

11 November 2011

mirada plc

(AIM: MIRA)

("mirada" or "the Group")

Interim results for the six months to 30 September 2011

mirada plc, the AIM quoted leading audiovisual content interaction specialist, announces its interim results for the six months to 30 September 2011.

Key Points

- Revenue for the period is £2.28 million, compared to £2.61 million for the six months ended 30 September 2010
- Gross profit increased to £2.01 million from £1.96 million in the six months ended 30 September 2010.
- Loss before interest, tax, amortisation and depreciation was £0.23 million, compared to £0.26 million for the six months ended 30 September 2010.
- Loss per share is 4p compared to 3p for the six months ended 30 September 2010.

Operational Highlights

- Transition to a product orientated business focusing on its core areas of expertise, namely Digital TV and Broadcast
- International expansion with notable success in the Central and South American markets
- The Group won its first international contract for the sale of xplayer, mirada's Broadcast synchronisation product
- In May the Group announced its first contract in collaboration with Ericsson, this project was with GVT
- Showcased "Iris" at IBC in September, mirada's multi-screen "TV everywhere tool" and secured first international customer, Cablecom

Jose Luis Vazquez, Chief Executive Officer of mirada, commented:

"This period shows an evolution of the company towards a product orientated business focusing on its core areas of expertise, namely Digital TV and Broadcast. The investment in development that the Group has made and continues to make in its two main Digital TV products, Navi and Iris, is beginning to show commercial success with major new customers being signed during the period. The revenues earned from the Navi and Iris products are generated from initial set-up fees and a royalty-based model, we believe that this will in the future lead to higher recurring revenues than our traditional professional services business."

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Chief Executive Officer's Statement

Overview

I am pleased to present the Group's financial results for the six months to 30 September 2011. This period shows an evolution of the company towards a product orientated business focusing on its core areas of expertise, namely Digital TV and Broadcast. The investment in development that the Group has made and continues to make in its two main Digital TV products, Navi and Iris, is beginning to show commercial success with major new customers being signed during the period. The revenues earned from the Navi and Iris products are generated from initial set-up fees and a royalty-based model, we believe that this will in the future lead to higher recurring revenues than our traditional professional services business.

mirada is continuing to expand its international activities with notable success in the Central and South American markets. During the period the Group also won its first international contract for the sale of xplayer, mirada's Broadcast synchronisation product. We expect the Group to continue its expansion into international markets leading to a reduction in the reliance on our traditional UK and Spanish markets.

The major evolution of a business model such as the one that we are successfully implementing at mirada is only possible with the strong support of our customers, our employees and our shareholders. I want to especially thank them for helping to make it possible.

Review of operations

Digital TV

In addition to the Group's traditional professional services activities, mirada is now commercialising its two new Digital TV products, Navi and Iris.

Navi is a content navigation tool which is used for finding and purchasing programming on IPTV and is the product used under the Ericsson partnership agreement as the user interface for their IPTV offering. Ericsson is the world's second largest IPTV infrastructure supplier to telecommunication companies.

In May this year we announced the Group's first contract in collaboration with Ericsson. This

project was with GVT, a Brazilian Telecommunications group. The work is now nearly complete and in September GVT announced the launch of its new digital TV service. Under the terms of this agreement mirada earns both set-up fees and a royalty per subscriber meaning that mirada will soon start to benefit from the growth of GVT's customer base.

The IPTV market is expected to grow substantially over the coming years, it is currently forecast that worldwide IPTV subscribers will increase from the current level of 50 million to 110 million by the end of 2015. Through its partnership with Ericsson, mirada is well placed strategically to take advantage of this growth and under its royalty based model we believe that this will lead to substantial recurrent future revenues.

Iris is mirada's multi-screen "TV everywhere tool" which allows digital television subscribers to find and use content when and where they want. Iris was showcased during the IBC in Amsterdam in September this year and is aimed to satisfy the needs of the market for an increased consumption of content through the internet. This product includes solutions for Electronic Program Guides ("EPG"), Video on Demand ("VoD"), live TV and Personal Video Recorders ("PVR") and allows the subscribers of our cable and satellite digital television customers to browse, purchase and view digital television content on multiple devices including televisions, computers, iPads, tablets and mobile phones.

The Group's first international customer for the Iris product was Cablecom, a major cable operator in Mexico. Revenues are earned via set-up fees and royalties based upon the future subscribers. Due to mirada's investment in its product-based strategy, Iris is a cost effective solution for our customers compared to other products offered by our competitors. We are at an advanced stage in negotiations with other potential customers and we expect to announce future deals in relation to Iris in the coming months.

