Cellcast plc
(the "Company")

Interim results for the six months ended 30 June 2014

The Board of Cellcast plc (AIM: CLTV) announces the Company's interims results for the six months ended 30 June 2014.

Highlights

- Interactive broadcast revenues down on the comparable period last year as the Company saw continued decline in demand for the Company's services

- Operating loss of £0.83 million for the period (H1 2013: loss of £1.25 million)

- One off payment of £2.98 million from Entertainment Networks (a Sony subsidiary) resulted in a profit before tax of £1.97 million for the period (H1 2013: loss of £0.92 million)

- Earnings per shares of 2.6p (H1 2013: loss per share of 1.2p)

Andrew Wilson, CEO of Cellcast plc, commented:

"Whilst we have continued to witness a decline in the demand for our core products and services in the UK, we are beginning to see the benefits of our restructuring of costs, including the move to Milton Keynes, through a significant reduction in our operating costs for the period. The board has also been exploring new genres of interactive multiplatform TV, primarily focussed on the gaming and gambling sectors. We look forward to updating shareholders on these new opportunities in the future."

For further information:

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CHIEF EXECUTIVE OFFICER'S STATEMENT

Half year results

The Group's performance in the first half of 2014 has shown a continuing decline in interactive broadcast revenue when compared with the first half of 2013.

Interactive broadcast revenue for the six months ended 30 June 2014 was approximately £6.3 million, a decrease of 18% on the same period last year. Gross loss, excluding the £2.98m received from Entertainment Networks Ltd, as discussed below, for the period was £436,000 (H1 2013: £496,000).

Operating costs in the UK, excluding business development and investment costs for new ventures, for the period were £393,000, which is 48% lower than the £752,000 total for the first half of 2013. This is partly due to a decrease in the amortisation charge of £245,000 and to a reduction of the Group's overheads of £114,000.

Overall, the Group's core UK operations, excluding the amount received from Entertainment Networks Ltd and exceptional costs, incurred an operating loss of £828,000 for the period after depreciation and amortisation costs of £71,000. This compares to an operating loss of £1,249,000, excluding exceptional costs, and depreciation and amortisation costs of £316,000 in the comparative period for 2013.

The Group's overall performance was significantly enhanced by the benefit derived from an agreement Entertainment Networks, a subsidiary of Sony, under which Cellcast agreed early termination of its exclusive rights to manage the Freeview channel Movie Mix in consideration for a one off payment of £2,980,000.

As a result of this transaction after taking into account the interest charges, the profit for the period was £1,969,000 (H1 2013: £915,000 loss).

This represents an earnings per share of 2.6p (H1 2013: 1.2p loss).

Funding

The cash balance at 30 June 2014 stood at £847,000 compared to a balance of £454,000 at 30 June 2013.

Having reviewed the forward cash flows for the foreseeable future, the directors are confident that the Company has sufficient financial resources and that the preparation of the interim results on a going concern basis is appropriate.

Outlook

In the UK, the Group continued to see reduced demand and this further impacted revenue in the period.

Costs have been reduced significantly over the last 24 months and the Group is continually looking at ways of reducing costs further, specifically through the renegotiation of bandwidth commitments.

As the Company's traditional UK market continues to decline the Group has invested in new genres of interactive multiplatform TV primarily focussing on the gaming and gambling sectors. These new businesses are expected to commence operation in the first quarter of 2015.

Andrew Wilson

Chief Executive Officer
25 September 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 30 June 2014

	Note	6 months ended 30/06/14 £	6 months ended 30/06/13 £	Audited Year ended 31/12/13 £
Revenue				
Interactive broadcast		6,333,891	7,760,774	14,499,328
Channel management		2,980,000	540,000	1,045,000
Total revenue		9,313,891	8,300,774	15,544,328
Cost of sales		(6,769,685)	(8,257,220)	(15,680,450)
Gross profit / (loss)		2,544,206	43,554	(136,122)
Operating costs and expenses:				
Administrative expenses		(392,689)	(752,234)	(1,215,420)
Exceptional costs	4	(178,000)	(203,091)	(1,131,215)
Total operating costs and expenses		(570,689)	(955,325)	(2,346,635)
Operating profit / (loss)		1,973,517	(911,771)	(2,482,757)
Interest receivable & similar income		-	448	448
Interest payable & similar charges		(4,363)	(3,501)	(8,641)
Profit / (loss) before tax		1,969,154	(914,824)	(2,490,950)
Taxation		-	-	-
Profit / (loss) for the period		1,969,154	(914,824)	(2,490,950)
Total comprehensive income (expenditure) attributable to the owners of the parent		1,969,154	(914,824)	(2,490,950)
Earnings / (loss) per share				
Basic and diluted	3	2.6p	(1.2)p	(3.3)p

