10 December 2013

mirada plc

(AIM: MIRA)

("mirada", "the Company" or "the Group")

Interim results for the six months to 30 September 2013

New contract win

mirada plc, the AIM quoted leading audiovisual content interaction specialist, announces its unaudited interim results for the six months to 30 September 2013. At the same time the Group is pleased to announce that it has signed an agreement with a new customer, Millicom, a multi-national group which offers digital lifestyle products and services in Latin America and Africa under their Tigo brand.

Millicom will use mirada's technology to replace the software in its Arris (formerly Motorola) High Definition DTA decoders in Honduras, Guatemala, El Salvador and Costa Rica. The Group expects the roll-out to commence during the first quarter of 2014 and, while mirada does not expect substantial revenues from the contract during the first year, it is the first project in which the Group will have the chance to replace the software in Motorola boxes in Latin America.

Key Points

- Revenue for the period is £2.30 million, compared to £2.46 million for the six months ended 30 September 2012
- Revenues earned from subscriber-based licence fees continued to grow showing an increase to £0.97 million from £0.80 million in the period ended 30 September 2012
- The Group recorded EBITDA of £0.51 million in the period and an operating profit of £61,000, compared to EBITDA of £0.61 million and an operating profit of £0.26 million in the six months to 30 September 2012

Operational Highlights

- US$1.4 million contract secured with an established Latin American digital television operator to deploy mirada's multi-screen product, iris, across its network
- Digital TV activities account for over 85% of total revenues and are the key driver for the future growth of the business
- GVT, the Brazilian telecommunications operator owned by the Vivendi group, launched a new satellite television service using mirada's technology in August of this year. This service is experiencing considerable growth.

Post period highlights

- The Company completed a £2.1 million fund raising via placings with both existing shareholders and new institutional investors.
- Group's balance sheet strengthened
- Company to further grow its revenues from emerging markets

Commenting on the future outlook of the Group, José Luis Vázquez, CEO of mirada, said:

"The Company has achieved a high level of recognition in the digital TV industry, especially in the fast growing Latin American market. In the last two years there have been four new digital TV services launched in the region which utilise mirada's technology, more than any of our competitors. These are proving to be very important references for us, notably in the region's largest economies, Mexico and Brazil. This has positioned us to win substantial new deals with Tier 1 operators, which should significantly increase both turnover and margins in the coming years."

Enquiries:

mirada plc Jose Luis Vazquez, Chief Executive Officer	+44 (0) 207 549 5678
Bishopsgate Communications Nick Rome/Sam Allen mirada@bishopsgatecommunications.com	+44 (0) 207 562 3350
Cantor Fitzgerald Europe (Nomad and Joint Broker) Mark Percy (Corporate Finance) David Banks (Corporate Broking)	+44 (0) 207 894 7000
Peterhouse Corporate Finance (Joint Broker) Jon Levinson Lucy Williams	+44 (0) 207 469 0937

Chief Executive Officer's Statement

Overview

I am pleased to present the Group's financial results for the six months ended 30 September 2013. During this period the Company has been working on increasing its presence in the Latin American market, and we continue to be involved in negotiations with a number of leading digital TV platforms in the region.

As previously announced, the major new contract win in the first half of the year was with an established Latin American digital television operator with whom we have secured an agreement for the deployment of mirada's multi-screen product, iris, across their network. The Company will receive in excess of US$1.4 million in professional service fee income for the integration of the product and the adaption of inspire, mirada's most advanced user interface. We expect to complete the work on this project by the first half of 2014. As the operator has several million existing installed customers, if the product is rolled out across their subscriber base, we anticipate that the licence fees earned will significantly increase the Group's revenues over the next three to five years.

It is important to note that the split of revenues has changed during the period, as revenues earned from professional services will be lower in the first half of the year compared to those we expect to earn in the second half. This is a result of the commercial and technical investment made in the first half of the year in securing the above contract and the fact that most of the revenues from this contract will be recognised during the final six months of the year. Furthermore, the margins the Group will earn from the professional service fee income on this deployment are lower than average; however, the subscriber-based licence fees we expect to earn once the solution is commercially deployed should far outweigh this temporary reduction in margin.

