11 July 2017

AMINO TECHNOLOGIES PLC

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MAY 2017

Strong trading in the first half of the year

Amino Technologies plc (LSE AIM: AMO), the global provider of digital TV entertainment and cloud solutions to network operators, announces unaudited consolidated results for the six months ended 31 May 2017.

Financial highlights:

	Adjusted			Unadjusted		
	H1 2017 £m	H1 2016 £m	Change	H1 2017 £m	H1 2016 £m	Change
Revenue	39.9	33.0	21%	39.9	33.0	21%
Gross profit	17.8	14.4	24%	17.8	14.4	24%
Gross profit margin	44.5%	43.6%		44.5%	43.6%	
EBITDA [(1)]	8.8	5.2	70%	7.8	1.5	520%
Operating profit [(2)]	6.9	4.2	64%	4.8	(0.5)	n/a
Profit/(loss) before tax [(2)]	6.9	4.2	64%	4.8	(0.5)	n/a
Basic earnings/(loss) per share [(2)]	9.2p	5.7p	61%	6.5p	(0.8)p	n/a
Cash generated from operations [(3)]	13.0	6.4	102%	13.0	5.4	129%
Net cash	13.1	3.1	423%	13.1	3.1	423%
Dividend per share	1.530p	1.391p	10%	1.530p	1.391p	10%

- Revenue growth of 21% to £40m, in line with management's expectations
- Underlying revenue growth of 4% in constant currency, in line with management's expectations
- Gross margin increased to 44.5% from 43.6%, as a result of a higher proportion of mature products sold in the period
- Adjusted profit before tax up 64% to £6.9m
- Adjusted basic EPS up 61% to 9.2p
- Adjusted cash generated from operations up 102% to £13m, representing 148% of adjusted EBITDA
- Net cash of £13.1m at 31 May 2017, up £6.9m since 30 November 2016, after paying final dividend of £3.3m
- Increase in interim dividend to 1.530p per share, up by 10% year on year in line with the Company's stated progressive dividend policy, and representing the sixth consecutive year the interim dividend has been increased

(1) Adjusted EBITDA is a non-GAAP measure and is defined as earnings before interest, taxation, depreciation, amortisation, exceptional items and share-based payment charges. Further details of these adjustments are set out in note 5.

(2) Adjusted operating profit, adjusted profit before tax and adjusted earnings per share are non-GAAP measures and exclude amortisation of acquired intangibles, exceptional items and share-based payment charges. Further details of these adjustments are set out in note 5.

(3) Adjusted cash generated from operations is a non-GAAP measure and excludes cash from exceptional items as set out in note 6.

Operational highlights:

- Strong first half performance as anticipated, executing on entry order book
- Continued sales growth in North and Latin America with growing traction in the transition from cable to IP
- Launch of Enable™ "virtual set-top box" software to address operator demand to transform legacy devices to new user experiences which was also deployed with Chilean operator GTD
- Deployment of first "end-to-end" entertainment delivery solution for European operator
- Broadened device portfolio with launch of new compact Android TV device

Commenting on today's results, Keith Todd CBE, Non-Executive Chairman said:

"We are delighted to deliver a strong first half performance which has been achieved by effective execution on our order book. Revenue and adjusted profit before tax are in line with our expectations and the closing cash position is ahead of expectations. Our sales pipeline is robust and we are therefore confident that we will deliver full year profits in line with market expectations."

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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About Amino Technologies plc

Amino Technologies plc is a global leader in innovative IP/Cloud video software and device solutions that enable service providers to transform the consumer experience. As pioneers of IPTV and with over seven million devices sold worldwide, Amino has a proven track record for rock-solid reliability, innovation and best-in-class customer care. Over 1,000 of the world's leading service providers, across 100 countries have relied on Amino to provide a seamless delivery of rich entertainment experiences. We pride ourselves in providing award-winning solutions that enable the delivery of innovative services to enrich the lives of connected consumers. Amino Technologies plc is headquartered near Cambridge, in the UK, and is listed on the AIM market of the London Stock Exchange (AIM: symbol AMO). www.aminocom.com

Chief Executive Officer's review:

The Group entered the period with a solid order book and consequently delivered strong first half growth as expected. Revenue was £39.9m (H1 2016: £33.0m) representing 21% growth year on year. At constant currency, with revenue translated at last year's average exchange rates, this represents revenue growth of 4%. Gross margins have remained strong despite lower software and services revenues. During the period the Group sold a high proportion of high margin mature products and mitigated component price increases through an active cost reduction programme and our close working relationships with all elements of the supply chain.