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	30/06/14	30/06/13	Audited 31/12/13
	£	£	£
Assets			
Non-current assets			
Intangible assets	103,168	163,350	132,298
Property, plant and equipment	255,640	209,915	284,512
Investments	1,833,085	234,840	202,627
	2,191,893	608,105	619,437
Current assets			
Trade and other receivables	1,591,506	2,622,267	2,072,670
Cash and cash equivalents	846,625	454,314	404,153
	2,438,131	3,076,581	2,476,823
Non-current assets classified as held for sale	203,173	149,380	170,000
Total assets	4,833,197	3,834,066	3,266,260
Capital and reserves			
Called up share capital	2,285,398	2,285,398	2,285,398
Share premium account	5,533,626	5,533,626	5,533,626
Merger reserve	1,300,395	1,300,395	1,300,395
Warrant reserve	13,702	13,702	13,702
Retained earnings	(8,920,170)	(9,313,198)	(10,889,324)
Equity / (deficit) attributable to owners of the parent	212,953	(180,077)	(1,756,203)
Liabilities			
Current liabilities			
Trade and other payables	4,620,244	4,014,143	5,022,463
Total liabilities	4,620,244	4,014,143	5,022,463
Total equity and liabilities	4,833,197	3,834,066	3,266,260

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As at 30 June 2014	Share Capital	Share Premium	Merger Reserve	Warrant Reserve	Retained Earnings	Shareholders Funds
	£	£	£	£	£	£
Balance at 1 January 2014	2,285,398	5,533,626	1,300,395	13,702	(10,889,324)	(1,756,203)
Profit for the period	-	-	-	-	1,969,154	1,969,154
Balance at 30 June 2014	2,285,398	5,533,626	1,300,395	13,702	(8,920,170)	212,951

As at 31 December 2013	Share Capital	Share Premium	Merger Reserve	Warrant Reserve	Retained Earnings	Shareholders Funds
	£	£	£	£	£	£
Balance at 1 January 2013	2,285,398	5,533,626	1,300,395	13,702	(8,398,374)	734,747
Loss for the period	-	-	-	-	(2,490,950)	(2,490,950)
Balance at 31 December 2013	2,285,398	5,533,626	1,300,395	13,702	(10,889,324)	(1,756,203)

As at 30 June 2013	Share Capital	Share Premium	Merger Reserve	Warrant Reserve	Retained Earnings	Shareholders Funds
	£	£	£	£	£	£
Balance at 1 January 2013	2,285,398	5,533,626	1,300,395	13,702	(8,398,374)	734,747
Loss for the period	-	-	-	-	(914,824)	(914,824)
Balance at 30 June 2013	2,285,398	5,533,626	1,300,395	13,702	(9,313,198)	(180,077)

In the above tables, the amounts are attributable to the equity holders of the parent.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 June 2014

		6 months ended 30/06/14 £	6 months ended 30/06/13 £	Audited Year ended 31/12/13 £
Net cash (outflow) / inflow from operations	a	(856,463)	(26,561)	22,133
Interest received		-	448	448
Net cash (outflow) / inflow from operating activities		(856,463)	(26,113)	22,581
Net cash inflow / (outflow) from investing activities	b	1,303,297	(256,324)	(350,039)
Net cash used in financing activities	c	(4,363)	(3,501)	(8,641)
Net increase / (decrease) in cash and cash equivalents		442,471	(285,938)	(336,099)
Cash and cash equivalents at beginning of period		404,153	740,252	740,252
Cash and cash equivalents at end of period		846,624	454,314	404,153

