Ten Alps Plc

Final Results

8 June 2010

Multimedia group Ten Alps Plc ('Ten Alps', AIM: TAL, 'the group') announces its final results for the financial year to 31 March 2010, showing profits decreased by recessionary impact on advertising, and through the group's investment in strong online migration and Asian expansion.

- Pre-tax profit (PBT) £3.2m (2009: £3.3m)
- Revenue £66.1m (2009: £80.2m)
- EBITDA £5.2m (2009 £5.9m)
- Net profit £2.4m (2009: £3.0m)
- Basic EPS 3.63p (2009: 5.34p)
- Adjusted Basic EPS 4.95p (2009: 6.52p)
- Cash balance at the year end of £6.7m (2009: £13.1m)
- Debt at £12m (2009: £14.5m) and further reduced by £2.5m in April 2010
- Shareholders' Equity £25.4m (2008: £22.7m)

Note

- The £314k reduction in profits from the 25 March 2010 pre-audit statement relates to revenue movement on a contract. Those profits will now be recognised in the financial year 2010-11.

Operational highlights

- Growth in Asia: Singapore operation successfully launched with 41 staff now producing print, online and TV programmes.
- Beijing office also opened today with local staff.
- Output moved online: revenue mix increased from 25% to 41% online.
- TV and online TV – resilient, high-profile delivery through recession (Content division)
- Publishing, media and creative operations -consolidated business units, reduced overhead and product costs, strong owned asset and business development (Communications division)

Alex Connock, Chief Executive, commented:

"By improving margins and migrating online we delivered profits and reduced debt in 2009-10 - but clearly the business is not immune to recession. Our multimedia model very much suits how media usage has evolved, and is now being excitingly replicated in Asia. Meanwhile we have reduced our cost base and developed a platform for future growth."

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** Ten Alps also announces that the Company's Broker has undertaken a change of name from Canaccord Adams Limited to Canaccord Genuity Limited following the acquisition by its parent company, Canaccord Financial Inc., of Genuity Capital Markets, the leading independent advisory and restructuring firm in Canada.*

Chairman's review of 2009-10

Ten Alps was significantly impacted by the recession last year, with advertising revenues falling by 20%, in line with industry comparables.

However Ten Alps was profitable, the broadcast production business was resilient, and strong operational management actions across its communications business improved margins.

This Summer, we have acknowledged that investors have difficulty in benchmarking the value of our assets against conventional sector segmentations, and that this has impacted shareholder value.

Our divisions are therefore today now segmented into standard industry models. This opens up market comparison, trade partnerships and potential exit scenarios. To those ends, we have four development strategies, as outlined in the Chief Executive's Statement below.

Finally, as in previous years, the creative achievement has been high, and often award-winning. Our staff deserve credit for that creative success, as well as these resilient results, in an economy which continues to be very challenging.

Brian Walden
Chairman

Chief Executive's Statement

Outlook

The lower fixed cost base has positioned Ten Alps well for any general economic recovery.

In the Content Division, TV production work has been consistently won and the slate remains durable, as it has been through the recession, but there is work to be won in this year before targets are fully achieved.

In the Communications Division, the downturn in advertising sales impacted the 2009-10 result. Run rates have shown no clear trend yet in the new financial year. There has however been a strong product margin improvement and actions to reduce the cost base will help profitability. But again, there remains work to do in this year.

It is important to note that the weighting of the product portfolio is expected to see a weaker first half to 30 September 2010, followed by a stronger second half.

The directors expect growth for the 2011-12 financial year, based on margin enhancement, online migration of the product range, the result of UK business development initiatives taking place this year and the development of Asian income streams. Any macroeconomic growth should enhance this.

The board will update the market on progress after the close of the first half of the year.

Content Division

This division produces TV and online TV. In 2009-10 it delivered £1m EBITA (2009: £1.2m) down 16.6% on revenues of £20.6m (2009: £23.6m) down 12.7% before group central costs.

