

TVC Holdings plc

Interim financial results for the period ended 30 September 2012

TVC Holdings plc (“TVC” or the “Company”), the investment holding company, today (Tuesday, 13 November 2012) announces its Interim Financial Results for the 6 months ended 30 September 2012.

Key Performance Highlights:

- Gross portfolio return of €3.5 million in the 6 month period to 30 September 2012 (2011: €4.5 million).
- Net asset value per share of €1.16 at 30 September 2012 compared to €1.14 at 31 March 2012.
- Net assets at 30 September 2012 of €117.6 million mainly comprised of cash at bank and government bonds of €80.0 million (68%), quoted equity investments of €28.1 million (24%) and unquoted investments of €8.7 million (7%). TVC has no debt.
- Cash and government bonds increased by over 10% during the 6 month period from €72.6 million to €80.0 million at 30 September 2012.
- Profit before tax of €2.4 million (2011: €3.8 million).
- Sale of investment in The TAS Group in August 2012. TVC received cash proceeds of US\$9.2 million (€7.4 million) and realised a gain on the sale of this investment of €3.9 million in the period ended 30 September 2012. The sale proceeds represented a return of 2.1 times the valuation of its investment at 31 March 2012.
- Operating expenses, excluding share-based payment expenses, decreased by 8% to €0.987 million (2011: €1.077 million).

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

“We continue to work actively with our core portfolio investments to maximise their value and this is reflected in another set of strong results for the Company. During the period, this included the sale of our investment in The TAS Group realising proceeds of €7.4 million. We also evaluated a number of potential new investment opportunities but chose not to complete any new investments.

“The Company had net assets of €118 million and no debt at 30 September 2012. TVC’s cash plus its quoted investment in UTV represent 92% of our net asset value at 30 September 2012. Three unquoted investments represent most of the remaining 8% of our net asset value.

“Since March 2011, the Company’s cash and government bonds have increased by €50 million to €80 million at 30 September 2012 arising from the sale of Norkom and our strategy of continuing to realise value from our unquoted technology portfolio. TVC actively considered the limited number of investment opportunities during this period but we decided that it was not in the interests of our shareholders to pursue these investments. We believe that our selective investment approach is the correct strategy and that TVC is in a very strong position to make additional long term investments at what we expect to be attractive valuations and to continue to maximise value for 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

Overview of investment portfolio

During the 6 month period to 30 September 2012, we continued to work closely with our portfolio companies to safeguard and realise value in a period of continuing uncertainty and volatility particularly in the Eurozone. There were no new investments made during the period to 30 September 2012 and we disposed of one unquoted investment realising a gain of €3.9 million.

As at 30 September 2012, TVC's investment portfolio was comprised as follows:

	Value €'000	% Investments	% Investments + Cash
UTV Media plc	28,084	76%	24%
Unquoted Investments	8,744	24%	8%
Total Investments	36,828	100%	32%
Cash and Government Bonds	79,966		68%
Total Investments + Cash	116,794		100%

TVC's quoted investment in UTV Media plc was valued based on its closing bid price on 30 September 2012. The unquoted investments were valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines and the Group's accounting policies.

Realisations

In August 2012, TVC disposed of its interest in The TAS Group. The entire consideration was paid in cash and TVC received proceeds of US\$9.2 million (€7.4 million) on completion of the transaction. The consideration received by TVC represented a return of 2.1 times the valuation of its investment at 31 March 2012. A gain on the sale of this investment of €3.9 million was realised in the period ended 30 September 2012.

Financial review

- The principal components of TVC's gross portfolio return for the 6 months ended 30 September 2012 were:
 - Realisations – gain of €3.9 million on realisation of investment in The TAS Group;
 - Revaluations – net unrealised loss of €1.8 million representing the reduction in value of the Group's investment in UTV Media plc to reflect the movement in its share price from £1.4450 to £1.30 during the period, including an unrealised foreign exchange gain of €1.5 million due to the appreciation of Sterling against the Euro.
 - Portfolio income – €1.4 million for the period, mainly relating to dividends receivable from UTV Media plc.
- Operating expenses for the 6 month period to 30 September 2012, excluding share-based payments expenses, were reduced by 8% to €0.987 million (2011: €1.077 million).