The Group delivered adjusted profit before tax of £6.9m (H1 2016: £4.2m), representing 64% growth year on year and an improvement in operating margin to 17.3% from 12.7%. This improvement was a result of both the 24% increase in gross profit and strong operating cost control following the £2 million annualised cost reductions (at constant currency) delivered last summer.

The Group continues to generate significant cashflow with adjusted cash generated from operations up 102% to £13.0m (H1 2016: £6.4m). This resulted in net cash at 31 May 2017 of £13.1m (FY 2016: £6.2m, H1 2016: £3.1m). The period end net cash position was positively impacted by the timing of delivery of larger orders which were completed well in advance of the period end.

There has been encouraging traction across the Group's portfolio which is now positioned to provide customers with a broad range of solutions, based on our core Enable software capabilities.

Sales of IP devices were strong, particularly in North and Latin America which reported overall revenue growth of 38% and 196% respectively. In North America, sales through our distribution partners – typically to small to medium-sized operators – showed good momentum. A major customer also placed follow-on orders for devices after the deployment of our Enable virtual set-top box software platform, underlining the value of our software proposition in securing additional revenue from hardware sales. In addition, there are an increasing number of opportunities arising from the migration of old style cable TV networks to IP-based service delivery, often over new fibre infrastructure. This is a market where Amino has a highly relevant product offering and capabilities. Post-period-end we secured orders from a new customer, US regional operator Muscatine Power and Water, as a direct result of this migration.

The Latin America market continues to develop, with both established operators and new entrants deploying significant volumes of devices. Regulatory change in the region is also presenting new opportunities for Amino to build on its existing foothold. Revenue growth in the period was driven by a mix of new customer wins and continued demand from established operators for IP devices and the Enable software platform.

European sales were 48% lower, as expected, principally due to the change of ownership of a key customer impacting the timing of orders which we expect to recover over the medium term. However, during the period we progressed well with the implementation of our first full end-to-end multiscreen entertainment service to Delta, the Netherlands-based operator. This comprises both the MOVE cloud TV platform delivering TV to mobile devices, as well as TV services delivered to the home via a 4K UHD compatible Amino IPTV device.

Beyond this, we see new opportunities in an increasingly disrupted global market where traditional operator business models face continued pressure from OTT subscription video on demand (SVOD) providers, such as Netflix and Amazon.

As a result, Amino's customer offering has broadened in line with the industry-wide shift to IP and cloud-based TV service delivery. We have continued to innovate our core capabilities being our Move cloud TV platform, Enable software and View devices. Our portfolio has been enhanced during the period by the addition of a new compact 4K UHD Android TV device to meet the needs of the growing number of operators who are planning to deploy Android to support their TV offering.

We have also positioned our core Enable software platform as a "virtual set-top box" to provide operators with a cost-effective means of delivering new and unified TV experiences across legacy devices already installed in customers' homes. During the period, the Chilean operator GTD deployed this solution across its customer base - further underlining the progress we are making with this important offering.

The continued industry shift towards IP based delivery of TV has meant that we are seeing growing traction for our newer offerings, as consumers demand higher performance devices and operators deal with their legacy deployments. In particular, the pipeline of qualified software opportunities arising from planed upgrades to legacy devices in 2018 is significant.

Outlook

Having delivered a strong performance in the first half, we expect to continue our progress in the remainder of the year and beyond. Our sales pipeline is robust and we are confident that we will deliver full year profits in line with market expectations.

Donald McGarva
Chief Executive Officer
10 July 2017

Chief Financial Officer's review

Revenue for the period increased by 21% to £39.9m (H1 2016: £33.0m) as a result of organic growth and the impact of foreign exchange. Adjusted operating profit was £6.9m (H1 2016: £4.2m). Operating profit was £4.8m (H1 2016: £(0.5)m loss). In line with its progressive dividend policy, the Board has recommended an interim dividend of 1.530 pence per share, a 10% increase over the prior year. The Group has a strong balance sheet with net cash at 31 May 2017 of £13.1m (FY 2016: £6.2m, H1 2016: £3.1m) and is debt free.