The two main elements to the division's output are broadcast TV work and online TV work, with an additional emerging strand in online regional and TV news.

Broadcast TV

Output continued to be strong, with the high level of journalism maintained, a sequence of major awards won, and the introduction of a Singapore office with a strong future production slate of programming for Asian markets. Programmes are produced by three business units (all under one roof) in London, plus offices in Manchester and Belfast. The model is fee-based, with no upfront risk and distribution rights retained.

To pick out a small sample of the output: high-profile programmes were produced for Channel 4 *Dispatches* including: *Afghanistan – Mission Impossible*, *Russian Oligarchs, Ready for a Riot* and *Crash Gordon*. For BBC2 and BBC4 there was the acclaimed Julien Temple documentary film *Requiem for Detroit*, *Berlusconi, Balmoral, Edward VII – Prince of Pleasure, Fighting Passions* (about the adrenalin rush soldiers can feel in combat), a Bernie Maddoff documentary and the three-part series *Future of Food*. For BBC3 was Lindsay Lohan in India, for BBC1 a Panorama on the alleged Mossad killing in Dubai, and the tough three-part series on resource challenges in *Great Ormond Street Children's Hospital*.

In Singapore, a TV production operation was launched through the acquisition in August 2009 of Uproar Productions Asia pte Limited. An attractive programming slate has been built since then, and there are four projects currently in production including 2 for BBC World News.

Online TV

Half of Ten Alps' TV output is now online, making it a significant player in the UK field. The principal projects here are the *Teachers TV* project and *Newton HD*, the new online science channel, and there is a new and promising activity in regional TV/online news provision.

This Summer *Teachers TV* migrates fully online, saving the customer money (broadcast EPG (electronic programme guide) slots are a fixed cost) and focusing the service on the non-linear, online provision of its continuing professional development (CPD) training. This decision tracks both the wider devolution of decision-making and curriculum management within the English education system, and the evolution of the Teachers TV service's usage over the past year. Customers have naturally migrated to teaching requirements more easily served through access to the online database of over 3600 specialist programmes, as well as social tools such as the Facebook site – from the constraints of programme schedules, where at any given point the single programme being broadcast might not be relevant. The contract has a six-month notice period and is contracted to 2013 with a possible two-year extension. *Teachers TV* has also this year sold an overseas version in Canada, and a number of live discussions are underway, including in the USA, the Middle East and Thailand: the directors believe *Teachers T*V can translate its world-leading status in online-CPD into further international sales.

Newton HD provides online science video and aims to be a leader in its field. It is currently online in beta phase and is shortly to launch, having been funded initially by Ten Alps (through the equity placing of early 2009) and then through a significant grant from the North East's development agency. The online science channel is set to be a joint venture with the Science Museum, Open University and Royal Institution in which Ten Alps will be majority shareholder. Ten Alps believe the project can generate two further dimensions: first by developing a relationship with high-traffic newspaper sites, and second by going international. The model is for commercial and foundation content sponsorship.

Online/TV News

Towards the end of the year the division, alongside equal partners Trinity Mirror PLC and the Press Association, reached a final bidder status in a tender for a news service for the Department for Culture

Media and Sport on ITV (the Independently Funded News Consortia, 'IFNC'). There is doubt as to whether the new government will proceed, a decision which would have no impact on Ten Alps' figures as no upside had been factored into projections. Alternative new government plans in local news may well provide opportunities for Ten Alps: local news and relationships with newspaper groups will be an opportunity in the next few years. The Content division's growth plan is set out in the development plan objectives section below.

Communications Division

This division has three activities: publishing, media sales / buying, and creative services. In 2009-10 it delivered £4.3m EBITA (2009: £5m) down 14% on revenues of £45.3m (2009: £56.6m) down 20% before group central costs.

Revenue impacts resulted directly from general recessionary advertising down turn across the unit, with return on sales improvement being driven by migration to higher margin output particularly in on line formats on a lower restructured, cost base.

The moves to reduce this cost base and a continued migration to owned formats will hold the business in good stead going forward.

