Amino Technologies plc

Interim report 2009

PURE IPTV VISION

ABOUT AMINO TECHNOLOGIES

Amino is the world's largest independent IPTV specialist, delivering entertainment solutions for pure and hybrid IPTV, OTT (Over-The Top) Internet video and in-home multimedia distribution. Amino delivers a range of award-winning set-top boxes and software to over 800 customers in 80 countries, including telecoms operators, service providers, broadcast, enterprise and hospitality companies. Amino boasts the industry's widest range of pre-integrated IPTV eco-systems, enabling its customers to offer profitable, scalable and targeted video services. Amino's 'AssetHouse' modular software solution allows telecoms companies, content producers, broadcasters and web TV companies to profit from On-Demand services by maximising their content asset inventory. Amino Communications is listed on the London Stock Exchange AIM, symbol AMO. Amino's Global headquarters is based near Cambridge, UK, with offices in the US, China and Sweden.

For more information, please visit **www.aminocom.com**

HIGHLIGHTS

Financial overview

- Challenging economic conditions and slower than expected recovery in the US telco market resulted in a reduction in revenue of 12% to £12.80m (H108: £14.53m)
- Gross profit of £4.54m (H108: £6.42m), reflecting lower revenue and the return of margins to normal levels
- Acquisitions of Tilgin IPTV AB ('Tilgin IPTV') and AssetHouse contributed to a £1.84m increase in operating costs before exceptional items
- Operating loss before exceptional items of £3.10m (H108: Operating Profit £0.61m)
- Loss Per Share (basic) of 6.53p (H108: Earnings Per Share 1.76p)
- Encouraging current trading in first two months of H2
- Balance sheet remains strong
  - Net assets of £27.12m
  - Net cash balances of £8.94m (30 Nov 2008: £14.4m) following acquisition of Tilgin IPTV (£2.71m) and loss in period

Operational overview

- Plan to realise cost synergies from acquisitions accelerated and extended at end of H1
  - Underlying cost base reduced to c. £13m p.a. from high of c. £19m p.a. in December 2008
- Decisive action taken to revitalise global sales and marketing efforts:
  - New Senior Vice Presidents ('SVPs') of Sales and Marketing appointed
  - North America sales tactics overhauled
  - Tilgin IPTV-enhanced feature set now winning business
  - Occupy a strong competitive position in our end-markets
- Current trading suggests that the changes are working:
  - Significant new customer wins post period end demonstrate improving sales mix to higher priced MPEG-4 products

CHAIRMAN'S REPORT

> "Against this backdrop, the Board accelerated and extended its plan to realise cost synergies from the acquisitions and has also restructured its sales and marketing team."

Introduction

Our financial performance in the first half of the year was adversely affected by the global economic situation, which delayed a number of our customers' deployments in H1. Our recovery in the important US market, as it transitions to High Definition ("HD"), was also slower than expected.

Furthermore, as expected, Amino's financial performance in H1 2009 was adversely affected by increased operating costs arising from the strategic acquisitions of AssetHouse, completed in June 2008, and Tilgin IPTV AB ('Tilgin IPTV'), completed in December 2008.

Put together, these factors led to a reduction in sales and gross profit in the period rather than the expected growth.

In contrast to the disappointing financial performance, the Group made significant advances in stability, performance and functionality of its MPEG-4 HD products which have generated encouraging new business since the period end and a strong sales pipeline for the second half and beyond. The acquisition of Tilgin IPTV has complemented Amino's award-winning product portfolio and added new software functionality across its entire range contributing to the strong progress made.

Against this backdrop, the Board accelerated and extended its plan to realise cost synergies from the acquisitions and has also restructured its sales and marketing team. The Group's underlying cost base has been reduced to c. £13m p.a., comparable to pre-acquisition levels, effective from 1 June, from a high of c. £19m after the acquisition of Tilgin IPTV in December 2008.