Revenue

Set out below is revenue by type on an 'as reported' and 'constant currency' basis (with H1 2017 revenue translated using H1 2016 average exchange rates). In H1 2017 and 2016 approximately 95% of the Group's revenue and cost of sales were transacted in US Dollars. Excluding the impact of foreign exchange, underlying organic revenue growth was 4%.

	As reported			Constant currency		
	H1 2017 £m	H1 2016 £m	Growth	H1 2017 £m	H1 2016 £m	Growth
Software and services	3.0	4.3	(31%)	2.5	4.3	(41%)
Devices	36.9	28.7	29%	31.8	28.7	11%
Revenue	**39.9**	**33.0**	**21%**	**34.3**	**33.0**	**4%**

Software and service revenues represent revenues from our Enable virtual set-top box and Engage service assurance software, Move cloud TV platform as well as support for our View IPTV devices. Software and service revenues in H1 2016 included £2.0m of one-off revenue from Enable software contracts that did not repeat in H1 2017, as expected. Excluding these non-recurring contracts, recurring software and service revenues of £3.0m grew by 30% (H1 2016: £2.3m).

The Group's revenues are globally distributed as follows:

	As reported		
	H1 2017 £m	H1 2016 £m	Growth
North America	24.9	18.0	38%
Latin America	8.3	2.8	196%
Europe	6.1	11.8	(48%)
Rest of World	0.6	0.4	67%
Revenue	**39.9**	**33.0**	21%

Year on year revenue growth has been achieved in all regions except for Europe. In Europe, the year on year decrease primarily resulted from the change of ownership of a key customer impacting the timing of orders which we expect to recover over the medium term.

Gross profit

Gross profit for the period increased by 24% to £17.8m (H1 2016: £14.4m). Gross margin increased to 44.5% (H1 2016: 43.6%) despite lower software sales. The gross margin achieved during the period was largely driven by a greater mix of higher margin, mature products in addition to our continued focus on cost control. As announced at the time of the Group's trading update on 6 June 2017, gross margins in the second half are expected to be lower as a result of the shift in product mix towards newer product lines and industry wide pricing pressures for certain components in line with the current industry cycle. As is typical with the launch of newer products, these will command lower gross margins at first, improving over time as products are optimised. On a full year basis, we now expect gross margins overall to be higher than previously expected at circa 42%. Looking further ahead, we expect margins to also benefit from the execution of our pipeline of software opportunities.

Operating expenses

	As reported		
	H1 2017 £m	H1 2016 £m	Growth
R&D	2.9	3.2	(8)%
SG&A	6.1	6.0	-%
Share-based payment charge	0.4	0.1	420%
Exceptional items	0.6	3.5	(83)%
Depreciation and amortisation	3.0	2.1	43%
Operating expenses	**13.0**	**14.9**	(13)%

In H1 2017 the Group's R&D and SG&A costs were denominated 51% in US and HK Dollars, 40% in British Pounds and 9% in Euros. Costs as reported have therefore been negatively impacted by the year on year movement in exchange rates. Whilst operating expenses excluding exceptional items increased by 9% to £12.4m (H1 2016: £11.4m) this is notably less than the 21% revenue growth achieved in the period. This is primarily a result of the significant restructuring programme to realise synergies identified following the acquisition of Entone undertaken by the Group in May 2016, which resulted in £2.0m annualised cost reductions (at constant currency).

The Group continues to invest in research and the development of new products and spent £5.0m on R&D activities (H1 2016: £5.1m) of which £2.1m was capitalised (H1 2016: £1.9m). Share based payment charges totalled £0.4m (H1 2016: £0.1m).

Exceptional items

Exceptional items included within operating expenses in H1 2017 comprised £0.6m contingent post-acquisition remuneration in respect of the Entone acquisition. The final Entone retention plan payment is due in August 2017 and is expected to result in a maximum cash payment of US$1.5m (£1.2m).