The Publishing operations of the division delivered £2.6m EBITA (down 11.6%) after divisional costs in the period on reduced revenues of £16.7m. The units accelerated the migration of title range online in the period (online revenue now 80% of publishing output) and launched a number of new owned titles in the period including Freight Industry Times Online; Energy And Environmental Times On Line; IQ Magazine On Line and Museums And Heritage Online. These actions moved EBITDA margins positively from 14.4% to 15.5% in the period partly alleviating the revenue impact of the advertising down turn.

The division launched its Asian operations in the period with the formation of a 60/40 holding, with Karay Holdings (which is a corporate body wholly owned by the CEO of Ten Alps Communications Asia, an experienced, native Singaporean media executive, Raymond Wong). The company, called Ten Alps Communications Asia pte Limited, subsequently acquired b2b media assets from publishing group Reed Business Information, and Interface (an online development and agency business) and has recently set up a new facility in Singapore to consolidate these publishing assets and extend its footprint in Asia, including a move today into the Chinese market.

The Media operations (sales and buying) of the division delivered £0.6m EBITA in line with last year after divisional costs on reduced revenues of £19.9m. The units saw restructure and consolidation through the period with the sales operations unified into one facility and operating under a single brand. The buying operation relocated and is now fully embedded with the aligned creative resources. Generally activity migrated to higher margin contracts and projects. New business was strong in the period with new clients such as Mercedes Benz; National Union of Journalists; HM Revenue and Customs and the British Marine Federation being added to the portfolio.

The Creative Services operations of the division delivered £1.1m EBITA (down 28.0%) after divisional costs on reduced revenues of £8.7m. The northern and southern creative businesses were both consolidated into single facilities / brands and delivered overhead efficiency as a result. The Corporate Social Responsibility (CSR) business had a good year with positive client activity continuing with the likes of National Grid and Nationwide Building Society and investment in the owned asset range of products – although £314k of profit from such efforts will now be recognised over the next accounting period. New client wins in the Creative area included Gowrings; Longleat Safari Park; Entrepreneurs Forum; The University Of Ulster and Lucketts Travel.

The Communications division's growth plan is set out in the development plan objectives section below.

Development plan summary

In light of the economic climate and the performance last year, the directors believe it makes sense to set out for shareholders the principles of the development plan for the three years 2010-13.

Ten Alps aims to grow the scale, profitability, product quality and geographic reach of its multimedia business and to take advantage of considerable market opportunities, both in the UK and Asia.

The key targets in this are:

(1) Achieve recognition of the inherent value of its two operating divisions.
(2) Grow each of those businesses organically.
(3) Add acquisitions to the growth of each, requiring investment.
(4) Deliver further multimedia crossover projects.

Each of these points is explained below.

(1) Inherent value of divisions

Ten Alps is a multimedia business, well suited to the nature of the 2010 media economy, both from a user and advertiser perspective. However, the directors believe, based on experience of investor presentations and other coverage, that its value will best be recognised if it segments its divisions by activity into traditional media categories, offering visible industry valuation benchmarks.

Therefore a clear segmentation has been made into Content (TV and broadcast TV) and Communications (trade publishing, media sales/buying and creative services). In each case, there are a substantial number of comparable companies, both listed and unlisted, allowing valuation benchmarking. The directors believe that different valuation multiples could now be applied to each unit.

The directors are aware of the 'conglomerate discount' argument, but believe this is offset by the application of industry standard multiples to high-value activities, and by the multimedia nature of the actual output.

(2) Organic growth plan for divisions

The priority of Ten Alps is to return to growth after a challenging recessionary year. There is a clear organic growth plan for each division.

(i) Content division (broadcast and online TV)

The Content division aims to focus on two goals: moving net margins from 5% to 8-9% in existing production operations, and expanding revenues.

Margins are being addressed in the following ways: reengineer TV production/development processes; switch new executive producer deals to a more incentivised basis; move to a freelance staff model in various units; build regional offices with an associated lower cost base.

