

TVC Holdings plc

Preliminary financial results for the year ended 31 March 2012

TVC Holdings plc (“TVC” or the “Company”), the investment holding company, today (Tuesday, 15 May 2012) announces its Preliminary Financial Results for the year ended 31 March 2012.

Key Performance Highlights:

- Gross portfolio return of €10.7 million (32% of opening portfolio value) in the year to 31 March 2012, driven by the increase in value of the Company’s investment in UTV and its unquoted investments.
- Profit before tax for the year of €0.2 million.
- Sale of investment in OpSource, Inc. in June 2011, as part of its acquisition by Dimension Data, a wholly owned subsidiary of NTT Holdings. TVC realised total proceeds of €1.3 million which was also the gain realised over the €nil carrying value at 31 March 2011. The total proceeds represented a return of 1.3 times original cost.
- Operating expenses, excluding share-based payment expenses, decreased by 14% to €2.4 million (2011: €2.8 million).
- 9% increase in net asset value per share from €1.05 at 31 March 2011 to €1.14 at 31 March 2012.
- Net assets at 31 March 2012 of €15.2 million mainly comprised of cash at bank and government bonds of €7.6 million (63%), quoted equity investments of €9.9 million (26%) and unquoted investments of €2.2 million (11%). TVC has no debt.
- In the year ended 31 March 2012, the value of the Company’s investment portfolio increased by €8.1 million (24%), which comprised of a mark up of €5.1 million on its quoted investment in UTV and a mark up on its unquoted portfolio of €3.0 million.

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

“We are pleased with our performance for the year during which we have continued to work actively with our portfolio investments to maximise their value. This included the sale of our investment in OpSource, Inc. realising proceeds of €1.3 million, which contributed to a gross portfolio return of €10.7 million. We also evaluated a number of new investment opportunities during the year but we did not complete any new investments.

“The Company had net assets of €15 million and no debt at 31 March 2012. TVC’s cash plus its quoted investment in UTV represent 89% of our net asset value at 31 March 2012. Four unquoted investments represent most of the remaining 11% of our net asset value.

“We believe that there are restructuring opportunities in Ireland and the UK where trading companies with excessive debt need to raise new equity at attractive terms for new investors. TVC’s management has extensive experience of complex restructuring and turnaround transactions and is well placed to capitalise on this environment.

“With cash and government bonds increased to €7.6 million, we believe that TVC is in a very strong position to make additional long term investments at what we expect to be attractive valuations, adding

further value to our investment portfolio. We also believe that, given our significant cash balance and with no debt, the Company is in a very strong position to continue to deliver on its strategy and maximise value for all our shareholders”.

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Executive Chairman's Statement

Overview of investment portfolio

In the year ended 31 March 2012, the Group achieved a gross portfolio return of €0.7 million despite an uncertain economic background and continuing market uncertainty. This figure comprised of realised gains on disposal of investments of €1.5 million, an increase of €8.1 million in the value of the Group's investment portfolio and portfolio income of €1.1 million.

During the year, our main focus has continued to be on managing our existing portfolio, tight management of our costs and pursuing our strategy of realising value from our unquoted technology investments. There were no new investments made during the year reflecting the underlying challenging economic environment and our selective approach in identifying new investment opportunities.

As at 31 March 2012, TVC's investment portfolio was comprised as follows:

	Value €000	% Investments	% Investments + Cash
UTV Media plc	29,874	71%	26%
Unquoted Investments	12,236	29%	11%
Total Investments	42,110	100%	37%
Cash & Government Bonds	72,624		63%
Total Investments + Cash	114,734		100%

TVC's quoted investment in UTV Media plc was valued based on its closing bid price on 31 March 2012. The unquoted investments were valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines and the Group's accounting policies.

As at the reporting date, TVC had cash and government bonds of €72.6 million and no bank debt.

Realisations

In June 2011, TVC disposed of its interest in OpSource, Inc. as part of its acquisition by Dimension Data, a wholly owned subsidiary of NTT Holdings. The total cash proceeds payable to TVC amount to US\$1.8 million (€1.3 million) of which US\$1.6 million (€1.1 million) was received on completion of the transaction. An additional US\$0.2 million (€0.2 million) is payable subject to escrow.

The total consideration payable to TVC represents a return of 1.3 times original cost. The carrying value of TVC's investment in OpSource, Inc. at 31 March 2011 was €nil and a gain on the sale of this investment of €1.3 million was realised in the year ended 31 March 2012.