Profit and loss

Revenue in the period was £12.80m compared with £14.53m in H1 2008. An increase in average selling price - as the sales mix transitions to MPEG-4 HD products - and currency benefits limited the reduction in revenue from the sale of set-top boxes to a fall of 12% to £12.12m against a 30% reduction in unit shipments to 178,000. Unit shipments in Europe were slightly ahead of the corresponding period last year at 146,000 units. Fees from support and expert services increased by £0.24m to £0.40m (H1 2008: £0.16m). Licence fees, all from the licensing of set-top box technologies, reduced by £0.29m to £0.28m (H1 2008: £0.57m).

Gross margin returned to a more normal level of 35.5%, as compared to the exceptionally high levels enjoyed in H1 2008 of 44.2%, primarily due to the

"Our offering around greater functionality, high service levels and price has led to some promising progress so far in H2."

inclusion of lower margin sales on Tilgin IPTV's Mood products. Reflecting the reduction in revenue and gross margin, gross profit in the period reduced to £4.54m compared with £6.42m in H1 2008.

As compared to H1 FY2008, pre-exceptional operating costs increased by £1.84m to £7.65m, of which £0.67m resulted from the acquisition of Tilgin IPTV and £0.77m related to the acquisition of AssetHouse.

The Group incurred an operating loss of £3.10m before exceptional items, compared to a profit of £0.61m in H1 2008. Exceptional costs in relation to the reduction in operating cost base of £0.49m were recognised in the period and a further £0.21m will be recognised in H2. Operating loss after exceptional items was £3.60m (H1 2008: profit of £0.61m).

Net finance income of £0.04m (H1 2008: £0.48m) reflected lower interest rates and reduced net cash balances. Net loss after tax is £3.56m (H1 2008: profit £0.99m) leading to a loss per share of 6.53p (H1 2008: earnings per share of 1.76p).

Balance sheet

The balance sheet remains strong with net cash balances of £8.94m and net assets, excluding intangibles, of £20.36m following the £2.72m investment in Tilgin IPTV and trading losses incurred in the first half.

Operational performance

In addition to reducing the Group's underlying cost base, the Board has also identified and addressed other issues that have led to a lower than expected sales performance during the period. For example, much time has been spent revitalising our sales and marketing approach. A new 'SVP Marketing' was appointed in January and the former European Regional Sales Manager was appointed 'SVP Global Sales' in June.

Our sales tactics have also been revitalised; we have entered into joint marketing programmes with our key partners, and we have worked hard to re-energise and support our distribution network. Customer service has also been improved around the point of sale. There has also been an intensive focus on sales into the important US tier 3 market and this has started to reap benefits, particularly after the period end. In Western Europe, the focus has been on aggressively targeting tier 2 telecoms operators. Our offering around greater functionality, high service levels and price has led to some promising progress so far in H2.

CHAIRMAN'S REPORT
(CONTINUED)

" We expect that the second half will benefit strongly from the revenue growth strategies and cost cutting measures implemented."

All of this effort has led to a more targeted and effective sales approach and we have started to see the benefits of this after the period end when we secured a number of significant new orders in various geographies. We have recently secured a number of important wins in the US to supply MPEG-4 - both SD and HD - set-top boxes, in Latin America for MPEG-2 set-top boxes and, in APAC, our licence partner has won significant new business for MPEG-4 HD set-top boxes in Vietnam.