In addition to the sales of Navi and Iris the Group continues to earn revenues from its professional service activities. In April this year we announced a contract with a leading European satellite operator worth in excess of €0.8 million. Under the terms of this deal mirada is developing a bouquet of 10 interactive applications for the customer's Digital TV service.

The Group's focus on following a product based strategy and expanding its overseas activities is beginning to have a positive impact on the performance of the Digital TV business with revenues increasing in the current period to £1.61 million from £1.02 million in the 6 months ended 30 September 2010 and earnings before interest, taxation, depreciation and amortisation improving to £0.46 million from £0.16 million.

Broadcast

The Group ceased its red button return path activities at the end of June 2011 due to its eroding margins and the decrease in demand from broadcasters. Although this action leads to a decrease in revenues and to a lesser extent a decrease in gross margin, the overall impact on the income statement will be negligible due to the significant savings to be achieved in reducing the Group's infrastructure costs.

The Group's broadcast activities are now focused upon the distribution and support of our xplayer product, a synchronisation tool for broadcasters that allows them to link their live programming to interactive services including EPG information, PVR reminders, interactive advertising and second screen applications (personal computers, tablets, iPads and mobile phones). This is a well-placed product, long established in the UK market with customers including the BBC, ITV, Channel 4 and UKTV. During the period mirada achieved its first international sale of xplayer, and we expect to make further announcements on the international distribution of this product in the second half of the year.

The revenues earned from the Group's broadcast activities reduced to £0.43 million in the current period compared to £0.71 million in the 6 months ended 30 September 2011, the major reason for this is the cessation of the Group's return path activities. The impact on the earnings before interest, taxation, depreciation and amortisation was less significant with the current period showing earnings of £0.2 million compared to £0.25 million in the 6 months ended 30 September 2010.

Other activities

The group has traditionally structured its activities around Digital TV, Broadcast, Gaming, Interactive Marketing and cashless payment solutions for the car parking market. This has proved to be difficult to manage from an operational point of view as well as time consuming from a management perspective. The Group has therefore decided to focus upon our core areas of expertise and the activities which we believe will provide a greater return for mirada.

During the period mirada ceased its gaming operations as the Group has not been able to successfully develop the business due to the high level of specialisation of the competitors, the lack of size of the unit and the continued delays on the progress of international gambling regulations. The costs associated to the cessation of the gaming activities are included in restructuring costs in the income statement.

The Group has a separate subsidiary company, Mirada Connect Ltd., which now operates all of the Group's activities relating to cashless payment solutions for car parking operators. This subsidiary has a specialised management team separate to that of the rest of the Group. Although still relatively small compared to the other areas of the Group these activities have increased during the period with contracts secured with Apcoa and Vinci Park, two major international parking operators that are now using our cashless payment solutions at many of their car parks across the UK. We expect Mirada Connect to continue progressing as our payment solution is rolled out across additional sites through our contracts with Apcoa and Vinci Park.

Financial overview

Revenue for the period equalled £2.28 million, compared to £2.61 million for the six months ended 30 September 2010. The reasons for this reduction are the cessation of the gaming and return path activities. The Group increased its international activities during the period with revenues generated from outside of mirada's traditional markets of the UK and Spain increasing to £1.31 million (57% of total revenues) compared to £0.63 million (24% of total revenues) in the six months ended 30 September 2010.

Although there has been a reduction in revenues, the gross profit has actually increased from £1.96 million in the six months ended 30 September 2010 to £2.01 million in the current period. This improvement is due to the Group's move to a product based strategy and the focus on its higher margin core activities. Loss before interest, tax, amortisation and depreciation was £0.23 million (six months ended 30 September 2010: £0.26 million). The loss before taxation for the period equalled £0.93 million compared to £0.72 million in six months ended 30 September 2010.

During the period the Group received additional bank financing of £0.70 million and secured a long term development loan of £0.24 million, it was able to do this by demonstrating a robust business plan with a strong pipeline of contracts and the ability to earn recurrent future revenues based upon its new licensing model.

Outlook

The first six months of this financial year reflect the evolution of mirada to an international, product orientated business. We increased our international revenues, especially in growing markets like Latin America, securing important contracts both directly and through our global partnership deal with Ericsson.

The Group has started to see a return on our product investment with the initial sales of mirada's key Digital TV products, Navi and Iris. These contracts earn set-up fees and royalty payments which will help secure future recurrent revenues. The timely integration of Navi over GVT's IPTV platform demonstrated the efficiency in which we can deploy our products and created an important reference which can be used in the future.