Net asset value ('NAV') per share

The Company's net assets per share of €1.14 at 31 March 2012 increased by 9% over the year from 31 March 2011 (€1.05). The movement in the NAV per share during the year ended 31 March 2012 was as follows:

	€000	€000	Cent per share
Net asset value at 31 March 2011		106,040	104.9
Realised gains on disposal of unquoted investments		1,460	1.4
Unrealised gains on investments			
- UTV Media plc	5,097		
- Unquoted investments	<u>3,021</u>	8,118	8.0
Net costs (excl. share based payment expenses) plus tax		(432)	(0.4)
Net asset value at 31 March 2012		<u>115,186</u>	<u>113.9</u>

The most significant components of our NAV progression during the year were an increase in the value of UTV Media of €5.1 million and an increase of €3.0 million in the value of our unquoted investments. Of the total unrealised portfolio gains of €8.1 million, €1.6 million related to currency movements.

Business strategy and outlook

TVC's strategy is, in the medium term, to have a core portfolio of three to four 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. The Company had net assets of €15 million and no debt at 31 March 2012. TVC's cash and government bonds plus its quoted investment in UTV Media plc represent 89% of our net asset value at 31 March 2012. Four unquoted investments represent most of the remaining 11% of our net asset value at 31 March 2012.

We believe that there are restructuring opportunities in Ireland and the UK where trading companies with excessive debt need to raise new equity at attractive terms for new investors. TVC's management has extensive experience of complex restructuring and turnaround transactions and is well placed to capitalise on this environment. With cash and government bonds increased to €72.6 million, we believe that TVC is in a very strong position to continue to deliver on its strategy and maximise value for our shareholders.

Board, management and staff

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

Shane Reihill
Executive Chairman

15 May 2012

Condensed consolidated statement of financial position

as at 31 March 2012

	<i>Notes</i>	2012 €000	2011 €000
Non-current assets			
Investments designated as fair value through profit or loss			
Quoted equity investments		29,874	24,777
Unquoted equity investments		11,736	8,715
Loans and receivables		500	500
Total investment portfolio	2	42,110	33,992
Property, plant and equipment		125	130
Total non-current assets		42,235	34,122
Current assets			
Available-for-sale investments	5	14,513	14,483
Other receivables		1,407	961
Current taxation recoverable		-	76
Financial assets – bank deposits > 3 months		-	20,000
Cash and cash equivalents		58,111	37,529
Total current assets		74,031	73,049
Total assets		116,266	107,171
Current liabilities			
Trade and other payables		(1,045)	(1,131)
Current taxation payable		(35)	-
Total current liabilities		(1,080)	(1,131)
Net assets		115,186	106,040
Equity			
Shareholders' capital		1,011	1,011
Share option reserve		77	1,497
Other reserves		-	1,995
Retained earnings		114,098	101,537
Total equity		115,186	106,040

Condensed consolidated income statement

for the year ended 31 March 2012

	Notes	2012			2011		
		Equity shareholder s €000	Non-controllin g interest €000	Total €000	Equity shareholder s €000	Non-controllin g interest €000	€000
Realised profits over opening value on the disposal of investments	3	1,460	-	1,460	11,417	75	11,492
Realised loss over opening value on investments distributed to non-controlling interest	4	-	-	-	-	(2,812)	(2,812)
Net unrealised profits on the revaluation of investments		8,118	-	8,118	1,107	-	1,107
		9,578	-	9,578	12,524	(2,737)	9,787
Portfolio income							
Dividends		883	-	883	609	-	609
Fees receivable		260	-	260	266	9	275
Income from loans and receivables		-	-	-	350	78	428
Gross portfolio return		10,721	-	10,721	13,749	(2,650)	11,099
Operating expenses (including share-based payment expenses of €0.08m (2011: €0.11m))		(2,438)	-	(2,438)	(2,651)	(224)	(2,875)
Net portfolio return		8,283	-	8,283	11,098	(2,874)	8,224
Finance income		885	-	885	343	-	343
Finance expense		-	-	-	(2)	-	(2)
Exchange movements		20	-	20	187	44	231
Profit/(loss) before tax		9,188	-	9,188	11,626	(2,830)	8,796
Income tax		(119)	-	(119)	(7)	-	(7)
Profit/(loss) after tax for the financial year		9,069	-	9,069	11,619	(2,830)	8,789
Earnings per share							
Basic EPS (cent)	7	9	-	9	11	-	11
Diluted EPS (cent)	7	9	-	9	11	-	11

