

TVC Holdings plc

Interim financial results for the period ended 30 September 2009

TVC Holdings plc (“TVC” or the “Company”), the investment holding company, today (Wednesday, 11 November 2009) announces its Interim Financial Results for the 6 months ended 30 September 2009.

Key Performance Highlights:

- Strong gross portfolio return of €22.7 million (53% of opening portfolio value) in the 6 months to 30 September 2009, driven by the increase in value of the Company’s quoted investments, Norkom and UTV.
- 28% increase in equity value per share from €0.68 at 31 March 2009 to €0.87 at 30 September 2009.
- Equity value per share of €0.87 at 30 September 2009 represents a discount of 31% when compared to TVC’s closing bid price on 30 September 2009 of €0.60 and a discount of 46%, excluding cash and liquid investments.
- Net assets at 30 September 2009 of €96.4 million mainly comprised of cash at bank and other liquid investments of €28.9 million (30%), quoted equity investments of €49.0 million (51%) and unquoted equity investments of €16.6 million (17%). TVC has no debt.
- In the period ended 30 September 2009, the value of the Company’s investment portfolio increased by €22.1 million, which comprised of a mark up of €24.1 million on its quoted investments and a mark down on its unquoted portfolio of €2.0 million (including unrealised foreign exchange losses of €0.4 million).
- As a result of the economic downturn, there was very limited investment activity during the period to 30 September 2009 and TVC’s main focus was on optimising the value of the existing portfolio as well as positioning the business for a stabilisation in market conditions.

Commenting on the Interim Results, TVC Holdings’ Executive Chairman, Shane Reihill, said:

“We are pleased with our performance for the first 6 months during which we have continued to work actively with our core portfolio investments to maximise their value, resulting in a gross portfolio return of €22.7 million.

“TVC’s cash plus two quoted investments, Norkom and UTV, represents 81% of our balance sheet value at 30 September 2009. Four unquoted investments, which are prudently valued, represent most of the remaining 19% of our balance sheet value at 30 September 2009.

“With cash and liquid investments of almost €29 million and no debt in the Company, we believe that TVC is in a strong position to make further long term investments at what we expect to be attractive valuations, adding real value to our investment portfolio. We also believe that, given this significant cash balance, the Company is in a very strong position to deliver its strategy and maximise value for all our shareholders”.

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Executive Chairman's Statement

Market conditions

The liquidity crisis in the banking system and the general economic slowdown has resulted in a significant reduction in mergers and acquisitions activity and a severe downturn in market confidence. Given the economic outlook and because of the uncertainty and poor visibility of earnings for potential new investments, our main focus has been on managing our existing portfolio and tight management of costs in order to prepare the business to take advantage of a stabilisation in market conditions. As a consequence, there was very limited investment activity during the period to 30 September 2009 with TVC investing €0.3 million in its unquoted portfolio.

Overview of investment portfolio

In the period ended 30 September 2009, the value of the Company's investment portfolio increased by €22.1 million, which comprised of an unrealised gain of €24.1 million on its quoted investments and an unrealised loss on its unquoted portfolio of €2.0 million (including unrealised foreign exchange losses of €0.4 million). TVC's two quoted investments were valued based on their closing bid price on 30 September 2009. The unquoted investments were valued in accordance with the International Private Equity and Venture Capital valuation guidelines and the Group's accounting policies. We believe the valuations at 30 September 2009 are appropriate and that we will continue, in the future, to sell unquoted investments at a premium to their carrying value.