Post period end the Company completed a £2.1 million fund raising via placings with both existing shareholders and new institutional investors. This new funding has strengthened the Group's balance sheet and also allowed mirada to recruit new sales and technical staff which will enable the Group to take advantage of some significant opportunities which we currently have in the pipeline.

I want to again recognise the outstanding support from our employees, directors and shareholders. We are reaching the goal of becoming a leading player in the market, and this would not have been possible without their continued commitment and hard work.

Review of operations

The Company is fully concentrated on the growth of its digital TV activities, which now represent more than 85% of the total revenues of the Group and is the key driver for the future growth of the business. Following on from the successful transition to the product-based model, the Group is now less reliant on revenue received from professional services. This is demonstrated by the fact that even after taking into account the reduction in professional service fee income in the period the Group was still able to generate EBITDA of £0.51 million and an operating profit of £61,000. This was due to subscriber-based licence fee revenue increasing to £0.97 million in the period, compared to £0.80 million in the 6 months ended 30 September 2012.

At the period end we had four digital TV services from which licence fees are generated, compared to three services at the end of the last financial year. Our largest customer continues to be GVT, the Brazilian telecommunications operator owned by the Vivendi group. GVT now has two fully operational digital TV services utilising mirada's technology; an IPTV service, which was launched in November 2011 (a deal which was secured through our partnership agreement with Ericsson), and a new satellite television service which was launched in mid August 2013. The new satellite service is experiencing considerable growth. Although it has only just launched, we expect that, due to the nature of the Brazilian market, the take-up of the satellite television service will be substantial, as GVT will be able to deploy this service over large areas of Brazil, which are currently out of the reach of their IPTV service.

I am pleased to announce that mirada signed an agreement with a new customer, Millicom, a multi-national group, which offers digital lifestyle products and services in Latin America and Africa under their Tigo brand. Millicom will use mirada's technology to replace the software in their Arris (formerly Motorola) High Definition DTA decoders. The agreement covers deployments in Honduras, Guatemala, El Salvador and Costa Rica, and we expect the roll-out to take place during the first quarter of 2014. Although we do not expect substantial revenues arising from this contract during the first year, it is the first project in which we will have the chance to replace the software in Motorola boxes in Latin America. Motorola are the dominant suppliers in the region with in excess of 15 million units currently deployed. We believe that this project will be an important reference for mirada and will prove to be highly beneficial for other operators in the region looking to replace their software.

Financial overview
Revenue for the period equalled £2.30 million compared to £2.46 million for the six months ended 30 September 2012. As outlined above the reduction in revenue is because of the decreased professional service fee income earned, but we expect this income to increase in the second half of the year. The revenues earned from subscriber-based licence fees continued to grow showing an increase to £0.97 million from £0.80 million in the period ended 30 September 2012. The Group recorded EBITDA of £0.51 million in the period and an operating profit of £61,000, compared to EBITDA of £0.61 and an operating profit of £0.26 million in the six months to 30 September 2012.

The net current liabilities at 30 September 2013 equalled £2.3 million, a similar level to those shown at 31 March 2013. This position, however, has now been dramatically improved following the £2.1 million placing which took place post period end. The funds raised will enable management to harvest the commercial opportunities available to the Group, and should be sufficient to allow the Group to achieve the aggressive targets we have set ourselves.

Outlook
The Company has achieved a high level of recognition in the digital TV industry, especially in the fast growing Latin American market. In the last two years there have been four new digital TV services launched in the region which utilise mirada's technology, more than any of our competitors. These are proving to be important references for us, notably in the region's largest economies, Mexico and Brazil. This has allowed us to be in a position to win substantial new deals with Tier 1 operators, which should significantly increase both turnover and margin in the coming years.