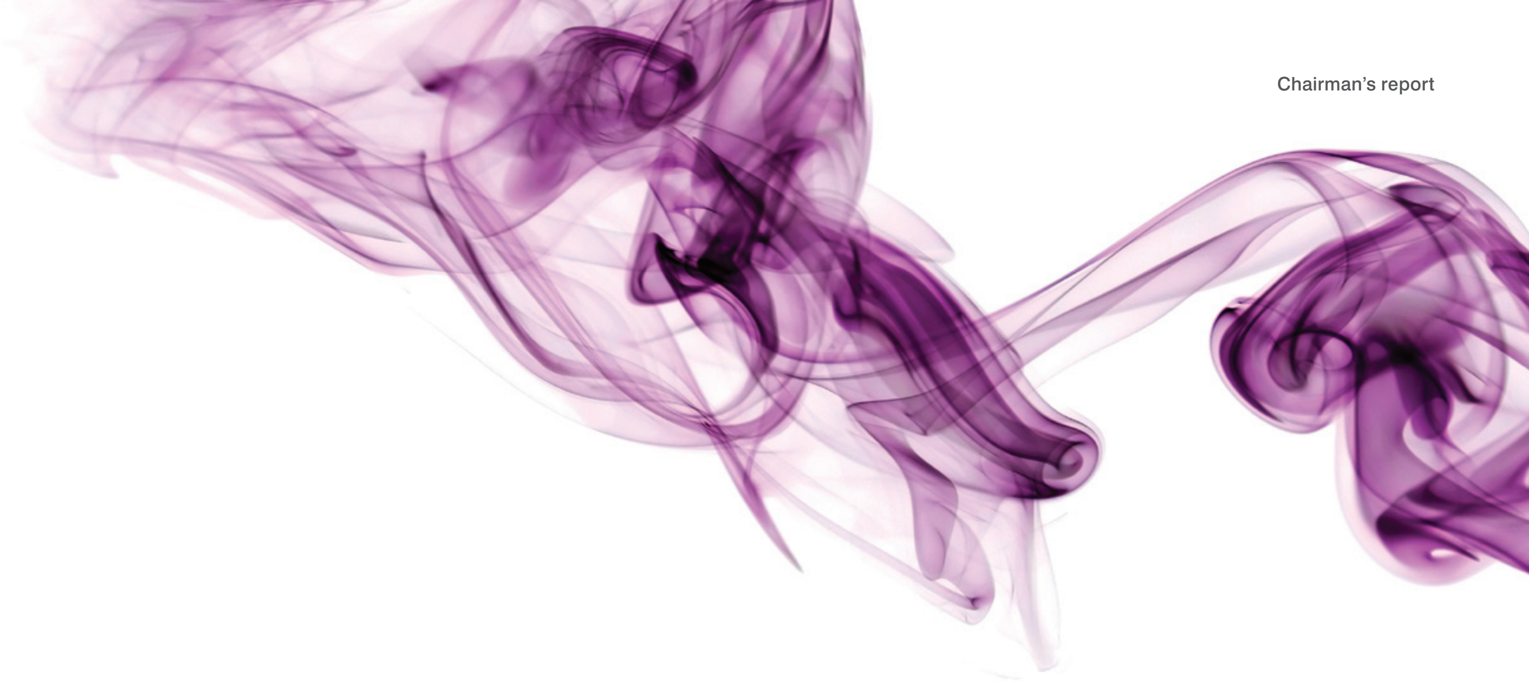
Amino – our strategy, our markets and our positioning

For our telco customers, the rationale for IPTV remains as strong as ever. IPTV enables them to compete effectively against their satellite and cable competitors and provides additional Average Revenue Per User ('ARPU') and reduces customer churn. For all that, IPTV is emerging slower than the cable and satellite markets, it is at an earlier stage and latest reports from MRG suggest that the IPTV market is on a compound annual growth trajectory of 12% between now and 2013. In our other markets of Hospitality, Enterprise and Education, demand remains despite the market downturn.

And finally, new technology is driving the Internet TV sector increasingly rapidly, resulting in more consumers watching video online.

Our extensive experience, global deployments and award winning technology mean that we are well positioned to benefit from this growth and the recent progress indicates that we are on the right path with our strategy and market focus. As before, our strategy is threefold: to enhance our product line, to drive scale and to extend across the value chain, and we are making good progress in the execution of this strategy.

The acquisitions of Tilgin IPTV and AssetHouse have been critical in helping us to deliver against these ambitions. Tilgin IPTV has added greatly to our set-top box functionality as well as some exceptional talent to boost our engineering resource. The teams have integrated well and the result is a highly marketable enhancement to the Amino product offering.



Outlook

Today we occupy a strong competitive position in all our end-markets, each of which is rapidly evolving. As this evolution continues to take shape, the Amino brand stands out as a strong force in the marketplace: particularly given the strengths Tilgin IPTV has added to our marketable product range.