Revenue expansion is being targeted through: expansion of genres, by the targeted hiring of new executives; developing popular factual and daytime series for new customers, including through the engagement of a new executive producer in that field; looking at mid-range formatted factual TV for BBC and Channel 4; developing existing expertise in science programming; further European/global programme rights sales; back-end revenue opportunities from moving into new formats; selling more multiplatform add-ons.

(ii) Communications division (trade publishing, media sales/buying, creative services)

Consistent with the positive actions this year the division is targeting improved margins with a migration to online output (reduced product and distribution costs); a move to owned assets (reduced client royalties and an asset build) and a migration to higher margin contract based revenues (notably in CSR and high end creative output).

The division will continue to consolidate its cost base using its strong central service ethos and will maintain efficiencies in overhead achieved this year. Revenue growth will be fuelled by incremental investment in business development in order to lever the division's market-leading positions across its units, although such growth is generally planned to replace lower margin activities. Product development across online portals and websites will look to deliver incremental spend from the divisions existing customer base – notably in services such as video and search engine optimization.

Top-line growth from an advertising recovery is assumed but at a limited rate. Any upside from this should convert at an efficient rate to the bottom line. However, short term there is uncertainty around the level of such recovery with advertising sales run rates being inconsistent and volatile on a week by week basis. Longer term it is anticipated that such rates will stabilise.

Finally, the division sees major organic opportunities in the Asian markets and plans a rapid expansion of this unit by migrating its U.K. portfolio and business model into the region, extending the acquired portfolio with online reach and the launch of a Chinese operation from today.

(3) Acquisitions growth

The directors believe that an important element in Ten Alps' growth plan not only has been, but also will again be, acquisitions. In the past nine years these have demonstrably offered growth in revenue, profits and (over significant periods) earnings per share.

In the Content (TV) division, acquisitions have enabled Ten Alps to access new talent and production slates in new genres - organic movement into which would be challenging because of fixed client perceptions as to the genre-specific capabilities of given production teams. Ten Alps has made a number of successful TV acquisitions (for instance Brook Lapping, which took Ten Alps into factual TV). Ten Alps therefore has a firm intention of making further, already-identified acquisitions in future. In this respect it is no different from its peers as almost all of the major independent UK TV production groups have grown primarily by acquisition in the past five years.

In the Communications division, acquisitions enable Ten Alps to drive synergies, cost savings, online migration and other benefits through its central hub, as has been achieved with seven acquisitions to date. Low-multiple deals have been transacted and further benefits achieved through merger. An attractive pipeline of further deals exists, including a significant Asian dimension. Continuation of this buy and build model is a fundamental constituent of this division's plans.

Ten Alps directors therefore intend to continue to review potential acquisitions, finance permitting, in the interest of growing the business and its earnings per share. Without significant acquisition capital, the directors believe Ten Alps' growth will be constrained and therefore they are clear that capital will be sought should appropriate transactions be identified.

4) Multimedia products

In almost every unit of Ten Alps there are multimedia projects in production. These range from *Teachers TV* and *Newton HD* (both TV and online), to the Link2 Portal and its associated print products, to *Optometry TV*, corporate social responsibility websites, "apps" developed for customers and interactive online games.

The directors intend to pursue further multimedia products, as the best way of matching the output's evolution to the demands of both users and advertisers.

Alex Connock
Chief Executive

Financial Review

This has been a challenging year for the Group and the results reflect the economic climate which faced most media companies in the UK during the financial period.

Group revenue was down by 17.6% to £66.1m (2009: £80.2m) and gross profit decreased by 8.8% to £21.8m (2009: £23.9m).

Gross margin improved from 29.8% to 33.0% in the year, with administrative expenses increasing as a percentage and now represent 26.5% of revenues (2009: 23.5%).

EBITDA or headline profit, a key performance measure used by the board, decreased by 12.9% to £5.2m (2009: £5.9m). Operating profit was down by 17.7% to £3.59m (2009: £4.36m) after an amortisation charge of £864,000 (2009: £773,000).