As at 30 September 2009, TVC's investment portfolio was comprised as follows:

	Value €'000	% Investments	% Inv + Cash
Norkom Group plc	30,218	46%	32%
UTV Media plc	18,818	29%	20%
Unquoted Investments	16,598	25%	18%
Total Investments	65,634	100%	70%
Cash & Liquid Investments	28,871		30%
Total Investments + Cash	94,505		100%

Financial review

- The principal components of TVC's gross portfolio return of €22.7 million for the 6 months ended 30 September 2009 were movements in unrealised investment values and portfolio income as set out below.
 - Revaluations – Net unrealised gain of €22.1 million, comprised as follows:
 - Norkom Group plc - increase in value of €16.4 million to reflect the movement in its share price from €0.573 to €1.25 during the period;
 - UTV Media plc - increase in value of €7.7 million to reflect the movement in its share price from £0.60 to £0.9925 during the period including an unrealised foreign exchange gain of €0.2 million due to the appreciation of Sterling against the Euro; and
 - Unquoted investments – reduction in value of €2.0 million including a net unrealised foreign exchange loss of €0.4 million primarily due to appreciation of the Euro against the US Dollar.

- Portfolio income – €0.6 million for the period including a final 2008 dividend of €0.4 million received from UTV Media plc.
- Operating expenses for the 6 month period to 30 September 2009, excluding share-based payments expenses, were €1.4 million (2008: €1.6 million). The decrease reflects the continuing prudent management of our costs in the current challenging economic conditions.
- Cash at bank and liquid investments amounted to €28.9 million as at 30 September 2009 and the Group had no debt.
- As at 30 September 2009, TVC's investment portfolio was valued at €65.6 million, of which €49.0 million related to quoted investments and €16.6 million related to unquoted investments.
- TVC had net assets at 30 September 2009 of €96.4 million, mainly comprised of cash at bank and other liquid investments of €28.9 million (30%), quoted equity investments of €49.0 million (51%) and unquoted investments of €16.6 million (17%).

Share premium reduction

Following the passing of a special resolution at TVC's 2009 Annual General Meeting, on 30 July 2009 the High Court confirmed the reduction of the Company's share premium account. As a result, the entire amount of the share premium account, amounting to €156.6 million, was cancelled and this amount was credited to revenue reserves thereby eliminating the Company's accumulated deficit. This will give the Company flexibility in the future to implement a share buy-back programme and/or to pay dividends to its shareholders.

Business strategy and outlook

TVC's strategy is, in the medium term, to have a core portfolio of four to five platform investments in quoted and unquoted companies across a number of business sectors, and to continue to realise significant value from the other companies in its portfolio. TVC's cash plus two quoted investments represented 81% of our balance sheet value at 30 September 2009. Four unquoted investments, which we believe are prudently valued, represent most of the remaining 19% of our balance sheet value at 30 September 2009. With cash and liquid investments of almost €29 million and no debt in the Company, we believe that TVC is in a strong position to deliver its strategy and maximise value for our shareholders. Given our significant cash balance, we believe we are also in a strong position to take full advantage of an improvement in market conditions and to make further long term investments at what we expect to be attractive valuations.

Shane Reihill
Executive Chairman

11 November 2009

Condensed consolidated statement of financial position

as at 30 September 2009

		Unaudited 30 September 2009 €'000	Audited 31 March 2009 €'000
	<i>Notes</i>		
Non-current assets			
Investments – designated as FVTPL *			
Quoted equity investments		49,036	24,965
Unquoted equity investments		16,098	17,803
Loans and receivables		500	500
Total investment portfolio	2	65,634	43,268
Available-for-sale investments	3	-	10,236
Property, plant and equipment		17	42
Deferred consideration receivable	4	-	2,571
Total non-current assets		65,651	56,117
Current assets			
Available-for-sale investments	3	10,130	-
Other current assets	4	2,872	861
Cash and cash equivalents		18,741	20,846
Total current assets		31,743	21,707
Total assets		97,394	77,824
Current liabilities			
Bank overdraft		-	(58)
Trade and other payables		(816)	(2,004)
Current taxation payable		(150)	(188)
Total current liabilities		(966)	(2,250)
Net assets		96,428	75,574
Equity			
Shareholders' capital		1,011	1,011
Share premium	5	-	133,943
Share option reserve		1,289	1,003
Other reserves		2,104	2,186
Retained earnings		83,131	(69,492)
Shareholders' equity		87,535	68,651
Minority interest		8,893	6,923
Total equity		96,428	75,574

