

Vitesse Media Plc

Interim results for the six months ended 31st July 2012

The Board of Vitesse Media Plc (AIM: VIS), the media, events and research company, today announces its unaudited interim results for the six months ending 31 July 2012.

- Management team strengthened by appointment of experienced Executive Deputy Chairman, David Smith, with track record of driving quality of earnings and acquisitions
- David Smith subscribed for 7,368,421 new ordinary shares at a price of 4.75p, representing 19.4% of the enlarged issued share capital of the Company
- Niki Baker succeeds Leslie Copeland as Chief Executive
- Business now structured into four revenue streams: Technology, SME Business, High Net Worth Investment and Events, with approximately 15% of revenue now coming from print advertising
- Investment during the period in marketing subscription products, new product development in events, enhancement to major web sites and development of social media data
- Strategy remains to increase revenues from subscription, events, data, business development and research income and further reduce the proportion from advertising
- Technology venture capital event in September at 10-year high - an encouraging trend for 2013

Commenting on the results, Vitesse Media's Chairman, Sara Williams, said:

“We have maintained progress in transforming Vitesse Media to meet the changing demands of the shifting media landscape. Investment is continuing in existing and new products, which will enable the business to grow its revenues in the coming years, despite an unhelpful trading background. It's also encouraging to note a more benign acquisition environment, which will allow us to restart the process of growing the business.”

For further information:

Vitesse Media plc

Executive Chairman: Sara Williams 020-7250 7010
Executive Deputy Chairman: Dave Smith 020-7250 7010

Westhouse Securities Ltd

Martin Davison 020-7601 6100

Kreab Gavin Anderson

Robert Speed 020-7074 1800

Review for the period to 31 July 2012

Results for the six months to 31 July 2012 were disappointing with revenues of £1 million (2011 £1.5 million) and operating loss before share option expense of £0.222 million (2011 profit of £0.001 million). Costs were well under control, reduced by nearly 20% against the same period in 2011.

At the beginning of the year, the directors took the decision to close or mothball further underperforming titles and assets. Part of the decline in revenues is accounted for by these actions. However, the trading background remained unhelpful, especially during the Jubilee and Olympics, when some of our major advertisers devoted a large proportion of their budgets to these events. I am delighted to say that in September we have seen the return of several major customers that had been absent for these reasons.

The management team was strengthened by the appointment of experienced Executive Deputy Chairman, David Smith, who subscribed for 7,368,421 new ordinary shares at a price of 4.75p, representing 19.4% of the enlarged issued share capital of the Company.

Our digital activities were impacted by further changes in the search engine market that affected our audience base. We revamped one web site, GrowthBusiness.co.uk, and I am delighted to say that these delivery problems have been much improved as a result of this work. Revamping of Information-Age.com, WhatInvestment.co.uk and SmallBusiness.co.uk will be complete before Christmas, so that we will enter 2013 with renewed confidence in our digital activities.

Our events business remained stable and the outstanding performance of Investor All Stars, our technology venture capital event, in September has encouraged us that 2013 will be a positive year for event income. Technology will be a major focus for us in the coming year in terms of subscription, research and event income and we consider the economic and political background to be looking more helpful in this sector.

Outlook

Results for the second half are seasonally stronger and we anticipate that this will remain the case for the current financial year. However, this is tempered by our decision to invest in more marketing and sales activities to drive subscription and events income and to grow our revenues in 2013 from our revamped and restructured base.

The management is now able to report that the restructuring and transformation programme is now largely complete and the management is looking forward with confidence to build higher-quality revenues and develop new strong and enduring products.

About Vitesse Media plc

Vitesse Media plc is a leading b2b media business, specialising in technology, SME business and high-net worth investment through events, digital activities, data and research. Our flagship titles include *SmallBusiness.co.uk*, *Growth Company Investor*, *Information Age*, *GrowthBusiness.co.uk*, and *What Investment*. Our intention is to grow our business through the development of innovative products and the acquisition of products and businesses in our fragmented b2b space. Vitesse Media plc is quoted on AIM.

