

# TVC Holdings plc

## Preliminary financial results for the year ended 31 March 2014

TVC Holdings plc (“TVC” or the “Company”), the investment holding company, today (Tuesday, 13 May 2014) announces its Preliminary Financial Results for the year ended 31 March 2014.

### **Key Performance Highlights - Year to 31 March 2014:**

- Profit before tax for the year of €33.4 million (2013: €6.6 million), driven by realised gains on disposal of investments and an increase in value of the remaining investment portfolio.
- Subscribed €15.0 million for new shares in the IPO of Dalata Hotel Group plc in March 2014 and subsequently disposed of TVC’s entire Dalata shareholding for a total consideration of €30.4 million, realising a profit on disposal of €13.4 million.
- Disposed of 7.6 million shares in UTV Media plc in February 2014 for a total consideration of €22.1 million (£18.2 million) realising a profit on disposal of €8.2 million. Including dividends received to date, this sale enabled TVC to recover the full cost of its investment in UTV. TVC’s remaining 10.05% shareholding of 9,640,262 shares in UTV was valued at €27.5 million at 31 March 2014.
- Sale of investment in Shenick Network Systems Limited in February 2014 realising a profit on disposal of €3.8 million. The total cash proceeds payable to TVC, including escrow, amount to US\$8.6 million (€6.4 million), representing a return of 2.4 times the valuation of its investment.
- Special dividend of €45.3 million representing €0.495 per share, approved at AGM in June 2013, paid to shareholders in September 2013.
- In August 2013, repurchased 9.6 million shares at a price equivalent to €0.445 per share (adjusting for payment of the special dividend). TVC’s closing share price on 31 March 2014 was €0.91.
- Increase of 55% in net asset value per share over the year to €1.10 at 31 March 2014 (adjusting for payment of the special dividend).
- Net assets at 31 March 2014 of €101.0 million including cash at bank of €67.3 million, quoted equity investments of €27.5 million and unquoted investments of €5.6 million. TVC has no debt.

### **Significant Return of Capital and Cancellation of TVC’s Listings on AIM and ESM**

- Detailed review of TVC’s strategic options completed, following the Group’s very strong 2014 financial performance and in the light of the current equity funding environment.
- Proposed capital distribution to shareholders in July 2014 of cash and UTV shares valued at circa €91 million or €0.95 per ordinary share, which is 90% of TVC’s net assets based on valuations at 31 March 2014.
- Intention to cancel TVC’s listings on AIM and ESM and significantly reduce group overheads.
- Arrangements, including appropriate board and corporate governance, to be put in place to manage the realisation of TVC’s remaining assets and liabilities in an orderly way, which is expected to take a number of years, in order to maximise value for shareholders.

Commenting on the year-end Financial Results, TVC Holdings' Executive Chairman, Shane Reihill, said:

“We are pleased to report a year of very strong performance at TVC with a profit for the year in excess of €33 million. Having completed a detailed review of TVC's strategic options, in the light of both the continuing lack of suitable investment opportunities and the current equity funding environment, the Board of TVC proposes to make a large capital distribution to shareholders and, over a number of years, to carry out an orderly realisation of TVC's remaining assets to maximise value. We believe that this strategy is in the best interests of all our shareholders.”

**For further information please contact:**

TVC Holdings plc  
Shane Reihill, Executive Chairman  
John Tracey, Chief Executive Officer  
Tel: +353-1-2057700

Murray Consultants  
Pauline McAlester  
Tel: +353-1-4980300

Davy  
John Frain  
Tel: +353-1-6796363

## Executive Chairman's Statement

### Performance for year and overview of investment portfolio

In the year ended 31 March 2014, the Group recorded a profit after tax of €33.4 million, which was a very strong performance. The profit for the year included realised gains of €25.4 million arising on the disposal of our investments in Dalata Hotel Group and Shenick Network Systems, together with the partial realisation of our investment in UTV Media plc. In addition, an unrealised gain of €9.9 million arose on the Group's remaining 10.0% shareholding in UTV.

The movement in the NAV per share during the year ended 31 March 2014 was as follows:

	€'000	€'000	Cent per share
Net asset value at 31 March 2013		121,900	120.6
Share buy backs		(9,121)	2.6
Special dividend		(45,307)	(49.5)
Realised gains on disposal of investments			
- UTV Media plc	8,187		
- Dalata Hotel Group p.l.c.	13,394		
- Unquoted investments	<u>3,867</u>	25,448	27.8
Unrealised gains on quoted investment in UTV Media plc		9,858	10.8
Net costs (excl. share based payment expenses)		(1,738)	(1.9)
Net asset value at 31 March 2014		<u>101,040</u>	<u>110.4</u>

The Company's net assets per share of €1.10 at 31 March 2014 increased by 55% over the year from 31 March 2013 (adjusting for the payment of the special dividend).

