25 November 2013

UBC Media Group plc

(“UBC” or “the Company”)

Half Year results for the period ended 30 September 2013

UBC Media Group (AIM: UBC), the multimedia content and services company, today announces its results for the half year ended 30 September 2013.

Operational highlights

1. Strong growth in associate company, Audioboo:
   1. Platform reaches 24 million audio listens in a single month (October)
   2. Registered users up three-fold to 1.9 million from 600,000 12 months ago
   3. First advertising revenues received
   4. Southern Cross Austereo – largest commercial radio group in Australia chooses Audioboo
2. Launch of online video service for Yahoo!, now averaging 1.4m views per month
3. Contract signed with BSkyB for 7 programmes around the Bolshoi Ballet

Financial highlights

4. Operating loss reduced by 1% to £350,000 (2012: £355,000)
5. Turnover down 30% £1.53m (2012: £2.20m)
6. Further investment of £442,000 in Audioboo by way of a convertible loan
7. Statutory loss for the period for continuing and discontinued operations of £620,000 (2012: £563,000)
8. Cash of £1.82m as at 30 September 2013 post investment in Audioboo (31 March 2013: £2.57m)

Post Period End Highlights

9. Further equity investment of £210,000 in Audioboo
10. Purchase of £1m convertible loan note from 7digital Group, Inc
11. Intention to acquire 7digital Group, Inc by way of reverse takeover announced today

Simon Cole, Chief Executive, said**:**

“I am pleased that we are able to announce today, not just good progress towards the strategic goals in our existing businesses but also the opportunity to take the step change that we have been looking for and create a new exciting business. The combination of content and technology skills created by the potential acquisition of 7digital, will create a company with genuine global scale and access to both the mobile customers and the content needed to drive business in the digital age.”

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Strategic and operational review
In June 2012, after a review of our strategy, we concluded the area which is likely to lead to the growth required by today's public markets, is the Interactive business. We announced our intention to explore acquisitions in this area, and to develop our partnership with Imagination.

We identified at that stage that the changing media environment would create opportunities as more content is consumed on devices connected to the Internet. Our strategy is to invest in the areas of our business which are able to take advantage of these changes and use our strong balance sheet to look for transformational acquisitions.

I am pleased today to be able to report substantial progress in this strategy. Our investment in Audioboo has produced impressive growth in the platform with a tripling of users, major new content deals and the start of an advertising model. Our software division continues to provide the new media solutions that broadcasters from Canada to the UK require to work in the "connected" world. Most significant, however, is our announcement today of the intention to transform the company by way of a proposed reverse takeover of 7digital Group, Inc, creating a new and exciting business right at the forefront of the global digital content marketplace.

Divisional report

Interactive
We have measured carefully our investment in Audioboo since helping to found the company four years ago. We recognised initially that the technology Audioboo had developed was perfect to create a bridge between creators of quality audio content and the rapidly expanding world of social media. Uploading clips to Audioboo allows content producers to easily distribute their content on Twitter and Facebook, where the clips are embedded and played quickly and easily without opening any other applications. This is especially powerful in the rapidly growing field of mobile content. The Audioboo iOS, Android and Blackberry apps can be used to create and upload content, instantly linking it to Tweets and Facebook posts.

During the last 12 months the growth in traffic at Audioboo has been particularly impressive, with registered users more than tripling from 600,000 to 1.9 million. The level of consumption of audio on the platform has also increased: 12 months ago, the number of audio clips listened to in October was 4 million, this year in the equivalent month it was 22 million. Perhaps more significantly, the company has now implemented the technology to monetise this listening; content owners can opt to be part of an advertising network on Audioboo with pre-roll and display advertising associated with their clips. Revenues are shared between the content owners and Audioboo.

This opportunity to create new revenues will, we believe, drive adoption of the technology by media owners. It was the reason quoted last week by Australia's largest commercial radio group, Southern Cross Austereo for choosing Audioboo over other technologies. They will begin to use Audioboo later this year and join an impressive list of global media companies on the platform, including ESPN, Yea Networks, Fox Sports, the Premier League, the BBC, the Daily Telegraph and The Guardian. Audioboo now has more than 550 channels of content from professional media organisations; with 2,000 audio clips being added daily – more than one every minute – and nearly 1.7 million clips on the platform in total.