Depreciation and amortisation

Excluding amortisation of intangibles recognised on acquisition, depreciation and amortisation was £1.9m (H1 2016: £1.0m). Amortisation of intangibles recognised on acquisition was £1.1m (H1 2016: £1.1m).

Operating profit

Adjusted operating profit excluding share-based payment charges of £0.4m, exceptional items of £0.6m and amortisation of intangibles recognised on acquisition of £1.1m was £6.9m (H1 2016: £4.2m). Statutory operating profit was £4.8m (H1 2016: £(0.5)m loss).

Taxation

The tax charge of £0.1m comprises a £0.3m current tax charge and £0.2m credit relating to the unwind of the deferred tax liability recognised in respect of the amortisation of intangible assets recognised on acquisition.

Profit after tax

Profit after tax was £4.7m (H1 2016: £(0.5)m loss).

Earnings per share

After adjusting for the after-tax impact of exceptional items, share-based payment charges and amortisation of intangibles recognised on acquisition, basic earnings per share increased by 61% to 9.21 pence (H1 2016: 5.7 pence) and diluted earnings per share increased by 62% to 8.98 pence (H1 2016: 5.55 pence). Basic earnings per share was 6.51 pence (H1 2016: (0.79) pence loss).

Cash flow

Adjusted cash flow from operations was £13.0m (H1 2016: £6.4m) and represented 148% of adjusted EBITDA (H1 2016: 123%). The final Entone deferred consideration payment of US$1.5m (£1.2m) is due to be paid in August 2017. Cash generated from operations was £13.0m (H1 2016: £5.4m).

During the period the Group spent £0.1m (H1 2016: £nil) on capital expenditure and capitalised £2.1m of research and development costs (H1 2016 £1.9m). The Group also paid £0.4m deferred consideration in respect of the Booxmedia acquisition and paid dividends of £3.3m.

Financial position

The net cash balance at 31 May 2017 was £13.1m (FY 2016: £6.2m, H1 2016: £3.1m). The Group also has a £15.0m multicurrency working capital loan facility which amortises to £12.5m in July 2018 and to £10m in July 2019. It expires in July 2020 and was undrawn at the period end.

At 31 May 2017 the Group had equity of £48.4m (FY 2016: £45.9m, H1 2016: £43.2m) and net current assets of £4.5m (FY 2016: £1.9m, H1 2016: £(0.8)m liabilities). 61% of trade receivables were insured (FY 2016: 39%, H1 2016: 34%) and debtor days were 25 days (FY 2016: 42 days, H1 2016: 46 days).

Dividend

The Board is pleased to confirm that it intends to recommend an interim dividend of 1.530p per share (H1 2016: 1.391p per share), representing a 10% year-on-year increase, in line with Amino's previously stated progressive dividend policy. This will be payable on 1st September 2017. The record date for the interim dividend is 11th August 2017 and the corresponding ex-dividend date is 10th August 2017.

Mark Carlisle
Chief Financial Officer
10 July 2017

Consolidated Income Statement

For the six months ended 31 May 2017

	Notes	**Six months ended 31 May 2017 Unaudited Total £000s**	Six months ended 31 May 2016 Unaudited Total £000s	Year ended 30 November 2016 Audited Total £000s
Revenue	3	**39,935**	33,004	75,178
Cost of sales		**(22,156)**	(18,605)	(42,890)
Gross profit		**17,779**	14,399	32,288
Operating expenses		**(13,013)**	(14,944)	(29,433)
Operating profit/(loss)		**4,766**	(545)	2,855
Analysed as:				
Adjusted operating profit		**6,923**	4,212	10,226
Share based payment charge		**(433)**	(83)	(297)
Exceptional items	4	**(599)**	(3,549)	(4,825)
Amortisation of acquired intangible assets		**(1,125)**	(1,125)	(2,249)
Operating profit		**4,766**	(545)	2,855
Finance expense		**(3)**	(4)	(10)
Finance income		**-**	-	6
Net finance income		**(3)**	(4)	(4)
Profit/(loss) before tax		**4,763**	(549)	2,851
Corporation tax charge		**(108)**	1	(170)
Profit/(loss) for the period from continuing operations attributable to equity holders		**4,655**	(548)	2,681
Basic earnings per 1p ordinary share	5	6.51p	(0.79)p	3.81p
Diluted earnings per 1p ordinary share	5	6.34p	(0.76)p	3.77p

