For immediate release **5 December 2006**

Ten Alps Plc
Interim results

Ten Alps Plc ('Ten Alps' or the 'Group') announces its interim results for the six-month period to 30 September 2006. Ten Alps produces TV, internet video and specialist media.

Financial

- Revenues of £33.6m, up 53% on same period (2005: £22.0m)
- Cash up 77% to £13.2m year-on-year (2005: £7.5m)
- EBITDA up 22.3% to £2.2m (2005: £1.8m)
- Basic EPS up 20.4% to 1.30p (2005: 1.09p)
- PBT stable at £1.23m, after £283k goodwill amortisation and interest charge of £300k
- Significant Internet TV development costs were fully written off to P&L, and matched targets set out in June 2006 (*see separate RNS re launch of Public TV*)
- Underlying PBT growth of 99%. (Comparative 2005 figures included a one-off £608k public sector KPI bonus relating to 2004-5.)
- See finance director section for further details.

Current Trading

- On track for full year to 31 March 2007; revenue growth of at least 40%
- Ten Alps is now factoring advertising revenues from Public TV for the first time into its outlook for 2007-8
- Ten Alps Publishing, specialist media division (acquired as McMillan Scott, March 2006) is integrated and on track to exceed our expectations.
- 300-fold increase in number of clients to 47,000, with the Group's largest client's share of revenue dropping from 45% to 25%

Operational Progress

Ten Alps now has 507 staff, in three divisions.

Broadcast (TV and Radio production)

- Entry into formatted entertainment TV through Channel 4 series '*Harvey Goldsmith Project*', on air from Feb 2007
- Continuing factual output with 33 TV and 21 Radio productions during period (some of them series)
- Current highlights include various Channel 4 '*Dispatches*' and docudramas for Discovery US such as '*USS Indianapolis*' and '*Sago Mine*'.

- Teachers' TV has reached 1400 programmes online

Digital (Internet TV and commercial websites)

- Public TV launched today at www.public.tv. *(See separate RNS)*

- Specialist internet TV channel projects under discussion around Ten Alps client publications

- 65 commercial websites currently managed, and growing

- Group-wide internet advertising server nearing completion

Communications (Commercial and specialist media)

- Ten Alps Publishing now produces around 400 specialist titles, with a net increase of 12 in clients during period).

- Ten Alps Live producing Ten Alps branded conferences and other events, around the same commercial client base

- Acquisition of specialist media company Cameron Publishing (November 2006.)

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TEN ALPS PLC
INTERIM RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2006

Chairman – Brian Walden

Ten Alps has a five-year plan to create a large media business migrating TV and niche media ('the long tail') to internet video – a plan we put in place in June 2006 at the end of our successful first five years on AiM.

The rest of 2006 has therefore been about growth, investment and change, in the implementation of which we have been impressed by the enthusiasm of our staff.

Chief Executive – Alex Connock

Ten Alps has invested in internet video and other digital projects within the financial and delivery targets we planned . We believe that writing off these development costs as they are incurred may affect short-term profitability but is prudent.

Compared to last year, Ten Alps is significantly larger and more integrated, with around double the staff (including 250 advertising sales people), some 47,000 customers, and new ventures from entertainment TV to internet video aggregation.

Ten Alps has focussed on its branding, with a view to create more impact, and it has strengthened management and enhanced its financial and IT systems.

Financially, our track record demonstrates unbroken growth at an average, compound, annual rate over six years of 53% in revenues and 22% in EBITDA.

Aiming to maintain that, we will keep making calculated investments. Some will be internal, which will at times mean worthwhile trade-offs against short-term profits growth. And some will be acquisitions, on which we are having discussions.

Operational detail

Ten Alps' 507 staff are located in London (217), Manchester & Macclesfield (204), Gateshead (48), Fareham (20), Edinburgh (14) and Derby (4).

Ten Alps is bigger in specialist and digital media than it is in TV production (even without including Teachers' TV in the specialist category). Within the sector of TV producers that it was defined by historically, Ten Alps has a unique business model: to produce and most importantly, own content across the full spectrum of media, and migrate everything it does ultimately towards internet video.

Ten Alps now spans high end television (mostly factual, but also developing entertainment formats), through digital television (perhaps best described as 'mass niche', catering to large constituencies, such as those in the teaching profession) into specialist internet, publishing and TV ('niche niche', such as anaesthetists.)