Consolidated statement of comprehensive income
For the six months ended 31 July 2012

		6 months ended 31 July 2012 (unaudited) £'000	6 months ended 31 July 2011 (unaudited) £'000	Year ended 31 January 2012 (audited) £'000
Revenue	- continuing - acquired	995	1,507	2,942
		<hr/>	<hr/>	<hr/>
		995	1,507	2,942
Cost of sales		325	443	838
		<hr/>	<hr/>	<hr/>
Gross profit		669	1,063	2,105
Administrative expenses		915	1,082	2,613
		<hr/>	<hr/>	<hr/>
Operating (loss)/profit		(246)	(18)	(508)
Finance costs		(4)	4	(0.5)
Finance income		-	-	-
		<hr/>	<hr/>	<hr/>
(Loss)/profit before tax		(250)	(15)	(509)
Tax expense		-	-	-
		<hr/>	<hr/>	<hr/>
(Loss)/profit for the period attributable to owners of the parent		(250)	(15)	(509)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
(Loss)/earnings per share (pence)				
Basic		(0.01)	(0.05)	(1.66)
Diluted		(0.01)	(0.05)	(1.66)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Consolidated statement of financial position

As

at 31 July 2012

	6 months ended 31 July 2012 (unaudited) £'000	6 months ended 31 July 2011 (unaudited) £'000	Year ended 31 January 2012 (audited) £'000
ASSETS			
Non-current assets			
Goodwill	7,29	1,026	729
Other intangible assets	1,496	1,448	1,510
Property, plant and equipment	7	51	9
Trade and other receivables	21	21	21
	<hr/>	<hr/>	<hr/>
	2,253	2,546	2,269
Current assets			
Inventories	21	12	21
Trade and other receivables	578	774	620
Cash and cash equivalents	239	19	-
	<hr/>	<hr/>	<hr/>
	838	805	641
Total assets	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	3,091	3,351	2,910
EQUITY AND LIABILITIES			
Equity			
Share capital	2,618	2,610	2,610
Share premium account	3,162	2,832	2,832
Share option reserve	185	163	170
Other reserves	104	104	104
Retained earnings	(4,304)	(3,572)	(4,064)
	<hr/>	<hr/>	<hr/>
Total equity attributable to owners of the parent	1,763	2,137	1,652
Non-current liabilities			
Obligations under finance lease	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-
Current liabilities			
Trade and other payables	1,179	1,046	940
Borrowings	149	167	318
Obligations under finance lease	-	1	-
	<hr/>	<hr/>	<hr/>
Total liabilities	1,328	1,214	1,258
Total equity and liabilities	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	3,091	3,351	2,910

Consolidated statement of cash flows

31 July 2012

	6 months ended 31 July 2012 (unaudited) £'000	6 months ended 31 July 2011 (unaudited) £'000	Year ended 31 January 2012 (audited) £'000
Cash flows from operating activities			
(Loss)/profit before taxation	(250)	(15)	(509)
Adjustments			
Finance costs	4	(4)	0.5
Finance income	-	-	-
Amortisation	27	16	39
Depreciation of property, plant and equipment	3	23	34
Loss on disposal of property, plant, equipment	-	-	-
Goodwill impairment	-	-	296
Share-based payment charge	24	20	30
Operating cash flows before movements in working capital	(192)	40	(109)
Decrease/(increase) in inventories	-	14	5
Decrease/(increase) in receivables	42	30	183
Increase/(decrease) in payables	239	69	(37)
Cash flows from (used in) operating activities	89	153	42
Interest paid	(4)	4	(0.5)
Interest received	-	-	-
Net Cash from/(used in) operating activities	85	157	42
Investing Activities			
Acquisition of subsidiaries	-	-	-
Purchases of property, plant and equipment	-	(34)	(3)
Purchases of intangible assets	(14)	(15)	(100)
Net cash used in investing activities	(14)	(49)	(103)
Financing Activities			
Proceeds from issue of share capital	350	-	-
Share issue costs	(13)	-	-
Repayments of obligations under finance leases	-	(3)	(4)
(Repayment of)/proceeds from short-term borrowings	-	-	-
Drawdown on invoice discounting facility	(140)	(153)	(32)
Net cash (used in)/generated from financing activities	197	(156)	(36)
Net (decrease)/increase in cash and cash equivalents	268	(48)	(97)
Cash and cash equivalents at beginning of period	(29)	67	67
Cash and cash equivalents at end of period	239	19	(29)