As the company has continued to show promising development, we have increased our involvement, consolidating our shareholding with that of Imagination Technologies last year and, as previously announced, in the last 6 months have loaned the company a total of £432,000, which is convertible to Audioboo stock at preferential terms.

Furthermore, as part of the on-going financing, on 23 October 2013 UBC announced a further equity investment of £210,000 in Audioboo. UBC currently holds 33% of the ordinary share capital of Audioboo. If UBC and other shareholders converted all their loans into equity, UBC would hold 52% of the ordinary share capital of Audioboo.

Our involvement with Audioboo sits as part of an overall interactive business, which has, in the last 6 months, seen further development of our work on the UK Radioplayer project with additional opportunities throughout H2. We have also recently delivered a portfolio of mobile applications for Jazz FM and have been commissioned to create iOS and Android applications for Rhema Broadcasting in New Zealand.

Following the consolidation in Canada involving our client Astral Media and Bell Media, we are pleased that the enlarged Bell Media has commissioned an updating of its suite of mobile apps which we provide to them along with an extension of our work to include stations originally part of the Bell network.

Content
We have always seen our ability to understand the developing interactive and digital media world as being rooted in our heritage as a content producing company and it is the combination of content and technology skills, which we believe, makes our mix of business now and in the future more compelling. Whilst online giants like Apple are moving towards the creation of radio-like services (iTunes Radio for example), broadcasters are moving to integrate their services both in music and speech with online platforms. The BBC, one of the partners in Radioplayer, recently announced its Playlister service, allowing listeners to export music suggested by BBC programmes and presenters into online music services.

Chief Executive's Review

Our three market-leading production companies produce some 1,200 hours of video and audio content every year, creating important relationships with broadcasters and talent. In our first half last year, we benefitted substantially from a major commission from Sky Arts to provide coverage of the Cambridge Folk Festival, which considerably boosted our H1 Turnover. Although the Cambridge commission was not repeated in H1 this year, leading to a drop in turnover, I'm pleased to report that we have another major commission from Sky this year – to produce 7 programmes celebrating the history of the Bolshoi Ballet. This will fall into the second half of our financial year and although it has a much lower turnover than the Cambridge Folk Festival, it will go some way to replacing Cambridge in respect of profitability.

Leaving aside the distorting effect of that single commission, our content businesses continue to perform well with regular commissions on 6 of the BBC's 8 national radio networks, and our daily Entertainment News content distributed to around 150 commercial radio stations. We also now have a growing business in video entertainment news with Yahoo! Europe which is generating advertising revenues and is watched on average by 1.4 million people a month. Entertainment News have also just celebrated their 10th consecutive year as the official worldwide radio partner for MTV EMA delivering audio and video content.

Our major national broadcast strands include two of BBC Radio 2's most popular programmes; Sounds of the Sixties and Pick of the Pops, both of which have enjoyed record audiences in this period, and BBC 6 Music's flagship show Radcliffe and Maconie which is also gaining listeners every quarter with the most recent RAJAR figures showing a 28% increase in the last 12 months.

In the last 6 months, our credentials as outstanding content producers have been bolstered with two documentaries being recognised in major award ceremonies. "Dying Inside", which was broadcast on BBC Radio 4 in January 2012, won Silver in the Best Feature or Documentary category at this year's Sony Radio Academy Awards. "Out with Paganism…and All That Jazz", which was broadcast on RTÉ Lyric FM in December 2012, won Silver Medal at the prestigious New York Festivals Awards.

Simon Cole
Chief Executive

Financial summary (6 months ended 30 September)	2013 £000	2012 £000
Revenues	**1,534**	**2,201**
Gross profit	**153**	**271**
Administrative expenses	**(504)**	**(626)**
Operating loss from continuing operations	**(350)**	**(355)**
Associate	**(292)**	**(84)**
Investment income	**20**	**12**
Profit/(loss) from discontinued operations	**2**	**(136)**
Tax	**-**	**-**
Loss after tax from continuing and discontinued operations	**(620)**	**(563)**

Operating loss from continuing operations
In the six months to 30 September 2013 UBC reduced the operating loss of the business to £350,000 (H1 2012: £355,000) due to tight management of costs in the business for the six month period which saw revenues decrease to £1.5m (H1 2012: £2.2m), and resultant gross profits decrease to £153,000 (H1 2012: £271,000), mainly as a result of the decision by BSkyB not to repeat their live TV coverage of the Cambridge Folk Festival.