It is encouraging that, in the two months since the half year, order intake has been strong and some of the orders that were missed in the first half have now been received. Our cost actions have been completed and we now have a cost base that is comparable with the level prior to the AssetHouse and Tilgin IPTV acquisitions. The Board is expecting the strong order momentum to continue in the remaining months of this year and we expect that the second half will benefit strongly from the revenue growth strategies and cost cutting measures implemented.

Keith Todd CBE
Non-executive Chairman

"We have recently secured a number of important wins in the US to supply MPEG-4 – both SD and HD - set-top boxes."

CONSOLIDATED INCOME STATEMENT

for the six months ended 31 May 2009

	Notes	**Six months ended 31 May 2009 Unaudited £**	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
Revenue	3	**12,795,375**	14,526,776	31,902,075
Cost of sales		**(8,257,057)**	(8,107,345)	(18,529,562)
Gross profit		**4,538,318**	6,419,431	13,372,513
Selling, general and administrative expenses (non-exceptional)		**(4,888,457)**	(4,013,531)	(8,226,302)
Selling, general and administrative expenses (exceptional)	5	**(439,130)**	-	-
Selling, general and administrative expenses		**(5,327,587)**	(4,013,531)	(8,226,302)
Research and development expenses (non-exceptional)		**(2,755,626)**	(1,794,961)	(3,847,324)
Research and development expenses (exceptional)	5	**(51,672)**	-	-
Research and development expenses		**(2,807,298)**	(1,794,961)	(3,847,324)
Operating (loss)/profit		**(3,596,567)**	610,940	1,298,887
Financial income		**35,302**	487,487	870,016
Financial expenses		**-**	(3,855)	(6,857)
(Loss)/profit before corporation tax		**(3,561,265)**	1,094,572	2,162,046
Corporation tax (charge)/credit		**(1,341)**	(107,278)	41,092
(Loss)/profit for the year attributable to equity holders		**(3,562,606)**	987,294	2,203,138
Basic (loss)/earnings per 1p ordinary share	6	**(6.53p)**	1.76p	3.98p
Diluted (loss)/earnings per 1p ordinary shares	6	**(6.53p)**	1.72p	3.77p

All amounts relate to continuing activities.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the six months ended 31 May 2009

	Notes	**Six months ended 31 May 2009 Unaudited £**	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
Foreign exchange difference arising on consolidation	12	**(25,878)**	92,729	591,223
Net (expenses)/income recognised directly in equity		**(25,878)**	92,729	591,223
(Loss)/profit for the period		**(3,562,606)**	987,294	2,203,138
Total recognised income and expenses for the financial year		**(3,588,484)**	1,080,023	2,794,361

The accompanying notes are an integral part of these interim financial statements.

CONSOLIDATED BALANCE SHEET

as at 31 May 2009

	Notes	As at 31 May 2009 Unaudited £	As at 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
Assets				
Non-current assets				
Intangible assets	7	**6,756,588**	1,092,805	3,431,236
Property, plant and equipment	8	**1,207,210**	1,075,061	982,964
Deferred income tax assets		**1,575,027**	1,719,000	1,719,000
Trade and other receivables	9	**204,927**	163,450	203,101
		9,743,752	4,050,316	6,336,301
Current assets				
Inventories		**6,068,064**	3,755,662	5,059,627
Trade and other receivables	9	**8,347,472**	8,186,434	13,576,759
Derivative financial instruments		**452,676**	92,000	-
Cash at bank and in hand		**8,935,255**	19,002,631	14,443,582
		23,803,467	31,036,727	33,079,968
Total assets		**33,547,219**	35,087,043	39,416,269
Capital and reserves attributable to equity holders of the business				
Called-up share capital	11	**578,930**	578,430	578,430
Shares to be issued		**-**	27,751	27,751
Share premium		**126,375**	104,249	104,249
Capital redemption reserve		**6,200**	6,200	6,200
Other reserves		**16,388,755**	16,388,755	16,388,755
Retained earnings		**10,021,902**	12,596,847	13,555,105
Total equity	12	**27,122,162**	29,702,232	30,660,490
Current liabilities				
Borrowings		**12,502**	12,502	12,502
Trade and other payables	10	**6,412,555**	5,290,999	8,732,415
Current tax liabilities		**-**	81,310	-
Derivative financial instruments		**-**	-	10,862
Total liabilities		**6,425,057**	5,384,811	8,755,779
Total equity and liabilities		**33,547,219**	35,087,043	39,416,269

The accompanying notes are an integral part of these interim financial statements.

