AMINO TECHNOLOGIES PLC

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 MAY 2013

Amino Technologies plc ('Amino' or the 'Company') (LSE: AMO), the Cambridge-based leader in digital entertainment solutions for IPTV, Internet TV and in-home multimedia distribution, announces unaudited consolidated results for the period ended 31 May 2013, which demonstrate further improvements in gross margin and operating profit.

Financial Overview

- Revenue of £20.1m (H1 2012: £20.1m)
- H1 operating profit increased to £2.6m (H1 2012: £0.2m)
  - Operating profit before exceptional items up 735% to £1.7m (H1 2012: £0.2m)
  - Total operating profit figure includes previously announced duties rebate of £1.7m and restructuring cost of £0.7m
- EBITDA before exceptional items up 83% to £3.3m (H1 2012: £1.8m)
- Gross profit up 30% to £9.3m (H1 2012: £7.1m) and gross margin improvement of 10.8 percentage points to 46.2% (H1 2012: 35.4%)
- Basic earnings per share excluding exceptional items increased to 3.23p (H1 2012: 0.34p)
- Increase of 32% in net cash balance to £18.2m (H1 2012: £13.9m) driven by continued margin focus, tight cost control and strong working capital management
- Interim dividend of 1p per share – with commitment to the progressive full year dividend policy announced at the end of 2011.

Business highlights:

- Focused “win back” campaigns secure North American market growth
- Lower specification product secures important contract wins in emerging markets
- Positioned strongly and gaining traction in “pure OTT” market
- Live home media centre progressing to plan with general availability towards the end of the year
- Shortened lead times via lean supply chain help secure customer wins
- Research and development teamwork benefits from single site focus
- Margin enhancement as all customers migrate to current product range

Commenting on the results Keith Todd CBE, Non-Executive Chairman said:

“This solid set of results underlines the progress Amino is making against its goal of profitable growth and improvements in shareholder returns. During the period, we have enhanced our competitiveness in our markets through a clear and compelling proposition – quality robust products, operational performance and rapid delivery to meet demanding customer expectations. Our ability to flex our portfolio is demonstrated by new contract wins from target customers in both emerging and established markets.

“In line with our previously announced progressive dividend policy, the Board is pleased to announce that an interim dividend of 1p per share in respect of 2013 will be payable in September 2013. The Company is well placed to continue its growth strategy and the Board remains confident that results for the full year will be in line with current market expectations.”

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About Amino Technologies plc

Amino Technologies plc specialises in the development and delivery of IPTV and hybrid/OTT solutions. With over four million devices sold to 850 customers in 85 countries, Amino's award-winning solutions are deployed by major network operators and service providers worldwide. Amino Technologies plc is listed on the AIM market of the London Stock Exchange (AIM: symbol AMO). It is headquartered near Cambridge, in the UK, with offices in the US and China. For more information, please visit www.aminocom.com

Chairman's statement

Amino has delivered a solid set of half year results as the Company continues to build on the firm foundations established over the last 18 months. Improvements in profitability, gross margins and cash position clearly indicate how the business is consistently executing against its goals. The sharp focus on quality solutions, supported by solid operational performance and a clear-sighted understanding of regional market requirements, is creating a good platform for further profitable growth.

Demand for the Company's offering remains strong. Amino's IPTV portfolio is closely aligned with operator strategies to deliver a mix of pay-TV and new services delivered "over the top" ("OTT") via the open Internet.

The continued focus on software and hardware quality and shortened delivery timescales – supported by expert customer support – has created a powerful proposition in all target markets. Industry-leading low return rates on Amino products have also become a key competitive edge as operators concentrate on reducing deployment and operational costs.

In North America, the benefit of focused customer campaigns has continued. Several "win backs" in highly competitive pitches underline the strength of the Amino brand. During the half year, contracts were secured with customers including HickoryTech and companies who are seeing the benefit of increased investment in fibre networks via the government-backed broadband stimulus programme.