Loss after tax from continuing and discontinued operations
The loss after tax from continuing and discontinued operations has increased to £620,000 (H1 2012: £563,000), due to including the results of Audioboo Ltd as an associate for the full six months which resulted in a recognised loss of £292,000 (H1 2012: £84,000).

Cash flow & cash
In the six months to 30 September 2013 UBC had a cash outflow from continuing operations of £715,000 (H1 2012: £175,000). At 30 September 2013, UBC had cash in the bank of £1.82m (H1 2012: £3.30m).

Loss per share
In the six months to 30 September 2013 UBC reported a basic and diluted loss per share of 0.31 pence (H1 2012: loss per share 0.23 pence) from continuing operations, and basic and diluted loss per share of 0.31 pence (H1 2012: loss per share 0.31 pence) from continuing and discontinued operations.

Dividend
As in the previous year, the Board is not proposing a dividend for this interim.

Principal risks and uncertainties
The principal risks and uncertainties which could affect the business for the remainder of the financial year remain unchanged from those set out in the UBC Media Group plc Annual Report and Financial Statements 2013. Risks include:

- There is a risk that the Group will lose key programming contracts with the BBC, but this is mitigated by the fact that the majority of contracts by value are long-term and the BBC has committed to increase the percentage of its output that is commissioned from the independent radio production sector. The Group is also seeking to increase its revenues from programming commissions from parties other than the BBC;
- There are uncertainties surrounding the ultimate size of the markets for the Group's digital software products. However, the Group believes there is commercial potential for these products and continues to invest in both product and market development; and
- The other main risks to the Group are people, especially key executives. Retention of the key executives of the Group is recognised as a risk and is managed by the incentive and remuneration arrangements referred to in the UBC Media Group plc Annual Report and Financial Statements 2013.

Chris Dent
Finance Director

UBC Media Group plc

Condensed consolidated statement of comprehensive income

Six months ended 30 September 2013 (unaudited)

	Notes	**Unaudited six months ended 30 Sept 2013 £'000**	Unaudited six months ended 30 Sept 2012 £'000	Audited full year ended 31 Mar 2013 £'000
Continuing operations				
Revenue	2	**1,534**	2,201	3,761
Cost of sales		**(1,381)**	(1,930)	(3,239)
Gross profit		**153**	271	522
Administrative expenses		**(473)**	(586)	(1,025)
Depreciation		**(31)**	(40)	(75)
Operating loss		**(350)**	(355)	(578)
Share of results of associates		**(292)**	(84)	(401)
Investment income		**20**	12	42
Loss before tax		**(623)**	(427)	(937)
Taxation on continuing operations		**-**	-	47
Loss from continuing operations		**(623)**	(427)	(890)
Discontinued operations:				
Profit/(loss) from discontinued operations	3	**2**	(136)	(192)
Loss for the year attributable to owners of the parent company and total comprehensive income		**(620)**	(563)	(1,082)
Loss per share (pence)				
From continuing operations				
Basic		**(0.31)**	(0.23)	(0.46)
Diluted		**(0.31)**	(0.23)	(0.46)
From continuing and discontinued operations				
Basic		**(0.31)**	(0.31)	(0.56)
Diluted		**(0.31)**	(0.31)	(0.56)

UBC Media Group plc

Condensed consolidated statement of financial position

As at 30 September 2013 (unaudited)

	Notes	**Unaudited six months ended 30 Sept 2013 £'000**	Unaudited six months ended 30 Sept 2012 £'000	Audited full year ended 31 Mar 2013 £'000
Assets				
Non-current assets				
Goodwill		**1,173**	1,173	1,173
Property, plant and equipment		**105**	148	112
Investments in associate	4	**31**	311	324
Derivative financial instrument	4	**552**	109	109
		1,861	1,741	1,717
Current assets				
Inventory: work-in-progress		**170**	143	136
Trade and other receivables		**759**	1,537	1,085
Cash and cash equivalents		**1,824**	3,302	2,566
		2,752	4,982	3,787
Total assets		**4,613**	6,723	5,504
Current liabilities				
Trade and other payables		**(483)**	(1,391)	(821)
Provisions for liabilities and charges - current		**(36)**	(43)	(29)
		(519)	(1,434)	(850)
Net current assets		**2,233**	3,548	2,937
Non-current liabilities				
Provisions for liabilities and charges - non-current		**-**	-	(12)
Deferred tax liability		**(235)**	(282)	(235)
		(235)	(282)	(246)
Total liabilities		**(754)**	(1,716)	(1,096)
Net assets		**3,860**	5,007	4,408
Equity				
Share capital		**2,066**	1,983	1,983
Share premium account		**2,734**	2,617	2,617
Treasury reserve		**(182)**	-	(60)
Retained earnings		**(758)**	407	(132)
Total equity		**3,860**	5,007	4,408