Now that our core product development is substantially complete and there is an increasing portfolio of opportunities for our Digital TV and Broadcast business activities, we believe that mirada is well positioned to grow and become a commercially successful technology group.

Jose Luis Vazquez
Chief Executive Officer
11 November 2011

Consolidated income statement for the six months to 30 September 2011

	Note	6 months ended 30 September 2011 (Unaudited) £000	6 months ended 30 September 2010 (Unaudited) £000	Year ended 31 March 2011 (Audited) £000
Revenue	3	2,282	2,611	5,116
Cost of sales		(273)	(651)	(1,163)
Gross profit		2,009	1,960	3,953
Net gaming income		-	15	15
Depreciation		(58)	(60)	(118)
Amortisation of deferred development costs		(363)	(284)	(617)
Impairment of goodwill		-	-	(4,911)
Restructuring costs		(71)	-	-
Other administrative expenses		(2,238)	(2,230)	(4,975)
Total administrative costs		(2,730)	(2,574)	(10,621)
Operating loss	4	(721)	(599)	(6,653)
Finance income		-	-	97
Finance expense		(211)	(122)	(410)
Loss before taxation		(932)	(721)	(6,966)
Taxation		-	-	-
Loss for the financial period from continuing operations		(932)	(721)	(6,966)
Discontinued operations				
Profit/(loss) for financial period from discontinued operations		-	199	(135)
Loss for period		(932)	(522)	(7,101)
Loss per share				
- basic & diluted	5	(£0.04)	(£0.03)	(£0.35)

The above amounts are attributable to the equity holders of the parent.

Consolidated statement of comprehensive income and expense Six months to 30 September 2011

	6 months ended 30 September 2011	6 months ended 30 September 2010	Year ended 31 March 2011
	(Unaudited) £000	(Unaudited) £000	(Audited) £000
Loss for the financial period	(932)	(522)	(7,101)
Other comprehensive expense	(61)	(183)	(48)
Total comprehensive expense for the period	(993)	(705)	(7,149)
Attributable to equity holders of the parent	(993)	(705)	(7,149)

Consolidated statement of changes in equity Six months to 30 September 2011

	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Profit and loss account £000	Total £000
At 1 April 2011	213	273	2,109	843	2,472	(1,833)	4,077
Loss for the financial period	-	-	-	-	-	(932)	(932)
Movement in foreign exchange reserve	-	-	-	(61)	-	-	(61)
At 30 September 2011	213	273	2,109	782	2,472	(2,765)	(3,084)

	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Profit and loss account £000	Total £000
At 1 April 2010	34,923	-	2,109	891	2,472	(29,457)	10,938
Loss for the financial period	-	-	-	-	-	(522)	(522)
Movement in foreign exchange reserve	-	-	-	(183)	-	-	(183)
At 30 September 2010	34,923	-	2,109	708	2,472	(29,979)	10,233

	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Profit and loss account £000	Total £000
At 1 April 2010	34,923	-	2,109	891	2,472	(29,457)	10,938
Loss for the financial period	-	-	-	-	-	(7,101)	(7,101)
Cancellation of share capital against profit and loss account	(34,725)	-	-	-	-	34,725	-
Issue of shares	15	285	-	-	-	-	300
Share issue costs	-	(12)	-	-	-	-	(12)
Movement in foreign exchange reserve	-	-	-	(48)	-	-	(48)
At 31 March 2011	213	273	2,109	843	2,472	(1,833)	4,077

Consolidated statement of financial position as at 30 September 2011

	30 September 2011 (Unaudited) £000	30 September 2010 (Unaudited) £000	31 March 2011 (Audited) £000
Non-current assets			
Property, plant and equipment	156	181	180
Goodwill	7,506	12,417	7,506
Intangible assets	1,377	1,272	1,236
Total non-current assets	9,039	13,870	8,922
Trade and other receivables	926	1,540	1,531
Cash and cash equivalents	28	12	68
Current assets	954	1,552	1,599
Total assets	9,993	15,422	10,521
Loans and borrowings	(818)	(546)	(619)
Trade and other payables	(2,417)	(3,030)	(2,773)
Current liabilities	(3,235)	(3,576)	(3,392)
Net current liabilities	(2,281)	(2,024)	(1,793)
Total assets less current liabilities	6,758	11,846	7,129
Interest bearing loans and borrowings	(3,095)	(1,073)	(2,408)
Embedded conversion option derivative	(292)	(339)	(292)
Provisions	(287)	(201)	(352)
Non-current liabilities	(3,674)	(1,613)	(3,052)
Net assets	3,084	10,233	4,077
Equity attributable to equity holders of the company			
Share capital	213	34,923	213
Share premium	273	-	273
Other reserves	5,363	5,289	5,424
Accumulated losses	(2,765)	(29,979)	(1,833)
Equity	3,084	10,233	4,077