Consolidated Statement of changes in

equity**For the six months ended 31 July 2012**

	Share capital £ '000	Share premium Account £ '000	Share options reserve £ '000	Other reserves £ '000	Retained earnings £ '000	Total £ '000
ATTRIBUTABLE TO OWNERS OF PARENT						
6 months ended 31 July 2012						
As at 31 January 2012	2,610	2,832	170	104	(4,063)	1,652
Profit for the period	-	-	-	-	(250)	(250)
Total comprehensive income for the period	-	-	-	-	(250)	(250)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	8	342	-	-	-	350
Issue costs	-	(13)	-	-	-	(13)
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	8	330	-	-	-	338
Recognition of share-based payments	-	-	24	-	-	24
Share options lapsed	-	-	(9)	-	9	-
As at 31 July 2012	2618	3162	185	104	(4304)	1763
ATTRIBUTABLE TO OWNERS OF PARENT						
12 months ended 31 January 2012						
As at 31 January 2011	2,560	2,831	143	104	(3,557)	2,131
Profit for the year	-	-	-	-	(509)	(509)
Total comprehensive income for the period	-	-	-	-	(509)	(509)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	-	-	-	-	-	-
Issue costs	-	-	-	-	-	-
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	-	-	-	-	-	-
Recognition of share-based payments	-	-	30	-	-	30
Share options lapsed	-	-	(3)	-	3	-
As at 31 January 2012	2,610	2,832	170	104	(4,063)	1,652

ATTRIBUTABLE TO OWNERS OF PARENT

6 months ended 31 July 2011

As at 31 January 2011	2,610	2,832	143	104	(3,557)	2,132
Profit for the period	-	-	-	-	(15)	(15)
Total comprehensive income for the period	-	-	-	-	(15)	(15)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	-	-	-	-	-	-
Issue costs	-	-	-	-	-	-
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	-	-	-	-	-	-
Recognition of share-based payments	-	-	20	-	-	20
As at 31 July 2011	2,610	2,832	163	104	(3,572)	2,137

Notes to the Interim Results

1. Basis of preparation

These unaudited condensed consolidated interim financial statements are for the six months ended 31 July 2012. They have been prepared in accordance with recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union. This report should be read in conjunction with the annual financial statements for the year ended 31 January 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations and the Companies Act 2006, as applicable to companies reporting under IFRS.

The financial information in this interim announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The unaudited interim financial statements were approved by the Board on 9 October 2012.

The comparative financial information for the year ended 31 January 2012 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of Vitesse Media plc for the year ended 31 January 2012 have been reported on by the Company's auditor, Baker Tilly UK Audit LLP, and have been delivered to the Registrar of Companies. The report of the auditor was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter. The auditor's report did not contain statements under Section 498(2) or 498(3) of the Companies Act 2006.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 January 2012.

These financial statements have been prepared under the historical cost convention.

The financial information for the six months ended 31 July 2012 is unaudited.

Nature of operations and general information

Vitesse Media plc and subsidiaries' ('the Group') principal activities include the provision of online, print publishing and events, specialising in growing businesses. The Group provides a network for CEOs and other directors, their investors, advisers and suppliers.

Vitesse Media plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Vitesse Media plc's registered office is Pellipar House, 1st Floor, 9 Cloak Lane, London EC4R 2RU. Vitesse Media plc's shares are listed on the AIM Market of the London Stock Exchange.

Vitesse Media plc's consolidated interim financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

2. Segmental information

Since the end of the financial year, 31 January 2012, we report our income segments as Business and Investment, dropping the segmental information on online, print and events as no longer being relevant to the management of the business.

	Business £'000	Investment £'000	Total £'000
6 months ended 31 July 2012			
Segmental revenue - continuing	718	277	995
Segmental revenue - acquired	-	-	-
Total segmental revenue	<u>718</u>	<u>277</u>	<u>995</u>
Segment result	<u>491</u>	<u>179</u>	<u>669</u>
6 months ended 31 July 2011			
Segmental revenue - continuing	1083	424	1,507
Segmental revenue - acquired	-	-	-
Total segmental revenue	<u>1083</u>	<u>424</u>	<u>1,507</u>
Segment result	<u>774</u>	<u>289</u>	<u>1,063</u>
12 months ended 31 January 2012			
Segmental revenue - continuing	1,959	983	2,942
Segmental revenue - acquired	-	-	-
Total segmental revenue	<u>1,959</u>	<u>983</u>	<u>2,942</u>
Segment result	<u>1,366</u>	<u>630</u>	<u>1,996</u>

3. Earnings/(loss) per share

The calculation of loss per share is based on the following losses and numbers of shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options.

	6 months to 31 July 2012 (Unaudited)	6 months to 31 July 2011 (Unaudited)	Period end 31 January 2012 (audited)
	£'000	£'000	£'000
Earnings/(loss) for the period	(250)	(15)	(509)
	No.	No.	No.
Weighted average number of shares	34,903,715	30,603,787	30,603,787

4. Dividends

No dividend is proposed for the six months ended 31 July 2012.

5. Copies of Interim Results

Copies of the Interim Results will be available from www.vitessemedia.co.uk and from the Company's registered office, Pellipar House, 1st Floor, 9 Cloak Lane, London EC4R 2RU.