UBC Media Group plc

Condensed consolidated cash flow statement

Six months ended 30 September 2013 (unaudited)

	Unaudited six months ended 30 Sept 2013	Unaudited six months ended 30 Sept 2012	Audited full year ended 31 Mar 2013
	£'000	£'000	£'000
Loss from continuing operations	**(623)**	(426)	(890)
Profit/(loss) from discontinued operations	**2**	(136)	(192)
Loss for the period	**(620)**	(562)	(1,082)
Adjustments for:			
Taxation	**-**	-	(47)
Interest	**(20)**	(12)	(42)
Share of loss of associate	**292**	84	401
Loss on disposal of fixed asset	**-**	-	230
Amortisation of intangible assets	**-**	79	79
Depreciation of fixed assets	**36**	50	90
Loss on sale of business	**-**	11	-
Disposal of intangible	**-**	40	-
Share option valuation adjustment	**-**	-	(19)
(Increase)/decrease in inventories	**(34)**	(41)	6
(Increase)/decrease in trade and other receivables	**(64)**	44	14
(Decrease)/increase in trade and other payables	**(284)**	146	(225)
Decrease in provisions	**(21)**	(14)	(17)
Cash flows from operating activities	**(715)**	(175)	(612)
Taxation	**-**	-	-
Net cash used in operating activities	**(715)**	(175)	(612)
Investing activities			
Interest received	**9**	12	27
Disposal of business	**-**	(20)	(48)
Loan repayment received	**365**	-	107
Purchase of property, plant and equipment	**(31)**	(7)	(10)
Investment in associate	**(442)**	(4)	(334)
Net cash used in investing activities	**(99)**	(19)	(258)
Financing activities			
Dividends paid	**-**	(139)	(139)
Purchase of treasury shares	**(128)**	-	(60)
Proceeds from issue of ordinary share capital	**200**	141	141
Net cash generated from/(used) in financing activities	**72**	2	(58)
Net decrease in cash and cash equivalents	**(742)**	(192)	(928)
Cash and cash equivalents at beginning of period	**2,566**	3,494	3,494
Cash and cash equivalents at end of period	**1,824**	3,302	2,566

UBC Media Group plc

Condensed consolidated statement of changes in equity

Six months ended 30 September 2013 (unaudited)

	Share capital	Share premium account	Treasury reserves	Retained earnings	**Total**
	£'000	£'000	£'000	£'000	**£'000**
At 1 April 2012	1,953	2,587	(454)	1,210	**5,296**
Loss for the period	-	-	-	(563)	**(563)**
Corporate activity	30	30	454	(102)	**412**
Dividends	-	-	-	(139)	**(139)**
At 30 September 2012	1,983	2,617	(0)	406	**5,006**
Loss for the period	-	-	-	(519)	**(519)**
Share based payment	-	-	-	(19)	**(19)**
Purchase of treasury shares	-	-	(60)	-	**(60)**
At 1 April 2013	1,983	2,617	(60)	(132)	**4,408**
Profit for the period	-	-	-	(620)	**(620)**
Corporate activity	83	117	-	-	**200**
Purchase of treasury shares	-	-	(128)	-	**(128)**
Share option exercised	-	-	5	(5)	**-**
At 30 September 2013	**2,066**	**2,734**	**(182)**	**(758)**	**3,860**

1. Presentation of financial information and accounting policies

Basis of preparation

The combined financial information has been prepared in accordance with the UBC Media Group plc accounting policies. The UBC Media Group plc accounting policies are in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and as issued by the International Accounting Standards Board, and are set out in the UBC Media Group plc Annual Reports and Financial Statements 2013, with the exception of the application of new accounting standards.

