)* and *Woodstock 40th Anniversary (Radio 2).* Radio is of limited commercial opportunity to the group but a very good creative avenue for the creation of new projects.

Online migration

Ten Alps continues to work in the growing market for public sector online TV projects. *Kent TV,* the pioneering local authority-funded channel, saw a rise in its viewing figures during the year. Fermanagh TV, which is a local online community TV offering launched in May 2009 (www.fermanagh.tv) and Ten Alps aims to roll out more in the coming year. Ten Alps has expressed a strong interest in bidding in any public sector tenders in the local news field under the current Digital Britain review, particularly in Northern Ireland, the North West, the North East and the Midlands, in each of which region Ten Alps has an indigenous production presence.

The Content division plans to further expand its online offering. Projects include:

- *Newton TV*, a project providing high-end online TV science content, combining the skills of Ten Alps' subsidiary Brook Lapping with the Open University, the Science Museum and the Royal Institution; and
- A plan to launch *Accountancy TV*, a service providing continuing professional development to the accounting industry.

Communications Division

The Communication division's output spans over 600 specific areas of trade media, increasingly online but also still generating valuable and sustained revenues in print and associated events.

The division is run by Adrian Dunleavy with over 400 staff and offers a multi-platform communications service to the public sector, business to business and trade clients.

Review of Operations

Revenues in the division increased to £56.6m (2008: £55.7m) with EBITDA improving to £5.4m (2008: £4.5m). The EBITA figures were £5.1m (2008: £4.6m) before corporate costs.

This year saw revenue pressures in the advertising and client events markets due to the impact of the general economic climate. However, by reallocating resources, reducing underlying overhead and by driving output to higher margin sectors, owned assets and across online products, the business managed growth in revenue, gross margin and EBITDA.

The directors believe this approach will provide a strong base from which to develop the business over the coming years.

In the year strong performances were delivered in online publishing, owned events, digital production and in corporate communications notably in the corporate responsibility sector.

A review of activities is given below by output type:

(1) Publishing

The division undertakes factual publishing on behalf of clients and across owned titles (100 titles). Output spans a number of key sectors including Trade, Medical, Infrastructure, Energy, Environment and Defence. Revenues are generally derived from client fees and advertising with distribution achieved across print and online formats.

Publishing accounted for £26.8m revenue being 47.3% of the divisions output (2008: £28.1m and 50.4%). Included in this figure is £4.8m (2008: £1.4m) of revenues for online publishing (see below).

The year has seen a shift in output to higher margin online revenues which now account for 18.0% of publishing activity (2008: 5.1%). Resources have also been transferred to the higher margin sectors such as Medical, Technology and Environment during the year and there has been a planned shift of focus to owned titles, now 31.3% of the division's revenue (2008: 18.4%). These moves to higher margin growth models demonstrate the positive flexibility in Ten Alps publishing model.

New publishing projects in the year included: European Metabolic Review, Neurology Insights Europe, Energy Focus for the Energy Industries Council and the Atlas of Innovation for the World Alliance for Innovation (WAINOVA).

(2) Events

Historically, the division provided event management services to third parties. This is still a core offering but the division is moving resources away from this lower margin income stream and is instead developing a number of higher margin owned events on the back of its publishing sector experience.

Events accounted for £3.2m revenue being 5.6% of the divisions output (2008: £4.6m and 8.3%). This reduction reflects the move away from client-based events.

Owned events represented 40.9% of that output (2008: 30.8%) and new owned events in the period included Passenger Transport and Central Government Project Management

(3) Online And Video

The division provides online production and development services as well as being a market leader in the sales and production of online video and online video channels – a fast growing high margin sector with further potential.

With the acquisition of Twenty First Century Media, an online video production business, in July 2008, the division's online and video capability has extended nationally and its revenues have grown to £7m (including the £4.8m in online publishing as detailed above) representing 12.4% of the division's output (2008: £2.6m and 4.7%).

This year has seen cross selling of online and video production services to existing clients and projects were delivered in the year for the likes of Optometry TV, British Wind Energy Association, Corus, Scottish Public Pensions Agency and Transport for London. There is potential to increase the pace of this activity and to create a business of scale around the online video sector.

(4) Advertising Sales

The division uses its sector skills to sell advertising on behalf of certain niche trade and not for profit organisations on a commission basis. The advertising sector has been under some pressure this year, however with positive business development generating new clients for the division the results have been encouraging in that context.

Advertising sales accounted for £12.5m revenue being 22.1% of the divisions output (2008: £10.9m and 19.6%).