The interim financial statements on pages 6 to 18 were approved by the board of directors on 18 August 2009 and were signed on its behalf by:

Andrew Burke
Director

Stuart Darling
Director

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 31 May 2009

	Notes	**Six months ended 31 May 2009 Unaudited £**	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
Cash flows from operating activities				
Cash (used in)/ generated from operations	13	**(1,405,284)**	2,323,884	155,859
Corporation tax (paid)		**(1,341)**	(25,968)	(277)
Net cash (used in)/generated from operating activities		**(1,406,625)**	2,297,916	155,582
Cash flows from investing activities				
Acquisition of subsidiary – net of cash acquired		**(2,472,696)**	-	(881,908)
Purchase of intangible fixed assets		**(1,234,325)**	(383,464)	(1,597,919)
Purchase of property, plant and equipment (PPE)		**(368,550)**	(142,149)	(228,416)
Interest received		**36,337**	477,133	854,865
Interest paid		**-**	(3,855)	(6,857)
Proceeds from exercise of employee share options		**-**	560	253,297
Net cash (used in) investing activities		**(4,039,234)**	(51,775)	(1,606,938)
Cash flows from financing activities				
Repurchase of own shares		**-**	(322,400)	(322,400)
Loan made to Employee Benefit Trust for purchase of shares		**-**	-	(1,137,302)
Repayments of borrowings		**-**	(24,727)	(24,727)
Net cash (used in) financing activities		**-**	(347,127)	(1,484,429)
Net (decrease)/increase in cash and cash equivalents		**(5,445,859)**	1,899,014	(2,935,785)
Cash and cash equivalents at start of the period		**14,443,582**	17,065,867	17,065,867
Effects of exchange rate fluctuations on cash held		**(62,468)**	37,749	313,500
Cash and cash equivalents at end of period		**8,935,255**	19,002,630	14,443,582

NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the six months ended 31 May 2009

1. General information
Amino Technologies plc ('the Company') and its subsidiaries (together 'the Group') specialises in IPTV software technologies and hardware platforms that enable delivery of digital programming and interactivity over IP networks, including the internet.

During the period, the Group acquired control of Amino Communications AB (formerly Tilgin IPTV AB), a company specialising in IPTV software technologies and hardware platforms.

The Company is a public limited company which is listed on the Alternative Investment Market (AIM) of the London Stock Exchange and is incorporated and domiciled in the UK.

2. Basis of preparation
The financial information has been prepared in accordance with all International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that had been published by 31 May 2009 as endorsed by the European Union (EU). The accounting policies adopted are consistent with those of the financial statements for the year ended 30 November 2008, as described in those financial statements.

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

In preparing these interim financial statements the Board has not sought to implement the early adoption of IAS 34 "Interim financial reporting".

The figures for the six-month periods ended 31 May 2009 and 31 May 2008 have not been audited. The figures for the year ended 30 November 2008 have been extracted from, but do not constitute, the consolidated financial statements of Amino Technologies plc for that year. Those financial statements have been delivered to the Registrar of Companies and included an auditors' report, which was unqualified and did not contain a statement under Section 237 Companies Act 1985.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31 May 2009 (CONTINUED)

3. Revenue

The Group has only one class of business segment, being the development and sale of broadband network software and systems (which has been analysed into four revenue streams as shown in the second table below). All revenues, costs, assets and liabilities relate to this segment.

The secondary, geographical analysis of revenue is as follows:

	Six months ended 31 May 2009 Unaudited £	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
United Kingdom, Europe and Africa	**10,457,760**	8,399,124	19,015,627
North America	**1,809,340**	4,436,256	9,707,217
South America	**37,065**	1,620,158	1,437,554
Asia Pacific	**491,210**	71,238	1,741,677
	12,795,375	14,526,776	31,902,075

Further analysis of revenue by stream is given below.