Condensed consolidated statement of comprehensive income

for the year ended 31 March 2012

	2012			2011		
	Equity shareholders €000	Non- controlling interest €000	Total €000	Equity shareholders €000	Non- controlling interest €000	€000
Profit/(loss) for the year	9,069	-	9,069	11,619	(2,830)	8,789
Other comprehensive income						
Change in fair value of available- for-sale investments	-	-	-	14	-	14
Total comprehensive income for the year	9,069	-	9,069	11,633	(2,830)	8,803

Condensed consolidated statement of cash flows

for the year ended 31 March 2012

	2012	2011
	€000	€000
Cash flows from operating activities		
Profit for year before tax	9,188	8,796
<i>Adjusted for:</i>		
Depreciation	36	17
Net unrealised profits on the revaluation of investments	(8,118)	(1,107)
Realised profits over opening value on the disposal of investments	(1,460)	(11,492)
Realised loss over opening value on investments distributed to non-controlling interest	-	2,812
Exchange movements	(20)	(231)
Share-based payment expenses	77	106
Income from loans and receivables	-	(428)
Finance income	(885)	(343)
Finance expense	-	2
Proceeds from disposal of investments	1,373	45,362
(Increase)/decrease in other current assets	(175)	313
(Decrease)/increase in trade and other payables	(83)	273
Tax paid	(9)	(166)
Net cash (outflow)/inflow from operating activities	(76)	43,914
Cash flows from investing activities		
Purchase of available-for-sale investments	(29,490)	(24,517)
Proceeds from maturity of available-for-sale investments	29,026	19,750
Decrease/(increase) in financial assets - bank deposits > 3 months	20,000	(20,000)
Interest received	1,153	491
Purchase of property, plant and equipment	(31)	(139)
Net cash inflow/(outflow) from investing activities	20,658	(24,415)
Cash flows from financing activities		
Interest paid	-	(2)
Contributions from non-controlling interest	-	221
Distributions to non-controlling interest	-	(707)
Net cash outflow from financing activities	-	(488)
Net increase in cash and cash equivalents	20,582	19,011
Opening cash and cash equivalents	37,529	18,518
Closing cash and cash equivalents	58,111	37,529

Condensed consolidated statement of changes in shareholders' equity

for the year ended 31 March 2012

	Ordinary Shares No.	Ordinary shares €000	Share option reserve €000	Other reserves €000	Retained earnings €000	Shareholders' equity €000	Non- controlling interest €000	Total €000
Balance at 1 April 2010	101,112,579	1,011	1,391	1,981	89,918	94,301	9,308	103,609
Profit/(loss) for the year	-	-	-	-	11,619	11,619	(2,830)	8,789
<i>Other comprehensive income</i>								
Change in fair value of available- for-sale investments	-	-	-	14	-	14	-	14
Total comprehensive income for the year	-	-	-	14	11,619	11,633	(2,830)	8,803
Net distributions to non- controlling interest	-	-	-	-	-	-	(6,478)	(6,478)
Share-based payments	-	-	106	-	-	106	-	106
Balance at 31 March 2011	101,112,579	1,011	1,497	1,995	101,537	106,040	-	106,040
Profit for the year	-	-	-	-	9,069	9,069	-	9,069
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	9,069	9,069	-	9,069
Share-based payments	-	-	77	-	-	77	-	77
Release from share-based payments reserves	-	-	(1,497)	(1,995)	3,492	-	-	-
Balance at 31 March 2012	101,112,579	1,011	77	-	114,098	115,186	-	115,186

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 2012 comprises the Company and its subsidiaries (together referred to as the “Group”).

The condensed consolidated preliminary financial information included in the preliminary financial results announcement, which should be read in conjunction with the 2011 Annual Report, has been derived from the consolidated financial statements of TVC Holdings plc for the year ended 31 March 2012, which were approved by the Board of Directors on 14 May 2012 and have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and effective at 31 March 2012.

Full details of the Group’s accounting policies will be included in the 2012 Annual Report. The financial information contained in this preliminary announcement has been prepared on a consistent basis and using the same accounting policies as those applied in the Group’s consolidated financial statements for the year ended 31 March 2011. None of the new IFRSs or interpretations that are effective for the financial year ended 31 March 2012 had an impact on the Group’s reported income or net assets.

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 2011 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 2012 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.

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 2011.