* Fair Value Through Profit or Loss

Unaudited condensed consolidated income statement

for the 6 months ended 30 September 2009

	6 months ended 30 September 2009 €'000	6 months ended 30 September 2008 €'000
<i>Notes</i>		
Net realised profits over opening value on the disposal of investments	41	132
Net unrealised profits/(losses) on the revaluation of investments	22,092	(27,984)
	22,133	(27,852)
Portfolio income		
Dividends	401	601
Fees receivable	197	49
Income from loans and receivables	-	35
Gross portfolio return	22,731	(27,167)
Operating expenses (including share-based payment expenses of €0.310m (2008: €0.386m))	(1,680)	(1,960)
Net portfolio return	21,051	(29,127)
Finance income	319	716
Finance expense	(1)	(42)
Exchange movements	(231)	258
Profit/(loss) before tax	21,138	(28,195)
Income tax	(115)	(218)
Profit/(loss) after tax for the financial period	21,023	(28,413)
Attributable to:		
Equity holders	18,680	(24,357)
Minority interest	2,343	(4,056)
	21,023	(28,413)
Earnings/(loss) per share		
Basic EPS (cent)	7	18 (24)
Diluted EPS (cent)	7	18 (24)

Unaudited condensed consolidated statement of comprehensive income

for the 6 months ended 30 September 2009

	6 months ended 30 September 2009 €'000	6 months ended 30 September 2008 €'000
Profit/(loss) for the period	21,023	(28,413)
Other comprehensive income		
Change in fair value of available-for-sale investments	(106)	8
Total comprehensive income for the period	20,917	(28,405)
Attributable to:		
Equity holders	18,574	(24,349)
Minority interest	2,343	(4,056)
Total comprehensive income for the period	20,917	(28,405)

Unaudited condensed consolidated statement of cash flows

for the 6 months ended 30 September 2009

	6 months ended 30 September 2009 €'000	6 months ended 30 September 2008 €'000
Cash flows from operating activities		
Profit/(loss) for period before tax	21,138	(28,195)
<i>Adjusted for:</i>		
Depreciation	27	27
Unrealised (profits)/losses on the revaluation of investments	(22,092)	27,984
Realised profits over opening value on the disposal of investments	(41)	(132)
Exchange movements	231	(258)
Share-based payment expenses	310	386
Income from loans and receivables	-	(35)
Finance income	(319)	(716)
Finance expense	1	42
Purchase of investments	(274)	(28,238)
Proceeds from disposal of investments	41	1,218
Decrease/(increase) in other current assets	166	(706)
(Decrease)/increase in trade and other payables	(1,186)	12
Tax paid	(155)	-
Net cash outflow from operating activities	(2,153)	(28,611)
Cash flows from investing activities		
Interest received	480	943
Purchase of property, plant and equipment	-	(30)
Net cash inflow from investing activities	480	913
Cash flows from financing activities		
Interest paid	(1)	(42)
Contributions from minority interest	335	954
Distributions to minority interest	(708)	-
Net cash (outflow)/inflow from financing activities	(374)	912
Net decrease in cash and cash equivalents	(2,047)	(26,786)
Opening cash and cash equivalents	20,788	37,774
Closing cash and cash equivalents	18,741	10,988