	Six months ended 31 May 2009 Unaudited £	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
Product	**12,119,788**	13,789,483	29,726,573
License	**279,328**	573,541	1,786,724
Support	**305,961**	138,268	363,291
Expert services	**90,298**	25,484	25,487
	12,795,375	14,526,776	31,902,075

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31 May 2009 (CONTINUED)

4. Financial risk management

The Group had the following current assets and liabilities denominated in currencies other than sterling.

	Six months ended 31 May 2009 Unaudited £	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
Trade and other receivables denominated in foreign currency	**6,792,059**	7,743,803	13,136,791
Cash balances denominated in foreign currency	**1,157,304**	467,827	1,291,238
Trade and other payables denominated in foreign currency	**(2,133,800)**	(1,806,152)	(6,007,118)
Net current assets denominated in foreign currency	**5,815,563**	6,405,478	8,420,911
Outstanding forward contracts	**4,940,193**	3,846,543	5,767,718
Percentage of current assets not matched by forward contracts	**15%**	40%	32%

5. Exceptional items

	Six months ended 31 May 2009 Unaudited £	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
Restructuring costs	**490,802**	-	-
	490,802	-	-

The exceptional costs in the period amounting to £490,802 are in relation to two tranches of restructuring within the Group, which primarily comprise redundancy costs. The first tranche was to streamline the sales and administrative functions of Amino Communications AB on acquisition. The second tranche was for additional Group restructuring at the end of the period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31 May 2009 (CONTINUED)

6. (Loss)/earnings per share

	Six months ended 31 May 2009 Unaudited £	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
(Loss)/earnings attributable to shareholders	**(3,562,606)**	987,295	2,203,138
Weighted average number of shares (Basic)	**54,578,067**	55,984,489	55,373,030
Weighted average number of shares (Diluted)	**54,578,067**	57,362,560	58,512,459

The calculation of basic earnings per share is based on (loss)/profit after taxation and the weighted average number of ordinary shares of 1p each in issue during the period.

For diluted (loss)/earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary share options. The Group has only one category of dilutive potential ordinary share options: those share options where the exercise price is less than the average market price of the Company's ordinary shares during the period. There is no dilutive effect in respect of the period ended 31 May 2009 as the Group was loss making.

7. Intangible assets

	As at 31 May 2009 Unaudited £	As at 31 May 2008 Unaudited £	As at 30 November 2008 Audited £
Net book value			
Goodwill			
Goodwill relating to SJ Consulting Limited	**273,612**	348,738	278,738
Goodwill relating to AssetHouse Technology Limited	**1,420,895**	-	1,420,895
Goodwill relating to Tilgin IPTV AB	**1,932,679**	-	-
Total goodwill	**3,627,186**	348,738	1,699,633
Software licences	**587,787**	640,111	646,898
Development costs	**2,091,700**	103,956	1,084,705
Acquired intellectual property	**449,915**	-	-
	6,756,588	1,092,805	3,431,236

8. Property, plant and equipment

	As at 31 May 2009 Unaudited £	As at 31 May 2008 Unaudited £	As at 30 November 2008 Audited £
Computer software and equipment	**461,439**	285,005	271,722
Office and other equipment	**125,281**	107,152	77,612
Leasehold improvement	**620,490**	682,904	633,630
Net book amount	**1,207,210**	1,075,061	982,964

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31 May 2009 (CONTINUED)

9. Trade and other receivables

	As at 31 May 2009 Unaudited £	As at 31 May 2008 Unaudited £	As at 30 November 2008 Audited £
Current assets			
Trade receivables	**6,887,866**	7,814,632	12,232,520
Less: provision for impairment of receivables	**(43,215)**	(550,251)	-
Trade receivables (net)	**6,844,651**	7,264,381	12,232,520
Other receivables	**323,927**	16,131	176,649
Corporation tax receivable	**54,038**	-	41,369
Prepayments	**1,124,856**	905,922	1,126,221
	8,347,472	8,186,434	13,576,759
Non current assets			
Other receivables	**204,927**	163,450	203,101

Other receivables comprise rent deposits.