The most important task we have in the short term is to complete the deployment of our iris product into the network of an existing digital TV operator. If, as we expect, we are successful and our technology is rolled out across their existing subscriber base, the Group will experience a substantial increase in the annual licence fees, starting in the next financial year. In the meantime the recent injection of new funds from shareholders has increased our resources, improving our ability to win new contracts and take advantage of the exciting opportunities available to the Group.

Jose Luis Vazquez
Chief Executive Officer
9 December 2013

Consolidated income statement for the six months to 30 September 2013

	Note	6 months ended 30 September 2013 (Unaudited) £000	6 months ended 30 September 2012 (Unaudited) £000	Year ended 31 March 2013 (Audited) £000
Revenue	2	**2,300**	**2,457**	**4,837**
Cost of sales		(95)	(109)	(207)
Gross profit		**2,205**	**2,348**	**4,630**
Depreciation		(22)	(33)	(58)
Amortisation of deferred development costs		(429)	(317)	(683)
Other administrative expenses		(1,693)	(1,743)	(3,649)
Total administrative costs		**(2,144)**	**(2,093)**	**(4,390)**
Operating profit	3	**61**	**255**	**240**
Finance income		-	3	137
Finance expense		(234)	(233)	(617)
(Loss)/profit before taxation		**(173)**	**25**	**(240)**
Taxation		-	-	-
(Loss)/profit for period		**(173)**	**25**	**(240)**
(Loss)/earnings per share				
- basic	4	(0.3p)	0.1p	(0.7p)

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

Consolidated statement of comprehensive income
Six months to 30 September 2013

	6 months ended 30 September 2013 (Unaudited) £000	6 months ended 30 September 2012 (Unaudited) £000	Year ended 31 March 2013 (Audited) £000
(Loss)/profit for the financial period	(173)	25	(240)
Currency translation differences	4	90	(28)
Total comprehensive (expense)/income for the period	**(169)**	**115**	**(268)**

Consolidated statement of changes in equity
Six months to 30 September 2013

	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 2013	519	3,059	140	509	2,472	(3,234)	3,465
Loss for the financial period	-	-	-	-	-	(173)	(173)
Conversion of convertible loans into shares	31	284	-	-	-	(17)	298
Movement in foreign exchange reserve	-	-	-	4	-	-	4
At 30 September 2013	**550**	**3,343**	**140**	**513**	**2,472**	**(3,424)**	**3,594**

	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 2012	319	1,216	140	537	2,472	(3,026)	1,658
Profit for the financial period	-	-	-	-	-	25	25
Movement in foreign exchange reserve	-	-	-	90	-	-	90
At 30 September 2012	**319**	**1,216**	**140**	**627**	**2,472**	**(3,001)**	**1,773**

	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 2012	319	1,216	140	537	2,472	(3,026)	1,658
Loss for the financial period	-	-	-	-	-	(240)	(240)
Conversion of convertible loans into shares	45	400	-	-	-	32	477
Issue of shares	155	1,457	-	-	-	-	1,612
Share issue costs	-	(14)	-	-	-	-	(14)
Movement in foreign exchange reserve	-	-	-	(28)	-	-	(28)
At 31 March 2013	**519**	**3,059**	**140**	**509**	**2,472**	**(3,234)**	**3,465**