2 Investment portfolio

	Equity investments €000	Loans and receivables €000	Total €000
Year to 31 March 2012			
At 1 April 2011	33,492	500	33,992
Disposals, repayments	-	-	-
Revaluation	6,556	-	6,556
Exchange movements	1,562	-	1,562
At 31 March 2012	41,610	500	42,110
Quoted	29,874	-	29,874
Unquoted	11,736	500	12,236
Year to 31 March 2011			
	Equity investments €000	Loans and receivables €000	Total €000
At 1 April 2010	71,911	500	72,411
Disposals, repayments	(30,747)	-	(30,747)
Distributions to non-controlling interest	(5,967)	-	(5,967)
Realised loss on investments distributed to non-controlling interest	(2,812)	-	(2,812)
Revaluation	786	-	786
Exchange movements	321	-	321
At 31 March 2011	33,492	500	33,992
Quoted	24,777	-	24,777
Unquoted	8,715	500	9,215

During the year ended 31 March 2011, it was agreed to dissolve and terminate Trinity Venture Fund 1 and Trinity Venture Fund 2 (together the “Funds”) with effect from 30 September 2010. The Funds’ net assets at that date were subsequently distributed to TVC and the external limited partners, which represented the non-controlling interest in the Group.

3 Realised profits over opening value on the disposal of investments

	Equity €000	Loans and receivables €000	Total €000
Year to 31 March 2012			
Net proceeds	1,460	-	1,460
Valuation of disposed investments at beginning of year	-	-	-
Total realised profits over opening value	1,460	-	1,460

	Equity €000	Loans and receivables €000	Total €000
Year to 31 March 2011			
Net proceeds	42,225	14	42,239
Valuation of disposed investments at beginning of year	(30,747)	-	(30,747)
Total realised profits over opening value	11,478	14	11,492

4 Realised loss over opening value on investments distributed to non-controlling interest

	2012 €000	2011 €000
Valuation of investments at 30 September 2010	-	5,967
Valuation of investments at beginning of year	-	(8,779)
Total realised loss over opening value	-	(2,812)

The loss in the prior year of €2.812 million represented the Group's loss realised on the distribution of the non-controlling interest's shares in the Funds' investee companies following the dissolution of the Funds at 30 September 2010.

5 Available-for-sale investments

	2012 €000	2011 €000
At beginning of year	14,483	9,999
Additions	29,490	24,517
Disposals, repayments	(29,026)	(19,750)
Amortisation of premium paid	(434)	(297)
Revaluation	-	14
At end of year	14,513	14,483

The available-for-sale investments at the end of the year represent investments in German government fixed rate Euro bonds with a maturity date in April 2012.

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 in the prior year 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 the Island of Ireland. The segmental information presented is consistent with the Group's internal analysis of its investment portfolio.

	UTV Media plc €000	Unquoted investments €000	Total €000
Year to 31 March 2012			
Gross portfolio return			
Realised profits over opening value on the disposal of investments	-	1,460	1,460
Unrealised profits on the revaluation of investments	5,097	3,021	8,118
Portfolio income	883	260	1,143
	5,980	4,741	10,721
Net (investment)/divestment			
Realisation proceeds (including income from loan instruments)	-	1,460	1,460
	-	1,460	1,460
Statement of financial position			
Value of investment portfolio at end of year	29,874	12,236	42,110

	Norkom Group plc €000	UTV Media plc €000	Unquoted investments €000	Total €000
Year to 31 March 2011				
Gross portfolio return				
Realised profits over opening value on the disposal of investments	10,889	-	603	11,492
Realised loss over opening value on investments distributed to non-controlling interest	(2,802)	-	(10)	(2,812)
Net unrealised profits/(losses) on the revaluation of investments	-	1,284	(177)	1,107
Portfolio income	112	609	591	1,312
	8,199	1,893	1,007	11,099
Net (investment)/divestment				
Realisation proceeds (including income from loan instruments)	41,574	-	1,093	42,667
	41,574	-	1,093	42,667
Statement of financial position				
Value of investment portfolio at end of year	-	24,777	9,215	33,992

7 Earnings per share

	2012	2011
Earnings per share (cent)		
Basic and diluted	9	11
Earnings (€000)		
Profit for the year – basic and diluted	9,069	11,619
Number of shares (Number)		
Weighted average number of shares in issue – basic and diluted	101,112,579	101,112,579

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. The exercise price of all share options exceeded the average price of ordinary shares during the year. Accordingly, the share options do not have a dilutive effect and are therefore excluded from the diluted earnings per share calculation.