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

Consolidated Statement of Comprehensive Income
For the six months ended 31 May 2017

	Six months ended 31 May 2017 Unaudited £000s	Six months ended 31 May 2016 Unaudited £000s	Year ended 30 November 2016 Audited £000s
Profit/(loss) for the period	**4,655**	(548)	2,681
Foreign exchange difference arising on consolidation	**46**	(100)	(327)
Other comprehensive income/(expense)	**46**	(100)	(327)
Total comprehensive income/(loss) for the period	**4,701**	(648)	2,354

Consolidated Balance Sheet
As at 31 May 2016

	Notes	**As at 31 May 2017 Unaudited £000s**	As at 31 May 2016 Unaudited £000s	As at 30 November 2016 Audited £000s
Assets				
Non-current assets				
Property, plant and equipment		**652**	452	757
Intangible assets	6	**46,183**	48,164	46,950
Deferred tax assets		**560**	560	560
Other receivables		**310**	216	384
		47,705	49,392	48,651
Current assets				
Inventories		**5,512**	2,621	5,569
Trade and other receivables		**4,911**	12,122	14,301
Cash and cash equivalents		**13,114**	4,052	6,218
		23,537	18,795	26,088
Total assets		**71,242**	68,187	74,739
Capital and reserves attributable to equity holders of the business				
Called-up share capital		**749**	747	747
Share premium		**20,854**	20,510	20,510
Capital redemption reserve		**6**	6	6
Foreign exchange reserves		**537**	718	491
Other reserves		**16,389**	16,389	16,389
Equity reserve		**-**	1,826	-
Retained earnings		**9,880**	3,001	7,712
Total equity		**48,415**	43,197	45,855
Liabilities				
Current liabilities				
Trade and other payables		**18,516**	18,131	23,665
Corporation tax payable		**536**	458	524
Bank loans		**-**	1,004	-
		19,052	19,593	24,189
Non-current liabilities				
Trade and other payables		**-**	1,416	628
Provisions		**2,167**	1,922	2,233
Deferred tax liability		**1,608**	2,059	1,834
		3,775	5,397	4,695
Total liabilities		**22,827**	24,990	28,884
Total equity and liabilities		**71,242**	68,187	74,739

The interim condensed consolidated financial statements on pages 8 to 16 were approved by the Board of directors on 10 July 2017 and were signed on its behalf by Donald McGarva, Director.

Consolidated Cash Flow Statement

For the six months ended 31 May 2017

	Notes	**Six months ended 31 May 2017 Unaudited £000s**	Six months ended 31 May 2016 Unaudited £000s	Year to 30 November 2016 Audited £000s
Cash flows from operating activities				
Cash generated from operations	6	**12,996**	5,388	12,481
Corporation tax (paid)/received		**(8)**	508	97
Net cash generated from operating activities		**12,988**	5,896	12,578
Cash flows from investing activities				
Expenditure on intangible assets		**(2,067)**	(1,874)	(3,715)
Purchase of property, plant and equipment		**(80)**	(35)	(681)
Interest paid		**(3)**	0	(4)
Acquisition of subsidiary		**(396)**	(360)	(360)
Net cash used in investing activities		**(2,546)**	(2,269)	(4,760)
Cash flows from financing activities				
Proceeds from exercise of employee share options		**117**	202	225
Proceeds from issue of new shares		**-**	-	-
Dividends paid		**(3,337)**	(2,971)	(3,964)
Repayment of borrowings		**-**	-	(1,000)
New bank loans raised		**-**	1,000	1,000
Net cash used in financing activities		**(3,220)**	(1,769)	(3,739)
Net increase in cash and cash equivalents		**7,222**	1,858	4,079
Cash and cash equivalents at start of the period		**6,218**	2,094	2,094
Effects of exchange rate fluctuations on cash held		**(326)**	100	45
Cash and cash equivalents at end of period		**13,114**	4,052	6,218