For the year ended 31 March 2010, the Group paid tax at a rate of 28% on profits chargeable to corporation tax. However the effective rate is marginally lower at 23.2% (2009: 9.3%) reflecting final use of minor tax losses in the Group.

Earnings per share

Basic earnings per share in the year was 3.63p (2009: 5.34p) and was calculated on the profits after taxation of £2.34m (2009: £2.86m) divided by the weighted average number of shares in issue during the period being 64,366,515 (2009: 53,553,753). The number of shares has increased due to the equity issue in February 2009 and the full impact is now being reflected in the weighted average number.

Diluted basic earnings per share in the year was 3.63p (2009: 5.31p) 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 64,458,107 (2009: 53,883,572) reflecting the impact of the outstanding share options as at 31 March 2010.

Balance Sheet

The Group had a cash balance of £6.7m as at March 2010 (2009: £13.1m). The balance is £6.4m lower than last year as it mainly reflects the movement in working capital, expenditure on websites and the payments of deferred consideration on the Atalink and DBDA acquisitions.

Inventories and trade receivables have decreased by £3.4m to £18.4m (2009: £21.8m) reflecting the impact of lower revenues during the year.

Trade payables and other creditors have decreased by £8.4m to £17.6m (2009: £26m). Deferred income has decreased due to clients paying later which has had an impact on the cash balance at the year end.

The Group has provided for deferred consideration of £857,000 (2009: £2.45m) on the balance sheet of which £Nil (2009: £0.8m) is due after more than one year. The current amounts relate to earn out payments due on the acquisitions of DBDA and Mongoose.

As at the year end, the Group had outstanding bank loans of £11.95m (2009: £14.45m) of which £9.45m (2009: £11.95m) is due after more than one year. The loan was reduced by a scheduled payment of £2.5m on 30 April 2010.

Shareholders' Equity

Called up share capital increased to £1.295m (2009: £1.278m) and the share premium increased to £10.18m (2009: £10.0m).

Retained earnings as at 31 March 2010 were £11m (2009: £8.5m) and total shareholders' equity at that date was £25.39m (2009: £22.74m).

Issue of new shares after the reporting period

On 1 April 2010, the company issued 5,484,305 ordinary shares at a price of 22.3p per share to institutional and ordinary investors.

On 10 May, the company issued 3,617,021 ordinary shares in connection with the acquisition of Grove House Publishing Limited. Ten Alps Communications Limited purchased the whole of the share capital of Grove House Publishing Limited (Grove) for initial consideration of £741,500, satisfied by the issue of 3,617,021 ordinary shares, and additional contingent consideration of up to £900,000. This additional contingent consideration is dependent on the achievement of cashflow and EBIT targets, and will be satisfied by cash.

Minority Interests

Minority interests in the income statement reflects the *Teachers' TV* consortium member's share in the year (25%) and our partner in Singapore interest via Ten Alps Communications Asia pte Ltd (40%). The balance as at 31 March 2010 was £160,000 (2009: £167,000) for Teachers TV and £184,000 (2009: £Nil) for Ten Alps Communications Asia pte Ltd.

Nitil Patel
Group Finance Director

Consolidated income statement

	Notes	**Year ended 31 March 2010 £'000**	Year ended 31 March 2009 £'000
Revenue		**66,134**	80,221
Operating costs before amortisation of intangible assets		**(61,683)**	(75,086)
Earnings before interest, tax and amortisation (EBITA)		**4,451**	5,135
Amortisation of intangible assets		**(864)**	(773)
Total operating costs		**(62,547)**	(75,859)
Operating profit		**3,587**	4,362
Finance costs		**(557)**	(1,325)
Finance income		**150**	291
Profit before tax		**3,180**	3,328
Income tax expense		**(738)**	(312)
Profit for the year		**2,442**	3,016
Attributable to:			
Equity holders of the parent		**2,339**	2,860
Minority interest		**103**	156
		2,442	3,016
Basic earnings per share	2	**3.63p**	5.34p
Diluted earnings per share	2	**3.63p**	5.31p