New clients in the period included BT, Capita Gas, Xafinity and the National Osteoporosis Society.

(5) Corporate Communications

The division has skill in providing multi platform communication services for the corporate market including design, media buying and web services. Notably it has enjoyed significant success in the area of social responsibility where its subsidiary DBDA is a leading exponent of this service in the education, safety and environmental sectors.

Following a strong new business drive this year sales increased to £12.1m being 21.4% of the divisions output (2008: £11.0 and 19.8%).

New clients in the period included National Grid, Hampshire County Council and Nationwide Building Society.

Online Migration

The Board intends to continue to drive more output online within the Communications division. With the soft launch of its sector online portals during the year, there is great potential for reduced production and distribution costs as online content provision overtakes the more traditional and expensive print mediums.

The use of portals improves operating cash flow, not only because of the positive margin impact but the fact that the production of a sale is immediate online and as a result the invoice point is brought significantly closer to the point of sale than would have historically been the case.

As new online platforms are introduced, there is the potential for increased revenue per client. Online publications offer opportunities for link, directory and video based sales alongside the more traditional display and classified revenues.

The ability to offer online video channels and related content production services opens up a further client base and the potential of a longer term commercial relationship through a content production service rather than a pure advertising sale.

The division enjoyed positive business and product development in the year. This enabled it to expand client communications across leading online techniques, which is having a positive effect on each facet of its new business development. Furthermore, it opens the opportunity to migrate the model to a higher margin, online product.

We intend to increase the pace of migration online in the coming year.

Alex Connock
Chief Executive

<u>Financial Review</u>

Group revenue was down by (1.5)% to £80.2m (2008: £81.4m) but gross profit increased by 4.3% to £24m (2008: £23m).

Gross margin has improved from 28.2% to 29.8% in the year with administrative expenses increasing slightly as a percentage and now represent 23.5% of revenues (2008: 22.6%).

EBITDA or headline profit, a key performance measure used by the board, increased by 9.8% to £5.92m (2008: £5.39m), after all development costs being written off directly to the income statement. Operating profit was up 13% to £4.36m (2008: £3.86m) after an amortisation charge of £773,000 (2008: £765,000).

For the year ended 31 March 2009, the Group pays tax at a rate of 28% on profits chargeable to corporation tax. However the effective rate is lower (9.3%), driven by utilisation of losses acquired in this and preceding years and an overprovision in the previous year.

Earnings per share

Basic earnings per share in the year was 5.34p (2008: 4.87p) and was calculated on the profits after taxation of £2.9m (2008: £2.5m) divided by the weighted average number of shares in issue during the period being 53,553,753 (2008: 52,047,080). The number of shares has increased due to the placing in March 2009 and the full impact on the weighted average will be reflected next year.

Diluted basic earnings per share in the year was 5.31p (2008: 4.79p) and is based on the basic earnings per share calculation above, except that the weighted average number of shares includes all dilutive share options outstanding. This gives a weighted average number of shares in issue of 53,883,572 (2008: 52,892,148) reflecting the impact of the outstanding share options as at 31 March 2009.

The Group continues to maintain a significant cash balance and held £13.1m as at March 2009 (2008: £11.1m). The balance is £2m higher than last year as it mainly reflects the movement in working capital, impact of the placing and financing and the payments of deferred consideration.

The Group has provided for deferred consideration of £2.45m (2008: £4.71m) on the balance sheet of which £0.8m (2008: £1.7m) is due after more than one year. Both the current and long term amounts relate to earn out payments due on the acquisitions of Atalink and DBDA.

As at the year end, the Group had outstanding bank loans of £14.45m (2008: £13.75m) of which £11.95m (2008: £10.48m) is due after more than one year. The loan was reduced by a scheduled payment of £2.5m on 30 April 2009.

Shareholders' Equity

Called up share capital increased to £1.278m (2008: £1.042m) and the share premium increased to £10m (2008: £7.2m).

Retained earnings as at 31 March 2009 were £8.5m (2008: £5.6m) and total shareholders' equity at that date was £22.74m (2008: £16.78m).

Minority Interests

Minority interest in the income statement reflects the *Teachers' TV* consortium members share in the year (25%). The balance as at 31 March 2009 was £167,000 (2008: £145,000).