Unaudited condensed consolidated statement of changes in shareholders' equity

for the 6 months ended 30 September 2009

	No. of shares	Ordinary shares €'000	Share premium €'000	Share option reserve €'000	Other reserves €'000	Retained earnings €'000	Shareholders' equity €'000	Minority interest €'000	Total €'000
Balance at 1 April 2008	101,112,579	1,011	133,146	430	1,753	(10,580)	125,760	15,670	141,430
Total comprehensive income for the period	-	-	-	-	8	(24,357)	(24,349)	(4,056)	(28,405)
Contributions from minority interest	-	-	-	-	-	-	-	954	954
Share-based payments	-	-	-	286	100	-	386	-	386
Balance at 30 September 2008	101,112,579	1,011	133,146	716	1,861	(34,937)	101,797	12,568	114,365
Total comprehensive income for the period	-	-	-	-	274	(34,555)	(34,281)	(3,503)	(37,784)
Reversal of costs previously recognised in share premium	-	-	797	-	-	-	797	-	797
Net distributions to minority interest	-	-	-	-	-	-	-	(2,142)	(2,142)
Share-based payments	-	-	-	287	51	-	338	-	338
Balance at 31 March 2009	101,112,579	1,011	133,943	1,003	2,186	(69,492)	68,651	6,923	75,574
Total comprehensive income for the period	-	-	-	-	(106)	18,680	18,574	2,343	20,917
Reduction of share premium (note 5)	-	-	(156,627)	-	-	156,627	-	-	-
Re-classification of reverse acquisition deficit	-	-	22,684	-	-	(22,684)	-	-	-
Net distributions to minority interest	-	-	-	-	-	-	-	(373)	(373)
Share-based payments	-	-	-	286	24	-	310	-	310
Balance at 30 September 2009	101,112,579	1,011	-	1,289	2,104	83,131	87,535	8,893	96,428

For presentation purposes, the deficit on the reverse acquisition reserve, which arose on the acquisition of Trinity Venture Capital Limited by TVC in July 2007 and which had previously been offset against the Company's share premium account, has been offset against the Group's retained earnings in the consolidated financial statements.

Notes to the condensed consolidated interim financial statements

1 Basis of preparation

The unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 September 2009 (the “Interim Financial Statements”) comprise the financial statements of the Company and its subsidiaries (collectively the “Group”). The Interim Financial Statements were authorised for issue by the Directors on 5 November 2009.

The Interim Financial Statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRSs) as adopted by the EU. The Interim Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2009 as set out in the 2009 Annual Report (the “2009 Accounts”).

The Interim Financial Statements do not constitute statutory financial statements. The statutory financial statements for the year ended 31 March 2009, extracts from which are included in these Interim Financial Statements, were prepared under IFRSs and were filed with the Registrar of Companies with the Company’s 2009 annual return. The auditor’s report on those statutory financial statements was unqualified.

The Interim Financial Statements are presented in Euro rounded to the nearest thousand. The financial information contained in the Interim Financial Statements has been prepared in accordance with the accounting policies applied in the 2009 Accounts except for the adoption of IAS 1, ‘Presentation of Financial Statements (2007)’ and IFRS 8, ‘Operating Segments’, as outlined below. None of the other new IFRSs or interpretations that are effective for the financial year ending 31 March 2010 had an impact on the Group’s reported income or net assets. The Group will adopt the amendments to IFRS 7 in its financial statements for the year ending 31 March 2010’

Presentation of financial statements

The Group has applied revised IAS 1 ‘Presentation of Financial Statements (2007)’, which became effective on 1 January 2009. As a result, the Group has presented a consolidated income statement and a consolidated statement of comprehensive income as two separate statements. Comparative information has been re-presented so that it is also in conformity with the revised standard. As the adoption of this revised standard only impacts presentation aspects, there is no impact on earnings per share.

IFRS 8 ‘Operating Segments’

This new standard became effective on 1 January 2009. It requires segment information to be presented based on the information that is provided internally to the Group’s chief operating decision maker. As the segmental information presented in the 2009 Accounts was consistent with the Group’s internal analysis of its investment portfolio, no adjustment to the Group’s segmental reporting was required.

Critical accounting estimates and judgements

The preparation of the Interim Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a high degree of judgement or complexity, or areas where assumptions or estimates are significant to the Group’s financial statements, are described in the accounting policies and in the portfolio valuation methodology as set out in the 2009 Accounts.