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

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Merger reserve	Equity reserve	Foreign exchange reserve	Capital redemption reserve	Profit and loss account	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Shareholders' equity at 1 December 2015 (audited)	744	20,193	16,389	665	818	6	6,235	**45,050**
Profit for the period	-	-	-	-	-	-	(548)	**(548)**
Other comprehensive expense	-	-	-	-	(100)	-	-	**(100)**
Total comprehensive income for the period attributable to equity holders	-	-	-	-	(100)	-	(548)	**(648)**
Share option compensation charge	-	-	-	-	-	-	83	**83**
Exercise of employee share options	-	-	-	-	-	-	202	**202**
Issue of new shares	3	317	-	-	-	-	-	**320**
Equity to be issued	-	-	-	1,161	-	-	-	**1,161**
Dividends paid	-	-	-	-	-	-	(2,971)	**(2,971)**
Total transactions with owners	3	317	-	1,161	-	-	(2,686)	**(1,205)**
Total movement in shareholders' equity	3	317	-	1,161	(100)	-	(3,234)	**(1,853)**
At 31 May 2016 (unaudited)	**747**	**20,510**	**16,389**	**1,826**	**718**	**6**	**3,001**	**43,197**
Shareholders' equity at 1 December 2016 (audited)	**747**	**20,510**	**16,389**	**-**	**491**	**6**	**7,712**	**45,855**
Profit for the period	-	-	-	-	-	-	4,655	**4,655**
Other comprehensive expense	-	-	-	-	46	-	-	**46**
Total comprehensive loss for the period attributable to equity holders	-	-	-	-	46	-	4,655	**4,701**
Share option compensation charge	-	-	-	-	-	-	433	**433**
Movement on EBT reserves	-	-	-	-	-	-	117	**117**
Issue of new shares	2	344	-	-	-	-	-	**346**
Treasury shares used	-	-	-	-	-	-	300	**300**
Dividends paid	-	-	-	-	-	-	(3,337)	**(3,337)**
Total transactions with owners	2	344	-	-	-	-	(2,487)	**(2,141)**
Total movement in shareholders' equity	2	344	-	-	46	-	2,168	**2,560**
At 31 May 2017 (unaudited)	**749**	**20,854**	**16,389**	**-**	**537**	**6**	**9,880**	**48,415**

Notes to the interim condensed consolidated financial statements
Six months ended 31 May 2017

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

These interim condensed consolidated financial statements have been prepared using accounting policies based on International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations published by 31 May 2017 as endorsed by the European Union (EU). The accounting policies, presentation and methods of computation followed in the preparation of these interim consolidated financial statements are consistent with those applied in the Group's audited financial statements for the year ended 30 November 2016. These interim condensed consolidated financial statements are not required to and do not comply with IAS 34 "Interim financial reporting".

The financial information presented for the six-month periods ended 31 May 2017 and 31 May 2016 has not been audited. The comparative financial information presented for the year ended 30 November 2016 has been extracted from, but does not constitute, the full statutory Annual Report of Amino Technologies plc for that year. The statutory Annual Report and Financial statements for 2016 have been delivered to the Registrar of Companies. The independent Auditors' Report on that Annual Report and Financial Statements for the year ended 30 November 2016 was unqualified and did not contain a statement under Section 498(2) or Section 498(3) Companies Act 2006.

After making enquiries, the Directors have concluded that the Group has adequate resources to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these interim condensed consolidated financial statements.

3 Revenue

Based on the management reporting system the Group has only one operating segment, being the development and sale of broadband network software and systems, including an incidental amount in respect of licensing and support services. All revenues, costs, assets and liabilities relate to this segment. The information provided to the Amino Technologies plc chief operating decision maker is measured in a manner consistent with the measures within the financial statements. The chief operating decision maker is the executive board.