As at 31 March 2014, TVC's investment portfolio comprised of the following:

	Value €'000	% Investments	% Investments + Cash
UTV Media plc	27,529	83%	27%
Unquoted Investments	5,623	17%	6%
<b>Total Investments</b>	<b>33,152</b>	<b>100%</b>	<b>33%</b>
Cash	67,269		67%
<b>Total Investments + Cash</b>	<b>100,421</b>		<b>100%</b>

As at the reporting date, TVC had cash of €67.3 million and no debt.

## **Significant return of capital and cancellation of TVC's listings on AIM and ESM**

TVC's Board and management have carried out a detailed review of the Company's strategic options. A number of factors were considered including:

- the Group's strong cash position following the significant value realised on the disposal of investments during the year to March 2014; and
- the very substantial amount of Irish and international funding seeking investment opportunities similar to those sought by TVC.

Following this review and after careful consideration and consultation with its advisers, the Board unanimously determined that it would be in the best interests of the Company and its shareholders to make a large capital distribution to shareholders and that this would be best achieved through an issue of redeemable shares. Under this transaction, subject to the passing of all resolutions to be proposed at an EGM to be held in June 2014, shareholders will receive a bonus issue of redeemable shares with the intention that the Company will elect to redeem the shares shortly thereafter. Accordingly, in July 2014, it is expected that shareholders will receive cash and UTV shares with a total value of €91 million, taking into account the valuation of UTV of €27.5 million at 31 March 2014.

Subject to shareholder approval, the Company also intends to:

- cancel its AIM and ESM admissions following the conclusion of the redeemable share transaction due to the costs involved in maintaining the listings and the much reduced scope of the Group's business activities going forward;
- significantly reduce overhead costs including making all of TVC's executives and staff redundant; and
- make arrangements to manage the realisation of TVC's remaining assets and liabilities in an orderly manner over a number of years.

Appropriate board and corporate governance arrangements will be put in place post de-listing and, when all remaining assets have been realised, the Company will distribute the remaining capital to shareholders.

The redemption amount payable in July 2014, based on the valuation of UTV at 31 March 2014, is expected to be €0.95 per ordinary share on a fully diluted basis, which represents approximately 90% of TVC's fully diluted NAV per ordinary share as at 31 March 2014. TVC's pro-forma net assets as at 31 March 2014 adjusting for the redemption, executive and staff severance packages, future lease obligations, professional fees and projected net operating costs for the 3-month period commencing on 1 April 2014 is approximately €8.2 million or €0.09 per ordinary share.

A circular containing further details on the proposed redeemable share transaction and on the other authorities to be sought from shareholders and convening an extraordinary general meeting of the Company, to be held on the day of the Company's next annual general meeting in June 2014, will be posted to shareholders with the 2014 Annual Report.

### **Board, management and staff**

I would like to thank TVC's Board, management and staff for their commitment and significant contribution to the successful outcome for the year.

**Shane Reihill**  
**Executive Chairman**

**13 May 2014**

## Condensed consolidated statement of financial position

as at 31 March 2014

	<i>Notes</i>	<b>2014</b> €'000	2013 €'000
<b>Non-current assets</b>			
Investments designated as fair value through profit or loss			
Quoted equity investments		<b>27,529</b>	31,601
Unquoted equity investments		<b>5,623</b>	8,935
Loans and receivables		-	2,000
Total investment portfolio	2	<b>33,152</b>	42,536
Property, plant and equipment		<b>67</b>	99
Deferred consideration receivable	3	<b>1,214</b>	-
<b>Total non-current assets</b>		<b>34,433</b>	42,635
<b>Current assets</b>			
Available-for-sale investments		-	14,511
Other receivables	3	<b>825</b>	1,129
Cash and cash equivalents		<b>67,269</b>	65,001
<b>Total current assets</b>		<b>68,094</b>	80,641
<b>Total assets</b>		<b>102,527</b>	123,276
<b>Current liabilities</b>			
Trade and other payables		<b>(1,478)</b>	(1,366)
Current taxation payable		<b>(9)</b>	(10)
<b>Total current liabilities</b>		<b>(1,487)</b>	(1,376)
<b>Net assets</b>		<b>101,040</b>	121,900
<b>Equity</b>			
Shareholders' capital		<b>1,011</b>	1,011
Share option reserve		<b>363</b>	175
Reserve for treasury shares		<b>(9,121)</b>	-
Retained earnings		<b>108,787</b>	120,714
<b>Total equity</b>		<b>101,040</b>	121,900