As detailed at the year end, Amino has developed a lower-functionality and specified device for emerging and established markets where cost is the principal purchasing driver. This is proving to be a successful strategy in specific regions with contract and tender wins in Eastern Europe and Latin America.

The growth in the pure OTT market – whereby operators deliver services directly over the open Internet – is also proving attractive, with the Company securing contracts with Russian language TV service KartinaTV and Mexican fibre network operator Maxcom. The previously announced contract with a leading European telecoms operator has experienced some delays in its deployment and, at this time, there is some uncertainty around the timings for product roll-out. The Company continues to monitor this situation closely and, irrespective of the outcome, the delay does not impact current full year expectations.

As noted at the year end, demand remains muted in Russia. In the Netherlands, the Company has seen demand return to normal levels as the market continues to mature following strong growth during the same period last year.

Amino continues to develop its portfolio to meet future customer demands. Globally, there are a number of key market developments that play to the Company's strengths. The rollout of fibre optic networks in many regions positions operators to deploy more advanced entertainment services using Internet Protocol ("IP") technology, where Amino has over a decade's expertise. In turn, regulatory change allows operators to utilise OTT as a means of extending the reach of their services across networks, further increasing their addressable market. The move towards the "connected" home – whereby IP seamlessly connects security, heating, personal safety and entertainment – is also an encouraging trend.

The Company continues to develop its offering to meet challenges. The high-specification Intel-powered Live home media centre is progressing to plan with general availability towards the end of the year.

The Amino team has also been strengthened with the appointment of two new senior managers covering product management and engineering functions. In addition, the recruitment of regionally-focused sales specialists underlines the Company's commitment to build a strong organisation to continue its good momentum.

Financial progress

A good sales performance delivered underlying revenue for the period at £20.1m, in line with the prior year (H1 2012: £20.1m).

Profitability was strong with gross profit increasing 30% to £9.3m (H1 2012: £7.1m) with operating profit, excluding £1.7m in duties rebate, advancing ahead of the previous year to £1.0m (H1 2012: £0.2m).

The continued focus on margin enhancement delivered headline gross margin improvement up 10.8 percentage points to 46.2% (H1 2012: 35.4%). Factors in this encouraging trend include the migration of all customers on to the Company's current product range, with older devices now removed from the portfolio.

Operational improvement and cost optimisation remain a key focus. Shortening product delivery times via a lean supply chain is becoming a key differentiator in winning business and enhancing margins.

Operating costs have increased by 12.8% to £6.0m (H1 2012: £5.4m) to reflect investment for growth including new senior appointments, regionally-focused sales specialists, R&D resources and incentivisation of staff.

As announced in December 2012, it was decided to close the Company's Swedish office and focus all research and development in Cambridge. The process was completed to plan and the benefits are now starting to feed through in terms of team working. This has resulted in an exceptional cost of £0.7m.

EBITDA before exceptional items showed an 83% uplift year on year to £3.3m (H1 2012: £1.8m) as a result of the gross margin improvement, partially offset by higher costs.

During the period, the Company received two rebates totalling £1.7m in respect of duties paid on previously recognised international product sales. These receipts followed claims and negotiations with the tax authorities which were successfully argued and refunds were received during March and April 2013. There remains a slightly smaller final retrospective claim in respect of other duties paid by the Company but at this time there can be no certainty over timing or likelihood of such a rebate.

The Company's focus on profitable underlying revenue, investment in the cost base and strong working capital management delivered further improvements in the Company's net cash balance, which closed the period at £18.2m (H1 2012: £13.9m). Although the receipt of duties rebates contributed £1.7m to the net cash balance, this was offset by the payment during the period of the year-end dividend of £1.6m (2011: £1.0m) and settlement of the reorganisation exceptional item which largely reflected the closure of the Swedish office.