Consolidated statement of financial position as at 30 September 2013

	30 September 2013 (Unaudited) £000	30 September 2012 (Unaudited) £000	31 March 2013 (Audited) £000
Property, plant and equipment	48	79	61
Goodwill	6,946	6,946	6,946
Intangible assets	1,955	1,442	1,719
Non-current assets	**8,949**	**8,467**	**8,726**
Trade and other receivables	1,314	1,615	1,292
Cash and cash equivalents	3	3	94
Current assets	**1,317**	**1,618**	**1,386**
Total assets	**10,266**	**10,085**	**10,112**
Loans and borrowings	(616)	(674)	(697)
Trade and other payables	(2,874)	(3,207)	(2,725)
Provisions	(121)	(240)	(141)
Current liabilities	**(3,611)**	**(4,121)**	**(3,563)**
Net current liabilities	**(2,294)**	**(2,503)**	**(2,177)**
Total assets less current liabilities	**6,655**	**5,964**	**6,549**
Interest bearing loans and borrowings	(2,854)	(3,058)	(2,767)
Embedded conversion option derivative	(44)	(292)	(65)
Other non-current liabilities	(163)	(525)	(181)
Provisions	-	(316)	(71)
Non-current liabilities	**(3,061)**	**(4,191)**	**(3,084)**
Net assets	**3,594**	**1,773**	**3,465**
Issued share capital and reserves attributable to equity holders of the company			
Share capital	550	319	519
Share premium	3,343	1,216	3,059
Other reserves	3,125	3,239	3,121
Accumulated losses	(3,424)	(3,001)	(3,234)
Equity	**3,594**	**1,773**	**3,465**

Consolidated statement of cash flows six months to 30 September 2013

	6 months ended 30 September 2013 (Unaudited)	6 months ended 30 September 2012 (Unaudited)	Year ended 31 March 2013 (Audited)
	£000	£000	£000
Cash flows from operating activities			
(Loss)/profit for the period	(173)	25	(240)
Adjustments for:			
Depreciation of property, plant and equipment	22	33	58
Amortisation of intangible assets	429	317	683
Finance income	-	(3)	(137)
Finance expense	234	233	617
Operating cash flows before movements in working capital	**512**	**605**	**981**
(Increase)/decrease in trade and other receivables	(34)	(340)	44
Increase in trade and other payables	82	587	21
Decrease in provisions	(90)	(113)	(356)
Net cash generated from operating activities	**470**	**739**	**690**
Cash flows from investing activities			
Interest and similar income received	-	3	3
Purchases of property, plant and equipment	(11)	(2)	(8)
Purchases of other intangible assets	(683)	(514)	(1,116)
Net cash used in investing activities	**(694)**	**(513)**	**(1,121)**
Cash flows from financing activities			
Interest and similar expense paid	(103)	(126)	(341)
Issue of share capital	-	-	1,014
Costs of share issue	-	-	(14)
Loans received	292	604	913
Repayment of loans	(196)	(570)	(735)
Repayment of capital element of finance leases	(5)	(5)	(10)
Net cash (used in)/generated from financing activities	**(12)**	**(97)**	**827**
Net (decrease)/increase in cash and cash equivalents	**(236)**	**129**	**396**
Cash and cash equivalents at the beginning of the period	94	(299)	(299)
Exchange gains on cash and cash equivalents	(1)	13	(3)
Cash and cash equivalents at the end of the period	**(143)**	**(157)**	**94**

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

Notes to the Accounts

1. Basis of Preparation

These interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 March 2013 Annual Report. The financial information for the half years ended 30 September 2013 and 30 September 2012 do not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

The annual financial statements of mirada plc are prepared in accordance with IFRS as adopted by the European Union. The comparative financial information for the year ended 31 March 2013 included within this report does not constitute the full statutory Annual Report for that period. The statutory Annual Report and Financial Statements for 31 March 2013 have been filed with the Registrar of Companies. The Independent Auditors' Report on that Annual Report and Financial Statement for 31 March 2013 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) or 498 (3) of the Companies Act 2006.

After making enquiries, the directors have concluded that the Group have adequate resources to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly consolidated financial statements.

The same accounting policies, presentation and methods of computation are followed in these interim consolidated financial statements as were applied in the Group's latest annual audited financial statements.

In addition, the IASB have issued a number of IFRS and IFRIC amendments or interpretations since the last Annual Report was published. It is not expected that any of these will have a material impact on the Group.