## Condensed consolidated income statement

for the year ended 31 March 2014

		2014	2013
	Notes	€'000	€'000
Realised profits over value on the disposal of investments	5	25,448	3,909
Unrealised profits on the revaluation of investments		9,858	3,917
		<b>35,306</b>	7,826
Portfolio income			
Dividends		1,406	1,367
Fees receivable		95	95
<b>Gross portfolio return</b>		<b>36,807</b>	9,288
Operating expenses		(2,777)	(2,731)
<b>Net portfolio return</b>		<b>34,030</b>	6,557
Finance income		221	332
Exchange movements		(871)	(273)
<b>Profit before tax</b>		<b>33,380</b>	6,616
Income tax		-	-
<b>Profit for the financial year</b>		<b>33,380</b>	6,616
<b>Earnings per share</b>			
Basic EPS (cent)	6	35.2	6.5
Diluted EPS (cent)	6	34.6	6.5

## Condensed consolidated statement of comprehensive income

*for the year ended 31 March 2014*

	<b>2014</b>	2013
	<b>€'000</b>	€'000
Profit for the year	<b>33,380</b>	6,616
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>33,380</b>	6,616

## Condensed consolidated statement of cash flows

for the year ended 31 March 2014

	2014	2013
	€'000	€'000
<b>Cash flows from operating activities</b>		
Profit for year before tax	33,380	6,616
<i>Adjusted for:</i>		
Depreciation	38	40
Unrealised profits on the revaluation of investments	(9,858)	(3,917)
Realised profits over value on the disposal of investments	(25,448)	(3,909)
Exchange movements	871	273
Share-based payment expenses	188	98
Finance income	(221)	(332)
Purchase of investments	(15,002)	-
Proceeds from disposal of investments	58,005	7,577
Increase in other current assets	(101)	(43)
Increase in trade and other payables	111	323
Tax received/(paid)	101	(27)
<b>Net cash inflow from operating activities</b>	<b>42,064</b>	<b>6,699</b>
<b>Cash flows from investing activities</b>		
Purchase of available-for-sale investments	-	(29,504)
Proceeds on maturity of available-for-sale investments	14,500	28,950
Interest received	641	1,009
Purchase of property, plant and equipment	(6)	(14)
<b>Net cash inflow from investing activities</b>	<b>15,135</b>	<b>441</b>
<b>Cash flows from financing activities</b>		
Purchase of own shares	(9,121)	-
Dividends paid	(45,307)	-
<b>Net cash outflow from financing activities</b>	<b>(54,428)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,771</b>	<b>7,140</b>
Opening cash and cash equivalents	65,001	58,111
Effect of exchange rate fluctuations	(503)	(250)
<b>Closing cash and cash equivalents</b>	<b>67,269</b>	<b>65,001</b>



## Condensed consolidated statement of changes in shareholders' equity

for the year ended 31 March 2014

	Ordinary Shares No.	Ordinary shares €'000	Share option reserve €'000	Reserve for treasury shares €'000	Retained earnings €'000	Total equity €'000
<b>Balance at 1 April 2012</b>	<b>101,112,579</b>	<b>1,011</b>	<b>77</b>	<b>-</b>	<b>114,098</b>	<b>115,186</b>
Profit for the year	-	-	-	-	6,616	<b>6,616</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	6,616	<b>6,616</b>
<i>Transactions with owners of the Company, recognised directly in equity</i>						
Share-based payments	-	-	98	-	-	<b>98</b>
<b>Balance at 31 March 2013</b>	<b>101,112,579</b>	<b>1,011</b>	<b>175</b>	<b>-</b>	<b>120,714</b>	<b>121,900</b>
Profit for the year	-	-	-	-	33,380	<b>33,380</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	33,380	<b>33,380</b>
<i>Transactions with owners of the Company, recognised directly in equity</i>						
Purchase of own shares	-	-	-	(9,121)	-	<b>(9,121)</b>
Dividends paid to shareholders	-	-	-	-	(45,307)	<b>(45,307)</b>
Share-based payments	-	-	188	-	-	<b>188</b>
<b>Total transactions with owners of the Company</b>	-	-	188	(9,121)	(45,307)	<b>(54,240)</b>
<b>Balance at 31 March 2014</b>	<b>101,112,579</b>	<b>1,011</b>	<b>363</b>	<b>(9,121)</b>	<b>108,787</b>	<b>101,040</b>

## Notes to the condensed consolidated preliminary financial information

### 1 Basis of preparation

The condensed consolidated preliminary financial information of the Company for the year ended 31 March 2014 comprises of the Company and its subsidiaries (together referred to as the “Group”).