- Cash at bank and government bonds amounted to €80.0 million as at 30 September 2012 and the Group had no debt.
- As at 30 September 2012, TVC's investment portfolio was valued at €36.8 million, of which €28.1 million related to quoted investments and €8.7 million related to unquoted investments.
- Net asset value per share increased by 2% from €1.14 to €1.16 over the 6 months to 30 September 2012. The increase of 2 cent per share mainly comprised the realised gain on investment disposals (4 cent) less the unrealised reduction in the value of our investment in UTV Media (2 cent).
- TVC had net assets at 30 September 2012 of €117.6 million, mainly comprised of cash at bank and government bonds of €80.0 million (68%), quoted equity investments of €28.1 million (24%) and unquoted investments of €8.7 million (7%).

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 €118 million and no debt at 30 September 2012. TVC's cash and government bonds plus its quoted investment in UTV Media plc represent 92% of our net asset value at 30 September 2012. Three unquoted investments represent most of the remaining 8% of our net asset value at 30 September 2012.

Since March 2011, the Company's cash and government bonds have increased by €50 million to €80 million at 30 September 2012 arising from the sale of Norkom and our strategy of continuing to realise value from our unquoted technology portfolio. TVC actively considered the limited number of investment opportunities during this period but we decided that it was not in the interests of our shareholders to pursue these investments. We believe that our selective investment approach is the correct strategy and that TVC is in a very strong position to make additional long term investments at what we expect to be attractive valuations and to continue to maximise value for all our shareholders.

Shane Reihill
Executive Chairman

13 November 2012

Condensed consolidated statement of financial position

as at 30 September 2012

		Unaudited 30 September 2012 €'000	Audited 31 March 2012 €'000
	<i>Notes</i>		
Non-current assets			
Investments designated as fair value through profit or loss			
Quoted equity investments		28,084	29,874
Unquoted equity investments		8,244	11,736
Loans and receivables		500	500
Total investment portfolio	2	36,828	42,110
Property, plant and equipment		106	125
Total non-current assets		36,934	42,235
Current assets			
Available-for-sale investments	3	14,464	14,513
Other receivables		1,669	1,407
Cash and cash equivalents		65,502	58,111
Total current assets		81,635	74,031
Total assets		118,569	116,266
Current liabilities			
Trade and other payables		(686)	(1,045)
Current taxation payable		(317)	(35)
Total current liabilities		(1,003)	(1,080)
Net assets		117,566	115,186
Equity			
Shareholders' capital		1,011	1,011
Share option reserve		147	77
Retained earnings		116,408	114,098
Total equity		117,566	115,186

Unaudited condensed consolidated income statement

for the 6 months ended 30 September 2012

		6 months ended 30 September 2012 €'000	6 months ended 30 September 2011 €'000
Realised profits over opening value on the disposal of investments		3,909	1,440
Net unrealised (losses)/profits on the revaluation of investments		(1,790)	2,077
		2,119	3,517
Portfolio income			
Dividends		1,367	883
Fees receivable		47	55
Gross portfolio return	<i>4</i>	3,533	4,455
Operating expenses (including share-based payment expenses of €0.070m (2011: €0.026m))		(1,057)	(1,103)
Net portfolio return		2,476	3,352
Finance income		207	434
Exchange movements		(278)	10
Profit before tax		2,405	3,796
Income tax		(95)	(167)
Profit after tax for the financial period		2,310	3,629
Earnings per share			
Basic EPS (cent)	<i>6</i>	2.3	3.6
Diluted EPS (cent)	<i>6</i>	2.2	3.6

Unaudited condensed consolidated statement of comprehensive income

for the 6 months ended 30 September 2012

	6 months ended 30 September 2012 €'000	6 months ended 30 September 2011 €'000
Profit for the period	2,310	3,629
Other comprehensive income	-	-
Total comprehensive income for the period	2,310	3,629