10. Trade and other payables

	As at 31 May 2009 Unaudited £	As at 31 May 2008 Unaudited £	As at 30 November 2008 Audited £
Trade payables	**3,111,920**	2,385,110	4,307,050
Social security and other taxes	**267,499**	162,418	215,729
Other payables	**158,747**	66,870	6,838
Accruals	**2,659,421**	2,520,108	3,579,174
Deferred income	**214,968**	156,493	623,624
	6,412,555	5,290,999	8,732,415

11. Called-up share capital

Ordinary shares of 1p each.

	As at 31 May 2009 Unaudited £	As at 31 May 2008 Unaudited £	As at 30 November 2008 Audited £
Authorised			
Nominal value	**1,000,000**	1,000,000	1,000,000
Number	**100,000,000**	100,000,000	100,000,000
Allotted, called-up and fully-paid			
Nominal value	**578,930**	578,430	578,430
Number	**57,893,052**	57,843,050	57,843,050

In respect of the acquisition of SJ Consulting Limited, the Company issued 50,002 ordinary shares on 20 January 2009 (the third anniversary of the acquisition date) at a price of £0.45p.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31 May 2009 (CONTINUED)

12. Statement of changes in equity

	Share Capital £	Share premium £	Shares to be issued £	Other reserves £	Capital redemption reserve £	Profit and loss £	Total £
At 1 December 2007 (Audited)	584,130	79,749	68,667	16,388,755	-	11,862,663	28,983,964
Profit for the period	-	-	-	-	-	987,295	987,295
Issue of ordinary shares – shares to be issued	500	24,500	(25,000)	-	-	-	-
Forfeiture of shares to be issued	-	-	(17,334)	-	-	-	(17,334)
Impact of movement in share price on shares to be issued	-	-	1,418	-	-	-	1,418
Exercise of employee share options	-	-	-	-	-	560	560
Repurchase and cancellation of own shares	(6,200)	-	-	-	6,200	(322,400)	(322,400)
Share option compensation charge	-	-	-	-	-	(24,000)	(24,000)
Foreign exchange on consolidation	-	-	-	-	-	92,729	92,729
At 31 May 2008 (Unaudited)	578,430	104,249	27,751	16,388,755	6,200	12,596,847	29,702,232
Profit for the period	-	-	-	-	-	1,215,843	1,215,843
Exercise of employee share options	-	-	-	-	-	252,737	252,737
Share option compensation charge	-	-	-	-	-	128,486	128,486
Purchase of own shares by ESOP trust	-	-	-	-	-	(1,137,302)	(1,137,302)
Foreign exchange on consolidation	-	-	-	-	-	498,494	498,494
At 30 November 2008 (Audited)	578,430	104,249	27,751	16,388,755	6,200	13,555,105	30,660,490
Loss for the period	-	-	-	-	-	(3,562,606)	(3,562,606)
Issue of ordinary shares – shares to be issued	500	22,126	(27,751)	-	-	-	(5,125)
Exercise of employee share options	-	-	-	-	-	1,920	1,920
Share option compensation charge	-	-	-	-	-	53,361	53,361
Foreign exchange on consolidation	-	-	-	-	-	(25,878)	(25,878)
At 31 May 2009 (Unaudited)	578,930	126,375	-	16,388,755	6,200	10,021,902	27,122,162

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31 May 2009 (CONTINUED)