The Board remains committed to its progressive dividend policy. The Board announced a 3p per share dividend for 2012, with an expectation that this dividend would grow by no less than 15 per cent per annum for each of the next two years. In addition, the Board is pleased to announce that an interim dividend of 1p per share in respect of H1 2013 will be payable on 20th September 2013. The record date for the interim dividend is 6th September 2013 and the corresponding ex-dividend date is 4th September 2013.

Outlook

Amino has made solid progress in the first half of the current financial year. The next six months will see continued focus placed on winning profitable business whilst further developing the product portfolio and adding to the net cash position. The Company has successfully established a leading position within the IPTV industry and the Board is confident that this knowledge and track record will enable Amino to innovate within the wider IP marketplace. The Company is well placed to continue its growth strategy and the Board remains confident that results for the full year will be in line with current market expectations.

Ends

Consolidated income statement
For the six months ended 31 May 2013

	Notes	**Six months ended 31 May 2013 Unaudited**	Six months ended 31 May 2012 Unaudited	Year ended 30 November 2012 Audited
		£000s	£000s	£000s
Revenue	3	**20,144**	20,139	41,700
Cost of sales		**(10,836)**	(13,001)	(24,160)
Gross profit		**9,308**	7,138	17,540
Other income		**1,650**	-	-
Operating expenses		**(8,347)**	(6,938)	(14,709)
Operating profit		**2,611**	200	2,831

Analysed as:				
Gross profit		**9,308**	7,138	17,540
Selling, general and administrative expenses		**(3,737)**	(3,247)	(6,603)
Research and development expenses		**(2,305)**	(2,111)	(4,746)
EBITDA before exceptional items		**3,266**	1,780	6,191
Depreciation		**(76)**	(172)	(235)
Amortisation		**(1,520)**	(1,408)	(3,125)
Operating profit before exceptional items		**1,670**	200	2,831
Restructuring	4	**(709)**	-	-
Operating profit after restructuring		**961**	200	2,831
Exceptional Income – duties refund	4	**1,650**	-	-
Operating profit		**2,611**	200	2,831

Finance expense		**(1)**	-	(1)
Finance income		**21**	6	55
Net finance income		**20**	6	54
Profit before corporation tax		**2,631**	206	2,885
Corporation tax credit / (charge)		**2**	(27)	(43)
Profit for the period from continuing operations attributable to equity holders		**2,633**	179	2,842
Basic earnings per 1p ordinary share	5	**5.02p**	0.34p	5.45p
Diluted earnings per 1p ordinary share	5	**4.99p**	0.34p	5.40p
Basic earnings per 1p ordinary share (excluding exceptional items)	5	**3.23p**	0.34p	5.45p
Diluted earnings per 1p ordinary share (excluding exceptional items)	5	**3.21p**	0.34p	5.40p

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

Consolidated statement of comprehensive income

For the six months ended 31 May 2013

	Six months ended 31 May 2013 Unaudited £000s	Six months ended 31 May 2012 Unaudited £000s	Year ended 30 November 2012 Audited £000s
Profit for the period	**2,633**	179	2,842
Foreign exchange difference arising on consolidation	**24**	(22)	(45)
Other comprehensive income / (expense)	**24**	(22)	(45)
Total comprehensive income for the period	**2,657**	157	2,797