Unaudited condensed consolidated statement of cash flows

for the 6 months ended 30 September 2012

	6 months ended 30 September 2012 €'000	6 months ended 30 September 2011 €'000
Cash flows from operating activities		
Profit for period before tax	2,405	3,796
<i>Adjusted for:</i>		
Depreciation	20	16
Net unrealised losses/(profits) on the revaluation of investments	1,790	(2,077)
Realised profits over opening value on the disposal of investments	(3,909)	(1,440)
Exchange movements	278	(10)
Share-based payment expenses	70	26
Finance income	(207)	(434)
Proceeds from disposal of investments	7,577	1,354
Increase in other current assets	(381)	(296)
Decrease in trade and other payables	(359)	(375)
Tax received	187	-
Net cash inflow from operating activities	7,471	560
Cash flows from investing activities		
Purchase of available-for-sale investments	(14,748)	(14,727)
Redemption of available-for-sale investments	14,500	14,479
Increase in financial assets – bank deposits > 3 months	-	(200)
Interest received	429	580
Purchase of property, plant and equipment	(1)	(12)
Net cash inflow from investing activities	180	120
Net increase in cash and cash equivalents	7,651	680
Opening cash and cash equivalents	58,111	37,529
Effect of exchange rate fluctuations	(260)	-
Closing cash and cash equivalents	65,502	38,209

Unaudited condensed consolidated statement of changes in shareholders' equity

for the 6 months ended 30 September 2012

	No. of shares	Ordinary shares €'000	Share option reserve €'000	Other reserves €'000	Retained earnings €'000	Total equity €'000
Balance at 1 April 2011	101,112,579	1,011	1,497	1,995	101,537	106,040
Profit for the period	-	-	-	-	3,629	3,629
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	3,629	3,629
Share-based payments	-	-	26	-	-	26
Release from share-based payments reserves	-	-	(1,497)	(1,995)	3,492	-
Balance at 30 September 2011	101,112,579	1,011	26	-	108,658	109,695
Profit for the period	-	-	-	-	5,440	5,440
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	5,440	5,440
Share-based payments	-	-	51	-	-	51
Balance at 31 March 2012	101,112,579	1,011	77	-	114,098	115,186
Profit for the period	-	-	-	-	2,310	2,310
<i>Other comprehensive income</i>	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	2,310	2,310
Share-based payments	-	-	70	-	-	70
Balance at 30 September 2012	101,112,579	1,011	147	-	116,408	117,566

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 2012 (the “Interim Financial Statements”) comprise the Company and its subsidiaries (together referred to as the “Group”).

The Interim Financial Statements have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’, 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 2012 as set out in the 2012 Annual Report (the “2012 Accounts”).

The Interim Financial Statements do not constitute statutory financial statements. The statutory financial statements for the year ended 31 March 2012, extracts from which are included in these Interim Financial Statements, were prepared under IFRSs as adopted by the EU and will be filed with the Registrar of Companies with the Company’s 2012 annual return. The auditor’s report on those statutory financial statements was unqualified.

The financial information contained in the Interim Financial Statements has been prepared in accordance with the accounting policies applied in the 2012 Accounts. None of the new IFRSs or interpretations that are effective for the financial year ending 31 March 2013, as outlined on page 34 of the 2012 Accounts, had an impact on the Group’s reported income or net assets.

The Interim Financial Statements are presented in Euro, rounded to the nearest thousand, which is the functional currency of both the parent company and its subsidiaries.

The Interim Financial Statements were authorised for issue by the Directors on 12 November 2012.

Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2012 Accounts.

2 Investment portfolio

	Equity investments €'000	Loans and receivables €'000	Total €'000
6 month period to 30 September 2012			
At 1 April 2012	41,610	500	42,110
Disposals, repayments	(3,492)	-	(3,492)
Revaluation	(3,250)	-	(3,250)
Exchange movements	1,460	-	1,460
At 30 September 2012	36,328	500	36,828
Quoted	28,084	-	28,084
Unquoted	8,244	500	8,744

	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

3 Available-for-sale investments

	6 months ended 30 September 2012 €'000	Year ended 31 March 2012 €'000
At beginning of period/year	14,513	14,483
Additions	14,748	29,490
Disposals, repayments	(14,500)	(29,026)
Amortisation of premium paid	(297)	(434)
At end of period/year	14,464	14,513

The available-for-sale investments at the end of the period represent investments in German government fixed rate Euro bonds with a maturity date in October 2012 (31 March 2012: maturity date in April 2012).

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.