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

Consolidated statement of comprehensive income

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Profit for the period	**2,442**	3,016
Foreign investment translation differences	**17**	-
Other recognised gains and losses	**-**	-
Total comprehensive income for the period	**2,459**	3,016
Attributable to:		
Equity holders	**2,346**	3,016
Minority interest	**113**	-
	2,459	3,016

Consolidated statement of financial position

	As at 31 March 2010 £ '000	As at 31 March 2009 £ '000
Assets		
Non-current		
Goodwill	**25,118**	24,575
Other intangible assets	**4,285**	3,681
Property, plant and equipment	**1,596**	1,716
	30,999	29,972
Current assets		
Inventories	**2,395**	3,743
Trade and other receivables	**15,966**	18,057
Cash and cash equivalents	**6,669**	13,127
	25,030	34,927
Liabilities		
Current liabilities		
Trade and other payables	**(17,558)**	(25,985)
Current tax liabilities	**(448)**	(526)
Borrowings and other financial liabilities	**(2,527)**	(2,536)
Derivative financial instruments	**(12)**	(134)
	(20,545)	(29,181)
Net current assets	**4,485**	5,746
Non-current liabilities		
Borrowings and other financial liabilities	**(9,450)**	(11,974)
Derivative financial instruments	**(15)**	(2)
Deferred tax	**(291)**	(72)
Other liabilities	**-**	(767)
	(9,756)	(12,815)
Net assets	**25,728**	22,903
Equity		
Called up share capital	**1,294**	1,278
Share premium account	**10,181**	9,999
Merger reserve	**2,930**	2,930
Exchange reserve	**7**	-
Retained earnings	**10,972**	8,529
Total attributable to equity shareholders of parent	**25,384**	22,736
Minority interest	**344**	167
Total equity	**25,728**	22,903

The consolidated financial statements were approved by the Board on 8 June 2010 and are signed on its behalf by

Alex Connock Nitil Patel

Consolidated statement of cash flows

	Year ended 31 March 2010 £ '000	Year ended 31 March 2009 £ '000
Cash flows from operating activities		
Profit for the period	**2,442**	3,016
Adjustments for:		
Income tax expense	**738**	312
Depreciation	**701**	782
Amortisation and impairment of intangibles	**864**	773
Finance costs	**557**	1,325
Finance income	**(150)**	(291)
Write-back of other loans	**-**	(317)
Share based payment charge	**104**	59
Loss on sale of property, plant and equipment	**3**	10
	5,259	5,669
Decrease/(Increase) in inventories	**1,348**	(136)
Decrease in trade and other receivables	**2,076**	1,919
Decrease in trade and other payables	**(7,694)**	(3,175)
Cash generated from operations	**989**	4,277
Finance costs paid	**(634)**	(1,448)
Finance income received	**150**	291
SDIP contract receipts	**13**	-
Tax paid	**(706)**	(446)
Net cash flows from/(used in) operating activities	**(188)**	2,674
Investing activities		
Acquisition of subsidiary undertakings, net of cash and overdrafts acquired	**(331)**	(646)
Payment of contingent consideration	**(1,843)**	(2,685)
Purchase of property, plant and equipment	**(593)**	(532)
Proceeds of sale of property, plant and equipment	**9**	40
Development of websites	**(865)**	(279)
Net cash flows used in investing activities	**(3,623)**	(4,102)
Financing activities		
Issue of ordinary share capital	**-**	2,922
Borrowings repaid	**(2,500)**	-
Borrowings received	**-**	700
Capital element of finance lease payments	**(33)**	(81)
Dividends paid to minority interests	**(96)**	(134)
Net cash flows from/(used in) financing activities	**(2,629)**	3,407
Net decrease in cash and cash equivalents	**(6,440)**	1,979
Translation differences	**(18)**	-
Cash and cash equivalents at 1 April	**13,127**	11,148
Cash and cash equivalents at 31 March	**6,669**	13,127

Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Exchange reserve £000	Retained earnings £000	Total attributable to equity shareholders £000	Minority interest £000	Total equity £000
Balance at 1 April 2008	**1,042**	**7,198**	**2,930**	**-**	**5,610**	**16,780**	**145**	**16,925**
Profit for the Year	-	-	-	-	2,860	2,860	156	3,016
Total comprehensive income	**-**	**-**	**-**	**-**	**2,860**	**2,860**	**156**	**3,016**
Equity-settled share-based payments	-	-	-	-	59	59	-	59
Dividends paid	-	-	-	-		-	(134)	(134)
Shares issued	236	2,801	-	-	-	3,037	-	3,037
Balance at 31 March 2009	**1,278**	**9,999**	**2,930**	**-**	**8,529**	**22,736**	**167**	**22,903**
Balance at 1 April 2009	**1,278**	**9,999**	**2,930**	**-**	**8,529**	**22,736**	**167**	**22,903**
Profit for the Year	-	-	-	-	2,339	2,339	103	2,442
Translation differences	-	-	-	7	-	7	10	17
Total comprehensive income	**-**	**-**	**-**	**7**	**2,339**	**2,346**	**113**	**2,459**
Equity-settled share-based payments	-	-	-	-	104	104	-	104
Dividends paid	-	-	-	-	-	-	(96)	(96)
Minority share of acquisitions	-	-	-	-	-	-	160	160
Shares issued	16	182	-	-	-	198	-	198
Balance at 31 March 2010	**1,294**	**10,181**	**2,930**	**7**	**10,972**	**25,384**	**344**	**25,728**

Notes to the consolidated financial statements

1) ACCOUNTING POLICIES

General Information

Ten Alps plc and its subsidiaries (the Group) is a multi media group which provides and manages content on TV, radio, online TV and print.

Ten Alps plc is the Group's ultimate parent and is a public listed company incorporated in Scotland. The address of its registered office is Great Michael House, 14 The Links Place, Edinburgh, EH6 7EZ. Its shares are listed on the Alternative Investment Market of the London Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 08 June 2010.

Basis of Preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared primarily under the historical cost convention. Areas where other bases are applied are identified in the accounting policies below.

Following the transition to IFRS, the Group's accounting policies as set out below, have been applied consistently throughout the Group to all the periods presented, unless otherwise stated. The Group's consolidated financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting ("UK GAAP") principles until 31 March 2007.

IAS 1 Presentation of Financial Statements (Revised 2007) requires presentation of a comparative Statement of Financial Position as at the beginning of the first comparative period, in some circumstances. Management considers that this is not necessary in these financial statements as the 31 March 2008 Statement of Financial Position is the same as that previously published.

2) EARNINGS PER SHARE

	2010	2009
Weighted average number of shares used in basic earnings per share calculation	**64,366,515**	**53,553,753**
Dilutive effect of share options	91,592	329,819
Weighted average number of shares used in diluted earnings per share calculation	**64,458,107**	**53,883,572**
	£'000	**£'000**
Profit for period attributable to shareholders	**2,339**	**2,860**
Amortisation and impairment of intangible assets adjusted for deferred tax impact	741	571
Share-based payments	104	59
Adjusted profit for period attributable to equity holders of the parent	**3,184**	**3,490**
Basic Earnings per Share	3.63 p	5.34 p
Diluted Earnings per Share	3.63 p	5.31 p
Adjusted Basic Earnings per Share	4.95 p	6.52 p
Adjusted Diluted Earnings per Share	4.94 p	6.48 p

3) No final dividend is being proposed.

4) Publication of Non-Statutory Accounts

The financial information relating to the year ended 31 March 2010 set out above does not constitute the Company's statutory accounts for that year, but have been extracted from the statutory accounts, which have received an unqualified auditors' report and which have not yet been filed with the Registrar of Companies.

Copies of the Company's Annual Report and Accounts for 2010 will be sent to shareholders as soon as practicable.