Consolidated statement of cash flows six months to 30 September 2011

	6 months ended 30 September 2011 (Unaudited) £000	6 months ended 30 September 2010 (Unaudited) £000	Year ended 31 March 2011 (Audited) £000
Cash flows from operating activities			
Loss for the period	(932)	(522)	(7,101)
Adjustments for:			
Depreciation of property, plant and equipment	58	60	118
Amortisation of intangible assets	363	284	617
Impairment of goodwill	-	-	4,911
Profit on disposal of subsidiaries	-	(488)	(444)
Finance income	-	-	(97)
Finance expense	211	122	410
Operating cash flows before movements in working capital	(300)	(544)	(1,586)
Decrease in trade and other receivables	594	240	265
(Decrease)/increase in trade and other payables	(536)	517	293
Cash (used in)/generated from operations	(242)	213	(1,028)
Interest and similar expenses paid	(110)	(34)	(142)
Net cash (used in)/generated from operating activities	(352)	179	(1,170)
Cash flows from investing activities			
Interest and similar income received	-	-	2
Cash held in disposed subsidiaries	-	-	(1)
Purchases of property, plant and equipment	(35)	(38)	(61)
Purchases of other intangible assets	(512)	(318)	(601)
Net cash used in investing activities	(547)	(356)	(661)
Cash flows from financing activities			
Issue of convertible loans	-	-	200
Issue of share capital	-	-	300
Costs of share issue	-	-	(12)
Loans received	935	103	1,466
Repayment of loans	(50)	-	(36)
Repayment of capital element of finance leases	(16)	(11)	(23)
Net cash generated from financing activities	869	92	1,895
Net (decrease)/increase in cash and cash equivalents	(30)	(85)	64
Cash and cash equivalents at the beginning of the period	(366)	(433)	(433)
Exchange gains on cash and cash equivalents	4	14	3
Cash and cash equivalents at the end of the period	(392)	(504)	(366)

Cash and cash equivalents comprise cash at bank less bank overdrafts.

Notes to the Accounts

1. Basis of Preparation

This interim report was approved by the Directors on 11 November 2011. The condensed interim financial statements comprise the unaudited results for the six months to 30 September 2011 and 30 September 2010 and the audited results for the year ended 31 March 2011. The financial information for the year ended 31 March 2011 does not constitute the full statutory accounts for the period. The Annual Report and Financial Statements for the year ended 31 March 2011 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 31 March 2011 was unqualified, but did include a reference to the uncertainties surrounding going concern, to which the auditors drew attention by way of emphasis and did not contain a statement under 498(2) - (3) of the Companies Act 2006.

The information included in these condensed interim financial statements for the six months ending 30 September 2011 does not include all the information and disclosures made in the annual financial statements. The condensed interim financial statements have been prepared in a manner consistent with the accounting policies set out in the group financial statements for the year ended 31 March 2011 and on the basis of the International Financial Reporting Standards (IFRS) as adopted for use in the EU that the Group expects to be applicable as at 31 March 2012. IFRS are subject to amendment and interpretation by the International Accounting Standards Board (IASB) and there is an ongoing process of review and endorsement by the European Commission. The Group has not adopted IAS 34: "Interim Financial Reporting" as the AIM Rules for Companies and related regulations do not require half-yearly financial reports to be prepared in accordance with IAS 34.

The condensed interim financial information for the six months ended 30 September 2011 and 30 September 2010 has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

2. Accounting policies

The accounting policies adopted are consistent with those set out in the financial statements for the year ended 31 March 2011 and that are expected to apply for the year ended 31 March 2012.

3. Segmental reporting

For management purposes the Group is currently organised into four operating divisions based upon the varying products and services provided by the Group – Gaming, Digital TV, Broadcast and Mobile (which includes Interactive Marketing and Mirada Connect). The segment headed other relates to corporate overheads, assets and liabilities.