As outlined on page 2, in May 2014, following a detailed review of the Company’s strategic options, the Board unanimously resolved to recommend to shareholders that the Company return the significant majority of the Company’s capital to shareholders by way of a redeemable share offer. Taking into account the valuation of the Company’s investment in UTV Media plc of €27.5 million as at 31 March 2014, this liquidity event would be valued at circa €91 million or 90% of the net asset value at 31 March 2014.

In addition, subject to shareholder approval where required, it is proposed to:

- cancel the trading of the Company’s ordinary shares on AIM and ESM;
- significantly reduce operating costs including making all of TVC’s executives and staff redundant; and
- make arrangements to manage the realisation of TVC’s remaining assets and liabilities in an orderly way, which is expected to take a number of years, with a view to making a further distribution to shareholders.

The pro-forma net assets of the Group as at 31 March 2014 adjusting for the redemption, executive and staff severance packages, the Company’s expected share of future office lease and running costs, professional fees and projected net operating costs for the 3-month period commencing on 1 April 2014 is €8.2 million, mainly comprised of an unquoted investment valued at €5.6m, non-current deferred consideration of €1.2 million and cash and net working capital of €1.4 million. Sufficient cash will be retained to meet the Group’s liabilities and its significantly reduced operating costs post the de-listing of the Company’s shares. Therefore, the Directors are satisfied that it is appropriate to continue to prepare the financial statements on a going concern basis.

The financial information included in this preliminary financial results announcement, which should be read in conjunction with the 2013 Annual Report, has been prepared on a consistent basis and using the same accounting policies as those applied in the prior year, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and effective at 31 March 2014. Full details of the Group’s accounting policies will be included in the 2014 Annual Report. None of the new IFRSs or interpretations that are effective for the financial year ended 31 March 2014, as outlined on pages 32-33 of the 2013 Annual Report, had an impact on the Group’s reported income or net assets. The Group will include the additional disclosures on fair value required by IFRS 13 ‘Fair value measurement’ in the 2014 Annual Report.

The condensed consolidated preliminary financial information presented herein does not constitute full statutory financial statements of the Group within the meaning of Regulation 40 of the European Communities (Companies: Group Accounts) Regulations, 1992. Statutory financial statements for the year ended 31 March 2013 have been filed with the Companies Registration Office. The auditor’s report on those financial statements was unqualified. The statutory financial statements for the year ended 31 March 2014 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and, together with the independent auditor’s report thereon, will be filed with the Companies Registration Office following the Company’s Annual General Meeting.

The consolidated financial information is presented in Euro, rounded to the nearest thousand, which is the functional currency of the parent company and its subsidiaries.

## 1 Basis of preparation (continued)

The preparation of the condensed consolidated preliminary financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results could differ materially from these estimates. In preparing this financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2013.

## 2 Investment portfolio

	Equity investments €'000	Loans and receivables €'000	Total €'000
<b>Year to 31 March 2014</b>			
At 1 April 2013	40,536	2,000	42,536
Additions	15,002	-	15,002
Reclassification	2,000	(2,000)	-
Revaluation	9,288	-	9,288
Disposals	(34,244)	-	(34,244)
Exchange movements	570	-	570
<b>At 31 March 2014</b>	<b>33,152</b>	<b>-</b>	<b>33,152</b>
<hr/>			
Quoted	27,529	-	27,529
Unquoted	5,623	-	5,623
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<b>Year to 31 March 2013</b>			
At 1 April 2012	41,610	500	42,110
Revaluation	6,325	1,500	7,825
Disposals	(7,400)	-	(7,400)
Exchange movements	1	-	1
<b>At 31 March 2013</b>	<b>40,536</b>	<b>2,000</b>	<b>42,536</b>
<hr/>			
Quoted	31,601	-	31,601
Unquoted	8,935	2,000	10,935

In March 2014, one of the Company's investee companies, Dalata Hotel Group p.l.c. ("Dalata") successfully floated on the ESM market of the Irish Stock Exchange and the AIM market of the London Stock Exchange. Immediately prior to the flotation, TVC exchanged its loan notes in Dalata for ordinary shares. In addition, TVC invested €15 million in Dalata as part of the IPO. The Company subsequently disposed of its entire shareholding in Dalata realising a gain of €13.4 million.