The geographical analysis of revenue from external customers generated by the identified operating segment is:

	Six months ended 31 May 2017 Unaudited £000s	Six months ended 31 May 2016 Unaudited £000s	Year to 30 November 2016 Audited £000s
North America	**24,889**	18,007	38,949
Latin America	**8,300**	2,805	12,883
Europe	**6,151**	11,834	22,499
Rest of the World	**595**	358	847
	39,935	33,004	75,178

4 Exceptional items

Exceptional items included within operating expenses comprised:

	Six months ended 31 May 2017 Unaudited £000s	Six months ended 31 May 2016 Unaudited £000s	Year to 30 November 2016 Audited £000s
Contingent post acquisition remuneration	**599**	2,285	3,600
Integration costs	**-**	447	443
Redundancy and associated costs	**-**	817	782
Total exceptional items	**599**	3,549	4,825

The Group identifies and reports material, non-recurring and incremental costs and income as exceptional items separately from underlying operating expenses and income. Exceptional and other costs may include: restructuring costs (as defined in IAS 37 Provisions, Contingent Liabilities and Contingent Assets), legal and professional advisors fees in respect of acquisition costs, contingent post-acquisition remuneration payable relating to the acquisition of Entone Inc., contractor and travel fees relating to post acquisition integration activities and accelerated amortisation incurred as a result of the rationalisation of the product development roadmap after the acquisition of Entone Inc.

5 Earnings per share

	Six months ended 31 May 2017 Unaudited £000s	Six months ended 31 May 2016 Unaudited £000s	Year to 30 November 2016 Audited £000s
Profit/(loss) attributable to shareholders	**4,655**	(548)	2,681
Adjustments:			
Employee share based payment charge	**433**	83	297
Exceptional items	**599**	3,549	4,825
Amortisation on acquired intangible assets	**1,125**	1,125	2,249
Tax associated with above items	**(224)**	(225)	(449)
Adjusted profit for the year	**6,586**	3,984	9,603
	Number	Number	Number
Weighted average number of shares (Basic)	**71,507,847**	69,838,968	70,401,918
Weighted average number of shares (Diluted)	**73,373,264**	71,804,664	71,131,763
Basic earnings per share	**6.51p**	(0.79)p	3.81p
Diluted earnings per share	**6.34p**	(0.76)p	3.77p
Adjusted basic earnings per share	**9.21p**	5.70p	13.64p
Adjusted diluted earnings per share	**8.98p**	5.55p	13.50p

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 and held by the Company in treasury.

Adjusted earnings per share is a non-GAAP measure and therefore the approach may differ between companies.

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 and shares to be issued in respect of the contingent post acquisition remuneration relating to the acquisition of Entone Inc. The Group has only one category of dilutive potential ordinary share options: those share options where the vesting conditions have not yet been met.

6 Cash generated from operations

	Six months ended 31 May 2017 Unaudited £000s	Six months ended 31 May 2016 Unaudited £000s	Year ended 30 November 2016 Audited £000s
Operating profit/(loss)	**4,766**	(545)	2,855
Amortisation charge	**2,834**	1,957	5,000
Depreciation charge	**165**	136	495
Loss on disposal of property, plant & equipment	**-**	-	14
Share-based payment charge	**433**	83	297
Exchange differences	**128**	(163)	31
Decrease/(increase) in inventories	**57**	1,030	(1,919)
Decrease/(increase) in trade and other receivables	**9,463**	(503)	(2,849)
(Decrease)/increase in trade and other payables	**(4,850)**	3,393	8,557
Cash generated from operations	**12,996**	5,388	12,481

Adjusted operating cash flow before exceptional cash outflows was £12,996,000 (H1 2016 £6,439,000) and is reconciled to cash generated from operations as follows:

	Six months ended 31 May 2017 Unaudited £000s	Six months ended 31 May 2016 Unaudited £000s	Year to 30 November 2016 Audited £000s
Adjusted operating cashflow	**12,996**	6,439	15,795
Integration costs	**-**	(399)	(443)
Redundancy and associated costs	**-**	(652)	(1,150)
Contingent post-acquisition remuneration	**-**	-	(1,721)
Cash generated from operations	**12,996**	5,388	12,481

Cash generated from operations in the six months to 31 May 2016 has been restated to reclassify £360k in respect of deferred contingent consideration, which is now disclosed as acquisition of subsidiaries within investing activities. This is consistent with the audited financial statements for the year to 30 November 2016.

7 Cautionary statement

This document contains certain forward-looking statements relating to the Group. The Group considers any statements that are not historical facts as “forward-looking statements”. They relate to events and trends that are subject to risk and uncertainty that may cause actual results and the financial performance of the Group to differ materially from those contained in any forward-looking statement. These statements are made by the directors in good faith based on information available to them and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information