Segmental results for the 6 months ended 30 September 2011 are as follows:

	Gaming £000	Digital TV £000	Broadcast £000	Mobile £000	Other £000	Group £000
Revenue	-	1,609	429	244	-	2,282
Gross profit	-	1,592	280	137	-	2,009
Profit/(loss) before interest, tax, depreciation & amortisation	-	463	197	(4)	(885)	(229)
Depreciation	-	(27)	-	-	(31)	(58)
Amortisation	-	(350)	-	-	(13)	(363)
Restructuring costs	(71)	-	-	-	-	(71)
Finance income	-	-	-	-	-	-
Finance expense	-	-	-	-	(211)	(211)
Segmental profit/(loss)	(71)	86	197	(4)	(1,140)	(932)

Segmental results for the 6 months ended 30 September 2010 are as follows:

	Gaming £000	Digital TV £000	Broadcast £000	Mobile £000	Other £000	Group £000
Revenue	569	1,017	710	315	-	2,611
Gross profit	347	1,017	391	205	-	1,960
Net gaming income	15	-	-	-	-	15
Profit/(loss) before interest, tax, depreciation & amortisation	221	163	248	35	(922)	(255)
Depreciation	-	(28)	-	-	(32)	(60)
Amortisation	-	(269)	-	-	(15)	(284)
Finance income	-	-	-	-	-	-
Finance expense	-	-	-	-	(122)	(122)
Discontinued operations	-	-	199	-	-	199
Segmental profit/(loss)	221	(134)	447	35	(1,091)	(522)

Segmental results for the year ended 31 March 2011 are as follows:

	Gaming £000	Digital TV £000	Broadcast £000	Mobile £000	Other £000	Group £000
Revenue	888	2,410	1,334	484	-	5,116
Gross profit	537	2,384	692	340	-	3,953
Net gaming income	15	-	-	-	-	15
Profit/(loss) before interest, tax, depreciation & amortisation	279	525	418	32	(2,261)	(1,007)
Impairment of goodwill	(2,716)	-	(2,195)	-	-	(4,911)
Depreciation	-	(55)	-	-	(63)	(118)
Amortisation	-	(590)	-	-	(27)	(617)
Finance income	-	-	-	-	97	97
Finance expense	-	-	-	-	(410)	(410)
Discontinued operations	-	-	(135)	-	-	(135)
Segmental profit/(loss)	(2,437)	(120)	(1,912)	32	(2,664)	(7,101)

Geographical disclosures

Revenue by location of customer

	6 months ended 30 September 2011 (Unaudited) £000	6 months ended 30 September 2010 (Unaudited) £000	Year ended 31 March 2011 (Audited) £000
UK	602	1,598	2,610
Spain	370	383	925
Continental Europe	630	520	1,189
Americas	680	77	347
Other	-	33	45
Total	2,282	2,611	5,116

4. Operating loss

Reconciliation of operating loss to loss before interest, taxation, depreciation and amortisation:

	6 months ended 30 September 2011 (Unaudited) £000	6 months ended 30 September 2010 (Unaudited) £000	Year ended 31 March 2011 (Audited) £000
Operating loss	(721)	(599)	(6,653)
Depreciation	58	60	118
Amortisation of deferred development costs	363	284	617
Impairment of goodwill	-	-	4,911
Restructuring costs	71	-	-
Loss before interest, taxation, depreciation and amortisation	(229)	(255)	(1,007)

5. Loss per share

	6 months ended 30 September 2011 (Unaudited)	6 months ended 30 September 2010 (Unaudited)	Year ended 31 March 2011 (Audited)
Loss for period	(£932,000)	(£522,000)	(£7,101,000)
Weighted average number of shares	21,305,485	19,805,485	20,010,964
Basic & diluted loss per share	(£0.04)	(£0.03)	(£0.35)

For the periods ended 30 September 2011, 31 March 2011 and 30 September 2010 the diluted loss and earnings per share is calculated on the same basis as basic loss and earnings per share because the effect of the potential ordinary shares reduces the net loss per share and is therefore anti-dilutive.

Adjusted loss per share

Adjusted loss per share is calculated by reference to the loss from continuing activities before interest, taxation, amortisation and depreciation (see note 4).

	6 months ended 30 September 2011 (Unaudited)	6 months ended 30 September 2010 (Unaudited)	Year ended 31 March 2011 (Audited)
Loss for period	(£229,000)	(£255,000)	(£1,007,000)
Weighted average number of shares	21,305,485	19,805,485	20,010,964
Basic & diluted loss per share	(£0.01)	(£0.01)	(£0.05)

6. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There were no material transactions between the Group and the related parties during the period.

7. Other

Copies of unaudited interim results have not been sent to shareholders, however copies are available on request from the Company Secretary at the Company's registered office, New City Cloisters, 196 Old Street, London, EC1V 9FR.