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 June 2014

	6 months ended 30/06/14 £	6 months ended 30/06/13 £	Audited Year ended 31/12/13 £
a Reconciliation of net loss to net cash (outflow) / inflow from operating activities			
Profit / (loss) before tax	1,969,154	(914,824)	(2,490,950)
Interest receivable & similar income	-	(448)	(448)
Interest payable & similar charges	4,363	3,501	8,641
Amortisation and depreciation	71,074	315,707	377,470
Gain on sale of intellectual property	(2,980,000)	(540,000)	(1,045,000)
Decrease in trade and other receivables	481,165	436,918	986,516
(Decrease) / increase in trade and other payables	(402,219)	132,585	1,140,904
Net cash (outflow) / inflow from operations	(856,463)	(566,561)	(1,022,867)

b Cash flow from investing activities

Proceeds on sale of assets held for sale	-	-	123,200
Proceeds on sale of intellectual property	2,980,000	540,000	1,045,000
Purchase of property, plant and equipment	(13,072)	(73,439)	(178,746)
Purchase of intangible assets	-	(19,000)	(19,002)
(Purchase) / disposal of assets held for sale	(33,173)	70,955	(72,864)
Purchase of investment	(1,630,458)	(234,840)	(202,627)
Net cash inflow / (outflow) from investing activities	1,303,297	283,676	694,961

c Cash flow from financing activities

Interest paid	(4,363)	(3,501)	(8,641)
Net cash used in financing activities	(4,363)	(3,501)	(8,641)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General Information

Cellcast plc is a limited liability Company incorporated and domiciled in the United Kingdom. Its business address is Unit 20-22 Cochran Close, Crownhill Industrial Estate, Milton Keynes, MK8 0AJ. The address of its registered office is The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Copies of this statement are available from this address and from the Company's website www.cellcast.tv.

The Company is quoted on the AIM Market of the London Stock Exchange.

This condensed consolidated interim financial information was approved for issue on 25 September 2014.

2. Basis of preparation

This unaudited condensed consolidated interim financial information is for the six months ended 30 June 2014. This has been prepared in accordance with recognition and measurement principles of International Financial Reporting Standards (IFRS) as endorsed by the European Union and implemented in the UK. The financial information in this interim announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The interim financial information does not include all of the information required for full annual financial statements and accordingly, whilst the interim financial information has been prepared in accordance with the recognition and measurement principles of IFRS, it cannot be construed as being in full compliance with IFRS.

The comparative financial information for the year ended 31 December 2013 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of the Group for the year ended 31 December 2013 have been reported on by the Company's auditor and have been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not contain statements under section 498(2) and (3) of the Companies Act 2006 and included an emphasis of matter relating to the uncertainties in respect to the Group's ability to continue as a going concern.

The current and comparative periods to June have been prepared using accounting policies and practices consistent with those adopted in the annual financial statements for the year ended 31 December 2013 and are also consistent with those which will be adopted in the 31 December 2014 financial statements.

There were no other Standards and Interpretations which were in issue but not effective at the date of authorisation of this condensed interim financial information that the directors anticipate will have a material impact on the financial statements of the Group.

NOTES TO THE UNAUDITED INTERIM ACCOUNTS STATEMENT

3. Earnings /(loss) per share

Basic and diluted earnings / (loss) per share is based on the profit / (loss) after tax and on the following weighted average number of shares in issue.

	6 months ended 30/06/2014	6 months ended 30/06/2013	Audited Year ended 31/12/2013
	£	£	£
Reported profit / (loss) for the financial period	1,969,154	(914,824)	(2,490,950)
	Number	Number	Number
Weighted average number of ordinary shares	76,471,557	76,471,557	76,471,557
Dilutive effect of outstanding share options and warrants	-	-	-
Weighted average number of ordinary shares for diluted earnings per share	76,471,557	76,471,557	76,471,557
Basic earnings / (loss) per share (pence)	2.6p	(1.2)p	(3.3)p
Diluted earnings / (loss) per share (pence)	2.6p	(1.2)p	(3.3)p

4. Exceptional costs

Exceptional costs for the six months ended 30 June 2014 relate primarily to legal fees.

Exceptional costs for the six months ended 30 June 2013 and the year ended 31 December 2013 are primarily associated with TV exploration in overseas countries, new ventures and one-off regulatory costs.

During 2013, expenditure of £702,000 was incurred in exploring an overseas opportunity in South America. This venture was not successful and therefore this amount has been shown as an exceptional item. In addition, a £238,000 receivable balance held as at 31 December 2012 has been written off in relation to this venture.