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

Consolidated Balance Sheet

As at 31 May 2013

Assets	As at 31 May 2013 Unaudited £000s	As at 31 May 2012 Unaudited £000s	As at 30 November 2012 Audited £000s
Non-current assets			
Property, plant and equipment	**509**	630	579
Intangible assets	**3,233**	4,191	3,478
Deferred income tax assets	**644**	644	644
Other receivables	**162**	163	162
	4,548	5,628	4,863
Current assets			
Inventories	**2,337**	4,156	2,097
Trade and other receivables	**8,598**	7,165	7,936
Derivative financial instruments	**-**	-	5
Cash and cash equivalents	**18,247**	13,864	17,103
	29,182	25,185	27,141
Total assets	**33,730**	30,813	32,004
Capital and reserves attributable to equity holders of the business			
Called-up share capital	**579**	579	579
Share premium	**126**	126	126
Capital redemption reserve	**6**	6	6
Foreign exchange reserves	**566**	611	542
Other reserves	**16,389**	16,389	16,389
Retained earnings	**6,042**	2,103	4,803
Total equity	**23,708**	19,814	22,445
Liabilities			
Current liabilities			
Trade and other payables	**9,962**	10,999	9,559
Derivative financial instruments	**60**	-	-
Total liabilities	**10,022**	10,999	9,559
Total equity and liabilities	**33,730**	30,813	32,004

The interim financial statements on pages 5 to 11 were approved by the Board of directors on 15th July 2013 and were signed on its behalf by:

Donald McGarva
Director

Julia Hornby
Director

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

Consolidated Cash Flow Statement

As at 31 May 2013

	Notes	**Six months ended 31 May 2013 Unaudited £000s**	Six months ended 31 May 2012 Unaudited £000s	Year to 30 November 2012 Audited £000s
Cash flows from operating activities				
Cash generated from operations	6	**3,793**	1,724	5,968
Corporation tax received		**63**	316	312
Net cash generated from operating activities		**3,856**	2,040	6,280
Cash flows from investing activities				
Expenditure on intangible assets		**(1,275)**	(1,159)	(2,111)
Purchase of property, plant and equipment		**(29)**	(86)	(148)
Interest received		**20**	6	54
Net cash used in investing activities		**(1,284)**	(1,239)	(2,205)
Cash flows from financing activities				
Proceeds from exercise of employee share options		**152**	-	8
Dividends paid		**(1,580)**	(1,043)	(1,043)
Net cash used in financing activities		**(1,428)**	(1,043)	(1,035)
Net increase / (decrease) in cash and cash equivalents		**1,144**	(242)	3,040
Cash and cash equivalents at start of the period		**17,103**	14,124	14,124
Effects of exchange rate fluctuations on cash held		**-**	(18)	(61)
Cash and cash equivalents at end of period		**18,247**	13,864	17,103

Consolidated Statement of changes in equity

	Share capital	Share premium	Other reserves	Foreign exchange reserve	Capital redemption reserve	Profit and loss account	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Shareholders' equity at 30 November 2011 (audited)	579	126	16,389	589	6	2,940	20,629
Comprehensive income							
Profit for the period	-	-	-	-	-	179	179
Foreign exchange on consolidation	-	-	-	22	-	-	22
Total comprehensive income for the period attributable to equity holders	-	-	-	22	-	179	201
Share option compensation charge	-	-	-	-	-	27	27
Dividends paid	-	-	-	-	-	(1,043)	(1,043)
Total transactions with owners	-	-	-	-	-	(1,016)	(1,016)
Total movement in shareholders' equity	-	-	-	22	-	(837)	(815)
At 31 May 2012 (Unaudited)	579	126	16,389	611	6	2,103	19,814
Comprehensive income							
Profit for the period	-	-	-	-	-	2,663	2,663
Foreign exchange on consolidation	-	-	-	(69)	-	-	(69)
Total comprehensive income for the period attributable to equity holders	-	-	-	(69)	-	2,663	2,594
Share option compensation charge	-	-	-	-	-	29	29
Movement on EBT reserves	-	-	-	-	-	8	8
Total transactions with owners	-	-	-	-	-	37	37
Total movement in shareholders' equity	-	-	-	(69)	-	2,700	2,631
Shareholders' equity at 30 November 2012 (audited)	579	126	16,389	542	6	4,803	22,445
Comprehensive income							
Profit for the period	-	-	-	-	-	2,633	2,633
Foreign exchange on consolidation	-	-	-	24	-	-	24
Total comprehensive income for the period attributable to equity holders	-	-	-	24	-	2,633	2,657
Share option compensation charge	-	-	-	-	-	34	34
Movement on EBT reserves	-	-	-	-	-	152	152
Dividends paid	-	-	-	-	-	(1,580)	(1,580)
Total transactions with owners	-	-	-	-	-	(1,394)	(1,394)
Total movement in shareholders' equity	-	-	-	24	-	1,239	1,263
At 31 May 2013 (Unaudited)	579	126	16,389	566	6	6,042	23,708

Notes to the interim financial statements

Six months ended 31 May 2013

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.