2 Investment portfolio

	Equity investments €'000	Loans and receivables €'000	Total €'000
6 month period to 30 September 2009			
At 1 April 2009	42,768	500	43,268
Additions	274	-	274
Revaluation	22,254	-	22,254
Exchange movements	(162)	-	(162)
At 30 September 2009	65,134	500	65,634
Quoted	49,036	-	49,036
Unquoted	16,098	500	16,598

	Equity investments €'000	Loans and receivables €'000	Total €'000
Year to 31 March 2009			
At 1 April 2008	72,252	19,639	91,891
Additions	28,941	2,648	31,589
Transfers	556	(556)	-
Disposals, repayments	(12,019)	(1,635)	(13,654)
Revaluation	(46,071)	(19,643)	(65,714)
Exchange movements	(891)	47	(844)
At 31 March 2009	42,768	500	43,268
Quoted	24,965	-	24,965
Unquoted	17,803	500	18,303

3 Available-for-sale investments

	6 months ended 30 September 2009 €'000	Year ended 31 March 2009 €'000
At beginning of period/year	10,236	9,954
Revaluation	(106)	282
At end of period/year	10,130	10,236

The available-for-sale investments represent investments in German government Euro bonds with a maturity date in April 2010.

4 Other receivables

	30 September 2009 €'000	31 March 2009 €'000
Non-current		
Deferred consideration receivable	-	2,571
Current		
Prepayments	68	74
Other receivables	468	787
Deferred consideration receivable	2,336	-
	2,872	861

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.

5 Reduction in share premium

Following the passing of a special resolution at TVC's 2009 Annual General Meeting, on 30 July 2009 the High Court confirmed the reduction of the Company's share premium account. As a result, the entire amount of the share premium account, amounting to €156.6 million, was cancelled and this amount was credited to revenue reserves thereby eliminating the Company's accumulated deficit.

The deficit on the reverse acquisition reserve of €22.7 million, which arose on the acquisition of Trinity Venture Capital Limited by TVC in July 2007 and which had previously been offset against the share premium account, has been offset against the Group's retained earnings in the Interim Financial Statements.

6 Segmental analysis

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

	Norkom Group plc €'000	UTV Media plc €'000	Unquoted investments €'000	Total €'000
Period to 30 September 2009				
Gross portfolio return				
Net realised profits over opening value on the disposal of investments	-	-	41	41
Net unrealised profits/(losses) on the revaluation of investments	16,366	7,705	(1,979)	22,092
Portfolio income	110	401	87	598
	16,476	8,106	(1,851)	22,731
Net (investment)/divestment				
Realisation proceeds (including income from loan instruments)	-	-	41	41
New investment	-	-	(274)	(274)
	-	-	(233)	(233)

	Norkom Group plc €'000	UTV Media plc €'000	Unquoted investments €'000	Total €'000
Period to 30 September 2008				
Gross portfolio return				
Net realised profits over opening value on the disposal of investments	-	-	132	132
Net unrealised losses on the revaluation of investments	(2,659)	(1,890)	(23,435)	(27,984)
Portfolio income	45	496	144	685
	(2,614)	(1,394)	(23,159)	(27,167)
Net (investment)/divestment				
Realisation proceeds (including income from loan instruments)	-	-	166	166
New investment	-	(24,560)	(3,678)	(28,238)
	-	(24,560)	(3,512)	(28,072)

	Norkom Group plc €'000	UTV Media plc €'000	Unquoted investments €'000	Total €'000
Balance sheet				
At 30 September 2009				
Value of investment portfolio	30,218	18,818	16,598	65,634
At 31 March 2009				
Value of investment portfolio	13,852	11,113	18,303	43,268

7 Earnings/(loss) per share

	6 months ended 30 September 2009	6 months ended 30 September 2008
Earnings/(loss) per share (cent)		
Basic and diluted	18	(24)
Earnings/(loss) (€'000)		
Profit/(loss) for the period – basic and diluted	18,680	(24,357)
Number of shares (Number)		
Weighted average number of shares in issue – basic and diluted	101,112,579	101,112,579

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares during the period.

Diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the period 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. The exercise price of all share options exceeded the average price of ordinary shares during the period. Accordingly, the share options do not have a dilutive effect and are therefore excluded from the diluted earnings per share calculation. In the comparative period, the effect of share options is anti-dilutive and therefore excluded from the diluted earnings per share calculation.

8 Post balance sheet events

There have been no significant events affecting the Group in the period from 30 September 2009 to the date of approval of the Interim Financial Statements.