	UTV Media plc €'000	Unquoted investments €'000	Total €'000
6 month period to 30 September 2012			
Gross portfolio return			
Realised profits over opening value on the disposal of investments	-	3,909	3,909
Unrealised losses on the revaluation of investments	(1,790)	-	(1,790)
Portfolio income	1,367	47	1,414
	(423)	3,956	3,533
Net (investment)/divestment			
Realisation proceeds (including income from loan instruments)	-	7,400	7,400
	-	7,400	7,400
6 month period to 30 September 2011			
Gross portfolio return			
Realised profits over opening value on the disposal of investments	-	1,440	1,440
Net unrealised (losses)/profits on the revaluation of investments	(905)	2,982	2,077
Portfolio income	883	55	938
	(22)	4,477	4,455
Net (investment)/divestment			
Realisation proceeds (including income from loan instruments)	-	1,440	1,440
	-	1,440	1,440
Statement of financial position			
At 30 September 2012			
Value of investment portfolio	28,084	8,744	36,828
At 31 March 2012			
Value of investment portfolio	29,874	12,236	42,110

5 Share-based compensation

The Company operates an equity-settled share option plan under which it grants share options to certain employees and executive directors. Options are exercisable between the third and tenth anniversaries of the date of grant to the extent that performance targets have been met over a performance period of three years from the date of grant.

On 26 June 2012, 1,640,714 share options were granted. 50% of these options vest subject to a performance condition, measured over a three-year performance period, relating to average annual percentage growth in net asset value ('NAV') per share relative to the average annual percentage change in the Irish Consumer Price Index ('CPI'). The remaining 50% of the options vest subject to a performance condition, measured over a three-year performance period, relating to average annual percentage growth in the Company's share price relative to the average annual percentage change in CPI. The vesting of options is determined as follows:

	<u>NAV/share price growth required</u>	<u>% vesting</u>
Minimum vesting	CPI + 3%	25%
Maximum vesting	CPI + 7%	100%

For NAV and/or share price growth between the minimum and maximum vesting levels, the options vest on a pro-rata basis.

All of the options granted in the prior period vest subject to one performance condition relating to the growth in NAV compared to CPI as set out above.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The fair value of the options granted is estimated as of the date of the grant based on the Black-Scholes option-pricing model. The fair value per option and the assumptions used in the calculations are as follows:

	2012	2011
Weighted average share price	€0.84	€0.77
Weighted average exercise price	€0.84	€0.77
Expected life	5 years	5 years
Expected volatility	18%	19%
Expected dividend yield	0%	0%
Risk-free rate	0.323%	2.267%
Fair value per option	€0.14	€0.17

The Company determined expected volatility by using the Company's historic share price volatility over the four-year period (2011: three-year period) preceding the date of grant. The risk-free interest rate assumption was based upon the average yield on German Government bonds with maturities equivalent to the expected term of the share options.

No options were exercised during the current or prior period. The Company recognised an expense of €70,000 relating to share options during the period ended 30 September 2012 (2011: €26,000).

5 Share-based compensation *(continued)*

Details of share options outstanding during the period are as follows:

	2012	2012	2011	2011
	Number of	Weighted average	Number of	Weighted average
	share options	exercise price	share options	exercise price
		(cent)		(cent)
Outstanding at 1 April	1,789,870	0.77	4,360,481	1.875
Granted during the period	1,640,714	0.84	1,789,870	0.77
Cancelled during the period	-	-	(4,360,481)	1.875
Outstanding at 30 September	3,430,584	0.80	1,789,870	0.77
Exercisable at 30 September	-	-	-	-

The weighted average remaining contractual life for the share options outstanding at the end of the period was 9.23 years (2011: 9.75 years). The range of exercise prices for these options was €0.77 - €0.84 (2011: €0.77).

6 Earnings per share

	6 months ended 30 September 2012	6 months ended 30 September 2011
Basic earnings per share (cent)	2.3	3.6
Diluted earnings per share (cent)	2.2	3.6
Earnings (€'000)		
Profit for the period	2,310	3,629
Number of shares (Number)		
Weighted average number of shares in issue	101,112,579	101,112,579
Number of dilutive shares under options	1,789,870	-
Weighted average number of shares including dilutive share options	102,902,449	101,112,579

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

Diluted earnings per share is calculated by dividing the profit 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. In the comparative period, the exercise price of all share options exceeded the average price of ordinary shares during the period and the share options were therefore excluded from the diluted earnings per share calculation.

7 Subsequent events

There have been no significant events affecting the Group in the period from 30 September 2012 to the date of approval of the Interim Financial Statements.