2. Segmental reporting

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

Segmental results for the 6 months ended 30 September 2013 are as follows:

	Digital TV	Broadcast	Mobile	Other	Group
	£000	£000	£000	£000	£000
Revenue - external	1,971	102	227	-	2,300
Gross profit	1,955	98	152	-	2,205
Profit/(loss) before interest, tax, depreciation & amortisation	850	73	9	(420)	512
Depreciation	(11)	-	-	(11)	(22)
Amortisation	(398)	-	(14)	(17)	(429)
Finance income	-	-	-	-	-
Finance expense	-	-	-	(234)	(234)
Segmental profit/(loss)	441	73	(5)	(682)	(173)

Segmental results for the 6 months ended 30 September 2012 are as follows:

	Digital TV	Broadcast	Mobile	Other	Group
	£000	£000	£000	£000	£000
Revenue - external	2,119	120	218	-	2,457
Gross profit	2,116	106	126	-	2,348
Profit/(loss) before interest, tax, depreciation & amortisation	958	84	13	(450)	605
Depreciation	(19)	-	-	(14)	(33)
Amortisation	(282)	-	(19)	(16)	(317)
Finance income	-	-	-	3	3
Finance expense	-	-	-	(233)	(233)
Segmental profit/(loss)	657	84	(6)	(710)	25

Segmental results for the year ended 31 March 2013 are as follows:

	Digital TV	Broadcast	Mobile	Other	Group
	£000	£000	£000	£000	£000
Revenue - external	4,094	273	470	-	4,837
Gross profit	4,074	257	299	-	4,630
Profit/(loss) before interest, tax, depreciation & amortisation	1,761	213	57	(1,050)	981
Depreciation	(33)	-	-	(25)	(58)
Amortisation	(615)	-	(34)	(34)	(683)
Finance income	-	-	-	137	137
Finance expense	-	-	-	(617)	(617)
Segmental profit/(loss)	1,113	213	23	(1,589)	(240)

Revenue by location of customer

	6 months ended 30 September 2013 (Unaudited) £000	6 months ended 30 September 2012 (Unaudited) £000	Year ended 31 March 2013 (Audited) £000
UK	329	338	743
Spain	278	210	473
Continental Europe	136	288	465
Americas	1,557	1,621	3,156
Total	**2,300**	**2,457**	**4,837**

3. Operating profit

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

	6 months ended 30 September 2013 (Unaudited) £000	6 months ended 30 September 2012 (Unaudited) £000	Year ended 31 March 2013 (Audited) £000
Operating profit	61	255	240
Depreciation	22	33	58
Amortisation of deferred development costs	429	317	683
Profit before interest, taxation, depreciation and amortisation	**512**	**605**	**981**

4. (Loss)/earnings per share

	6 months ended 30 September 2013 (Unaudited)	6 months ended 30 September 2012 (Unaudited)	Year ended 31 March 2013 (Audited)
(Loss)/profit for period	(£173,000)	£25,000	(£240,000)
Weighted average number of shares	52,592,314	31,973,423	34,612,552
Basic earnings/(loss) per share	**(0.3p)**	**0.1p**	**(0.7p)**

Adjusted earnings per share

Adjusted earnings per share is calculated by reference to the profit from continuing activities before interest, taxation, amortisation and depreciation (see note 3).

	6 months ended 30 September 2013 (Unaudited)	6 months ended 30 September 2012 (Unaudited)	Year ended 31 March 2013 (Audited)
Adjusted profit for period	£512,000	£605,000	£981,000
Basic adjusted earnings per share	**1.0p**	**1.9p**	**2.8p**
Diluted adjusted earnings per share	**0.9p**	**1.3p**	**2.2p**

At each period end the Company had 301,327 potentially dilutive ordinary shares arising from share options issued to staff. The Company also has 6,600,000 (30 September 2012: 14,200,000 and 31 March 2013: 9,750,000) potentially dilutive ordinary shares arising from the convertible loan. These have not been included in calculating the diluted earnings per share as the effect is anti-dilutive, although they have been included in calculating the adjusted earnings per share.

5. 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.

6. 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.