Nitil Patel
Group Finance Director

Ten Alps Plc
Consolidated Income Statement for the year ended 31 March 2009

	Notes	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Revenue		**80,221**	81,389
Operating costs before amortisation of intangible assets		**(75,086)**	(76,766)
Earnings before interest, tax and amortisation (EBITA)		**5,135**	4,623
Amortisation of intangible assets		**(773)**	(765)
Total operating costs		**(75,859)**	(77,531)
Operating profit		**4,362**	3,858
Finance costs		**(1,325)**	(1,060)
Finance income		**291**	354
Profit before tax		**3,328**	3,152
Income tax expense		**(312)**	(324)
Profit for the year		**3,016**	2,828
Attributable to:			
Equity holders of the parent		**2,860**	2,533
Minority interest		**156**	295
		3,016	2,828
Basic earnings per share	2	**5.34p**	4.87 p
Diluted earnings per share	2	**5.31p**	4.79 p

All results for the Group are derived from continuing operations in both the current and prior year.

The accompanying principal accounting policies and notes from part of these consolidated financial statements.

Ten Alps Plc
Consolidated Balance Sheet as at 31 March 2009

	As at 31 March 2009 £ '000	As at 31 March 2008 £ '000
Assets		
Non-current		
Goodwill	**24,575**	23,106
Other intangible assets	**3,681**	4,023
Property, plant and equipment	**1,716**	1,870
	29,972	28,999
Current assets		
Inventories	**3,743**	3,603
Trade and other receivables	**18,057**	19,459
Cash and cash equivalents	**13,127**	11,148
	34,927	34,210
Liabilities		
Current liabilities		
Trade and other payables	**(25,985)**	(29,473)
Current tax liabilities	**(526)**	(539)
Borrowings and other financial liabilities	**(2,536)**	(3,642)
Derivative financial instruments	**(134)**	(25)
	(29,181)	(33,679)
Net current assets	**5,746**	531
Non-current liabilities		
Borrowings and other financial liabilities	**(11,974)**	(10,564)
Derivative financial instruments	**(2)**	(25)
Deferred tax	**(72)**	(128)
Other liabilities	**(767)**	(1,888)
	(12,815)	(12,605)
Net assets	**22,903**	16,925
Equity		
Called up share capital	**1,278**	1,042
Share premium account	**9,999**	7,198
Merger reserve	**2,930**	2,930
Retained earnings	**8,529**	5,610
Total attributable to equity shareholders of parent	**22,736**	16,780
Minority interest	**167**	145
Total equity	**22,903**	16,925

The consolidated financial statements were approved by the Board on 12 June 2009 and are signed on its behalf by

Alex Connock
Director

Nitil Patel
Director

Ten Alps Plc
Consolidated Cash flow Statement for the year ended 31 March 2009

	Year ended 31 March 2009 £ '000	Year ended 31 March 2008 £ '000
Cash flows from operating activities		
Profit for the period	**3,016**	2,828
Adjustments for:		
Income tax expense	**312**	324
Depreciation	**782**	767
Amortisation and impairment of intangibles	**773**	765
Finance costs	**1,325**	1,060
Finance income	**(291)**	(354)
Write-back of other loans	**(317)**	-
Share based payment charge	**59**	13
Loss/(Profit) on sale of property, plant and equipment	**10**	(5)
	5,669	5,398
(Increase)/Decrease in inventories	**(136)**	874
Decrease/(Increase) in trade and other receivables	**1,919**	(7,152)
Decrease in trade and other payables	**(3,175)**	(870)
Cash generated/(used in) from operations	**4,277**	(1,750)
Finance costs paid	**(1,448)**	(1,010)
Finance income received	**291**	354
Foreign exchange loss on other loans	**-**	19
Tax paid	**(446)**	(315)
Net cash flows from/(used in) operating activities	**2,674**	(2,702)
Investing activities		
Acquisition of subsidiary undertakings, net of cash and overdrafts acquired	**(646)**	(2,823)
Payment of deferred consideration	**(2,685)**	-
Purchase of property, plant and equipment	**(532)**	(961)
Proceeds of sale of property, plant and equipment	**40**	131
Development of websites	**(279)**	(106)
Net cash flows used in investing activities	**(4,102)**	(3,759)
Financing activities		
Issue of ordinary share capital	**2,922**	9
Borrowings repaid	**-**	(1,000)
Borrowings received	**700**	4,600
Capital element of finance lease payments	**(81)**	(8)
Dividends paid to minority interests	**(134)**	(360)
Net cash flows from financing activities	**3,407**	3,241
Net increase/(decrease) in cash and cash equivalents	**1,979**	(3,220)
Cash and cash equivalents at 1 April	**11,148**	14,368
Cash and cash equivalents at 31 March	**13,127**	11,148