13. Cash (used in)/generated from operations

	Six months ended 31 May 2009 Unaudited £	Six months ended 31 May 2008 Unaudited £	Year to 30 November 2008 Audited £
(Loss)/profit before corporation tax	(3,561,265)	1,094,572	2,162,046
Adjustments for:			
Amortisation charge	349,301	165,521	385,874
Depreciation charge	233,500	186,712	379,322
Goodwill impairment charge	-	70,000	140,000
Loss on disposal of tangible fixed assets	-	1,267	1,597
Share-based payment charge	53,361	(24,000)	104,486
Fair value (gain)/loss on derivative financial instruments	(463,538)	(92,000)	10,862
Financial income – net	(36,337)	(483,632)	(863,159)
Exchange differences	106,519	63,335	262,149
(Increase) in inventories	(1,008,437)	(1,096,003)	(2,399,968)
Decrease/(increase) in trade and other receivables	5,240,131	2,533,647	(2,741,446)
(Decrease)/increase in trade and other payables	(2,318,519)	(95,535)	2,714,096
Cash (used in)/generated from operations	**(1,405,284)**	**2,323,884**	**155,859**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31 May 2009 (CONTINUED)

14. Business combinations

On 1 December 2008, the Group acquired 100% of the share capital of Tilgin IPTV AB, a company specialising in IPTV software technologies and hardware platforms, for an initial cash consideration of £2.72m.

The acquisition has been accounted for using the purchase method as required by IFRS 3.

Details of provisional net assets acquired and provisional goodwill are as follows:

	£
Purchase consideration:	
- Cash paid	2,477,026
- Direct cost relating to the acquisition	238,247
Total purchase consideration	2,715,273
Fair value of net assets acquired (see below)	(782,594)
Goodwill	1,932,679

The assets and liabilities arising from the acquisition are as follows:

	Book value £	Fair value adjustment £	Accounting policy adjustment £	Fair value £
Cash and cash equivalents	4,330	-	-	4,330
Intangible fixed assets	2,009,360	-	(1,495,171)	514,189
Tangible fixed assets	21,263	78,850	-	100,113
Inventories	917,440	(112,887)	-	804,553
Trade and other receivables	307,843	-	-	307,843
Trade and other payables	(788,383)	(16,078)	-	(804,461)
Deferred tax	-	(143,973)	-	(143,973)
Net assets acquired	2,471,853	(194,088)	(1,495,171)	782,594

The fair value adjustments include an adjustment to capitalised development costs to align accounting policies and a write down of inventories.

The intangible fixed asset balance relates to acquired technology.

The provisional goodwill arising on the acquisition of Tilgin IPTV AB is attributable to the technical skills of the acquired business workforce, and the anticipated future operating synergies from the combination.

The acquisition contributed revenues of £2.75m and net loss of £0.57m for the period 1 December 2008 to 31 May 2009.

INDEPENDENT REVIEW REPORT

to Amino Technologies plc

Introduction

We have been engaged by the Company to review the financial information in the half-yearly financial report for the six months ended 31 May 2009 which comprises the consolidated income statement, the consolidated statement of recognised income and expenses, the consolidated balance sheet as at 31 May 2009, the consolidated cash flow statement, and related notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The half-yearly report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half yearly report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the Company's annual financial statements.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the basis of preparation set out in note 2.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM rules for companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 May 2009 is not prepared, in all material respects, in accordance with the basis set out in Note 2 and the AIM rules for companies.

PricewaterhouseCoopers LLP
Chartered Accountants
Cambridge
18 August 2009

Notes:

(a) The maintenance and integrity of the Amino Technologies plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdiction.

DIRECTORS AND ADVISORS

Directors	**Keith Todd CBE**, Non-executive Chairman and Director **Andrew Burke**, Chief Executive Officer **Stuart Darling**, Chief Financial Officer and Company Secretary **Peter Murphy**, Non-executive Director **Colin Smithers**, Non-executive Director
Registered Office	Prospect House Buckingway Business Park Anderson Road Swavesey Cambridge CB24 4UQ
Company secretary	Stuart Darling
Nominated adviser and stockbroker	**KBC Peel Hunt Ltd** 111 Old Broad Street London EC2N 1PH
Auditors	**PricewaterhouseCoopers LLP** Abacus House Castle Park Cambridge CB3 OAN
Solicitors to the Company	**Hewitsons** Shakespeare House 42 Newmarket Road Cambridge CB5 8EP
Principal bankers	**Barclays Bank plc** Vision Park Histon Cambridgeshire CB4 9DE
Registrars and receiving agents	**Capita Registrars** The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

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