With effect from 1 April 2013 UBC adopted IFRS10 Consolidated Financial Statements, IFRS11 Joint Arrangements, IFRS12 Disclosure of Interests in Other Entities, and IFRS13 Fair Value Measurement, in addition to amendments to IAS27 Consolidated and Separate Financial Statements and IAS28 Investments in Associates. Adoption of these new accounting standards and amendments has not had a significant impact on UBC's accounting policies or reporting.

The information for the year ended 31 March 2013 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498 (2) or (3) respectively of the Companies Act 2006.

Going concern

The condensed financial statements have been prepared on a going concern basis. The Group currently has cash and cash equivalents of £1.8million. The directors are satisfied there are sufficient resources available for the Group to continue for the foreseeable future. As such the condensed and consolidated financial statements have been prepared on a going concern basis.

Estimates and judgements

The preparation of a condensed set of financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities at each period end. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

In preparing these condensed set of consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were principally the same as those applied to the Group's consolidated financial statements as at and for the year ended 31 March 2013.

2. Business and geographical segments

Business segments

	Unaudited six months to 30 Sept 2013	Unaudited six months to 30 Sept 2012	Audited full year ended 31 March 2013
	£'000	£'000	£'000
Revenue			
Content	**1,193**	1,815	3,072
Software and Interactive	**316**	364	635
Unallocated	**24**	22	54
Total	**1,534**	2,202	3,761
Operating profit/(loss)			
Content	**84**	205	368
Software and Interactive	**45**	66	100
Unallocated	**(479)**	(626)	(1,046)
Total	**(350)**	(355)	(578)
Share of associate loss	**(292)**	(84)	(401)
Investment income	**20**	12	42
Income tax credit	**-**	-	47
Loss for the period from discontinued operations	**2**	(136)	(192)
Loss for the year	**(620)**	(563)	(1,082)

Geographical information

	Revenue		Non-current assets	
Unaudited six months to 30 Sept 2013	**2013**	2012	**2013**	2012
Continuing Operations	**£'000**	£'000	**£'000**	£'000
United Kingdom	**1,370**	1,977	**1,861**	**1,741**
Europe	**24**	7	**-**	-
Rest of World	**140**	217	**-**	-
	1,534	2,201	**1,861**	1,741

3. Discontinued operations

On 11th September 2012, UBC Media Group plc disposed of its Lynx Content business, the results of which are presented as discontinued operations. The effective date of the sale was 31st August 2012. Headline consideration for the sale was £300,000, which for the purpose of financial reporting was discounted to a net present value based on the Group's discount rate. The results of the business were as follows:

	Six months ended 30 Sept 2013 £'000	Six months ended 30 Sept 2012 £'000	Full year ended 31 Mar 2013 £'000
Revenue	**-**	239	239
Expenses	**2**	(364)	(382)
Profit/(loss) before tax	**2**	(125)	(144)
Loss on disposal of discontinued operations	**-**	(11)	(48)
Net gain/(loss) attributable to discontinued operations (attributable to owners of the Company)	**2**	(136)	(192)

4. Interests in associates & investments

	£'000
Balance as at 31 March 2013	324
Share of associate loss	(292)
Balance as at 30 September 2013	**31**

The amounts included above represent investments in Audioboo Ltd, an audio content social media company incorporated in Great Britain and registered in England and Wales. The Group holds a strategic interest of 36.50% in Audioboo Ltd and hence is recognised as an associate.

In addition to the investments in ordinary A shares in Audioboo Ltd, the Group also has an option to convert loans into an extra 1,840,256 (2012: 70,381) ordinary A shares. This option is held within the accounts at cost of £551,557 (2012: £109,088).

	£'000
Balance as at 31 March 2013	109
Additions	442
Balance as at 30 September 2013	**552**

5. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed within the financial statements or related notes.

6. Subsequent Events

During October, the Group increased their loan to Audioboo by a further £199,561 which converts into an additional 798,244 ordinary A shares.

During October, a significant debtor went into administration resulting in a £42,500 bad debt. This has subsequently been recognised in the financial statements.

On 24th November the Company made a £1m convertible loan to 7digital Group, Inc and signed a Letter of Intent in respect of a reverse takeover with 7digital.