### 3 Other receivables

	2014	2013
	€'000	€'000
<b>Non-current</b>		
Deferred consideration receivable	<b>1,214</b>	-
<b>Current</b>		
Prepayments	<b>84</b>	87
Other receivables	<b>296</b>	957
VAT recoverable	<b>7</b>	85
Deferred consideration receivable	<b>438</b>	-
	<b>825</b>	1,129

Deferred consideration receivable relates to that portion of the proceeds from investments that have been sold which is held in escrow for an agreed period of time.

#### 4 Segmental analysis

Segmental information is presented in respect of the Group's investment portfolio based on whether the investee company is quoted or unquoted. The Group has only one reportable geographical segment as its investments are all located in the Island of Ireland. The segmental information presented is consistent with the Group's internal analysis of its investment portfolio.

	<b>Dalata Hotel Group plc €'000</b>	<b>UTV Media plc €'000</b>	<b>Unquoted investments €'000</b>	<b>Total €'000</b>
<b>Year to 31 March 2014</b>				
<b>Gross portfolio return</b>				
Realised profits over value on the disposal of investments	13,394	8,187	3,867	<b>25,448</b>
Unrealised profits on the revaluation of investments	-	9,858	-	<b>9,858</b>
Portfolio income	51	1,406	44	<b>1,501</b>
	<b>13,445</b>	<b>19,451</b>	<b>3,911</b>	<b>36,807</b>
<b>Net (investment)/divestment</b>				
Investments	(15,000)	-	(2)	<b>(15,002)</b>
Realisation proceeds	30,395	22,118	7,179	<b>59,692</b>
	<b>15,395</b>	<b>22,118</b>	<b>7,177</b>	<b>44,690</b>
<b>Statement of financial position</b>				
Value of investment portfolio at end of year	-	27,529	5,623	<b>33,152</b>

	<b>UTV Media plc €'000</b>	<b>Unquoted investments €'000</b>	<b>Total €'000</b>
<b>Year to 31 March 2013</b>			
<b>Gross portfolio return</b>			
Realised profits over value on the disposal of investments	-	3,909	<b>3,909</b>
Unrealised profits on the revaluation of investments	1,727	2,190	<b>3,917</b>
Portfolio income	1,367	95	<b>1,462</b>
	<b>3,094</b>	<b>6,194</b>	<b>9,288</b>
<b>Net (investment)/divestment</b>			
Realisation proceeds	-	7,400	<b>7,400</b>
	-	7,400	<b>7,400</b>
<b>Statement of financial position</b>			
Value of investment portfolio at end of year	31,601	10,935	<b>42,536</b>

## 5 Realised profits over value on the disposal of investments

	Equity €'000	Loans and receivables €'000	Total €'000
<b>Year to 31 March 2014</b>			
Net proceeds	59,692	-	59,692
Valuation of disposed investments	(34,244)	-	(34,244)
Total realised profits over opening value	25,448	-	25,448

	Equity €'000	Loans and receivables €'000	Total €'000
<b>Year to 31 March 2013</b>			
Net proceeds	7,400	-	7,400
Valuation of disposed investments	(3,491)	-	(3,491)
Total realised profits over opening value	3,909	-	3,909

## 6 Earnings per share

	2014	2013
Basic earnings per share (cent)	35.2	6.5
Diluted earnings per share (cent)	34.6	6.5
<b>Earnings (€'000)</b>		
Profit for the year	33,380	6,616
<b>Number of shares (Number)</b>		
Weighted average number of shares in issue	101,112,579	101,112,579
Less: weighted average own shares held	(6,183,573)	-
Weighted average number of shares for calculation of basic earnings per share	94,929,006	101,112,579
Number of dilutive shares under options	1,657,610	1,324,156
Weighted average number of shares including dilutive share options	96,586,616	102,436,735

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the effect of all potentially dilutive shares and instruments, including share options.

## 7 Dividends

On 25 September 2013, a special dividend of 49.5 cent per ordinary share was paid giving rise to a total distribution of €45,306,819. The special dividend was approved by shareholders at the Annual General Meeting held on 27 June 2013.