The Company is a public limited company which is listed on the AIM market 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 relevant International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that had been published by 31 May 2013 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 2012, as described in those financial statements. In preparing these interim financial statements the Board has not sought to adopt IAS 34 "Interim financial reporting".

The figures for the six-month periods ended 31 May 2013 and 31 May 2012 have not been audited. The figures for the year ended 30 November 2012 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 498(2) or Section 498(3) Companies Act 2006.

3 Revenue

The Group has only one operating segment, being the development and sale of broadband network software and systems. All revenues, costs, assets and liabilities relate to this segment.

The geographical analysis of revenue is as follows:

	Six months ended 31 May 2013 Unaudited £000s	Six months ended 31 May 2012 Unaudited £000s	Year to 30 November 2012 Audited £000s
USA	8,572	6,102	15,563
Netherlands	3,664	7,650	11,510
Serbia	1,676	1	1,438
Russia	482	1,216	1,460
Italy	-	1,315	1,405
United Kingdom	116	391	526
Rest of the World	5,634	3,464	9,798
	20,144	20,139	41,700

4 Exceptional items

As announced in December, it was decided to close the Company's Swedish office and focus all research and development in Cambridge. The process was completed to plan and the benefits are now starting to feed through in terms of team working. This has resulted in an exceptional restructuring cost of £709,000.

During the period, the Company received two rebates totalling £1,650,000 in respect of duties paid on previously recognised international product sales. These receipts followed claims and negotiations with the tax authorities which were successfully argued and refunds were received during March and April 2013. There remains a slightly smaller final retrospective claim in respect of other duties paid by the Company but at this time there can be no certainty over timing or likelihood of such a rebate.

No exceptional items were disclosed in the financial statements for comparator periods.

5 Earnings per share

	Six months ended 31 May 2013 Unaudited	Six months ended 31 May 2012 Unaudited	Year to 30 November 2012 Audited
	£000s	£000s	£000s
Profit attributable to shareholders	2,633	179	2,842
Profit attributable to shareholders excluding exceptional items	1,692	179	2,842
	Number	Number	Number
Weighted average number of shares (Basic)	52,479,170	52,127,570	52,131,082
Weighted average number of shares (Diluted)	52,765,559	52,532,746	52,583,136

The calculation of basic earnings per share is based on profit after taxation and the weighted average number of ordinary shares of 1p each in issue during the period, as adjusted for shares held by an Employee Benefit Trust.

The profit attributable to shareholders excluding exceptional items is derived by adding back the exceptional items disclosed in note 4 to the profit attributable to ordinary shareholders.

For diluted 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.

6 Cash generated from operations

	Six months ended 31 May 2013 Unaudited £000s	Six months ended 31 May 2012 Unaudited £000s	Year to 30 November 2012 Audited £000s
Profit before corporation tax	2,631	206	2,885
Adjustments for:			
Amortisation charge	1,520	1,408	3,125
Depreciation charge	76	172	235
Loss on disposal of property, plant & equipment	23	5	5
Share-based payment charge	34	27	56
Loss on derivative financial instruments	65	42	37
Financial income – net	(20)	(6)	(54)
Exchange differences	23	44	16
(Increase) / decrease in inventories	(240)	(139)	1,919
(increase) / decrease in trade and other receivables	(722)	2,928	2,147
Increase / (decrease) in trade and other payables	403	(2,963)	(4,403)
Cash generated from operations	3,793	1,724	5,968