The more diversified Ten Alps can be along that spectrum, the less vulnerable it will be to the changing fashions which have traditionally made TV production high risk. Significant progress has been made this year. The number of clients served is over 300 times. bigger and the largest client now represents 25% of turnover, compared to 45% in 2005-6.

Digital Division

Ten Alps' overall digital strategy is to create a scaleable network of video internet sites around the wide customer base it already has in specialist media sectors such as health, transport and business.

The principle is that there is a vast amount of video entertainment on the internet, but fewer propositions bringing together professional training, government and public sector video – all attractive markets.

Public TV, a video aggregator which has today gone online (in beta version) provides the launchpad to successfully implement Ten Alps' digital strategy. Ten Alps plans to fund these sites through advertising sales on the same business model that sustains Ten Alps' 400 specialist publishing titles.

Ten Alps incurred significant development costs in this period to create Public TV, which can now be cost-effectively replicated and rolled out for other niche sectors. Those development costs are in line with budgets and were written off in full to the profit and loss account. Commercial discussions with a number of organisations about niche internet TV work have good potential to deliver viable projects in the next six months.

Meanwhile Ten Alps has three commercial website production operations, currently managing around 65 websites, with more under discussion. In addition, the Communications Division is implementing the creation of online versions of its publications.

Broadcast

TV & Radio

Ten Alps has made a breakthrough into formatted entertainment TV with six episodes of the in-production '*Harvey Goldsmith Project*' for Channel 4, accompanied by an E4 series to go out concurrently. Ten Alps has already had international format sale discussions around this and other properties, and aims to make a significant push in entertainment in 2007.

Ten Alps' core TV activity remains factual. For the US market, significant docudramas are in production on '*USS Indianapolis*' and '*Sago Mine*', and in the UK a series on Tony Blair for Channel 4 is nearing delivery, whilst a major BBC series on Iran is in development (all from Brook Lapping.) Ten Alps has put together two of its factual companies (Blakeway and 3BM) under the single brand of Ten Alps Blakeway/3BM . and they are producing various Channel 4 *Dispatches* programmes, documentaries for Channel 4 (eg '*Gordon Brown*', '*God is Green*') and BBC4 ('*Buchan*') plus existing and new docudrama projects ('*Zero Hour*') for Discovery Europe. There is increasing demand for factual formats, and Ten Alps is reacting accordingly.

By contrast, Ten Alps' Drama has not been successful thus far, and investment has been written off on an ongoing basis. An appealing slate of projects with broadcaster interest has been developed and the project is continuing for at least the next six months, with no revenues factored into group projections. The board is aware, from the experience of other independent producers, that a drama business can take time to bring fully on stream, and will continue to monitor the situation closely.

Meanwhile in Radio, Ten Alps continues to produce programmes for BBC Radio 5 Live, Radio 2 and Radio 4, with revenues in this area just slightly ahead of last year, though still only around 1.5% of the group as a whole.

Digital TV

Teachers' TV continues to establish itself with its educational stakeholders and the wider media landscape.

The autumn launch showcased a varied and high profile slate of new programmes including a three part series featuring Cherie Blair, a major series following the building of a school over one year, celebrity interviews including Boris Johnson, David Blunkett teaching poetry, a late night satirical talk show and a strand of programmes shot in schools around the world. A new and varied peak-time schedule was introduced and is published in the Guardian every Tuesday.

From the end of September the channel secured a daily two hour slot from 11am to 1pm on Freeview. Daytime exposure to the growing Freeview audience should help to extend the channel's reach.

In October the website was re-launched with a radical new look and major infrastructure improvement maximising navigation and access to the 1400 programmes now permanently available on broadband.

The Guardian continues to podcast Teachers' TV programmes to a growing audience and the channel's own news podcasts are growing in popularity. In the next month the channel will launch a Video on Demand service via the ntl cable network.

Ten Alps' wholly owned subsidiary, Brook Lapping, owns 70% of Education Digital Limited, which together with Educational Digital Management Limited, provides the Teachers' TV Channel. Under the current contract, which runs to mid 2008, a retender process may take place during 2007.

<u>Communications</u>

Ten Alps Communications brings together Ten Alps' commercial client-facing activities. Within this division, renaming McMillan-Scott as Ten Alps Publishing brings an increase in the commercial traction the Ten Alps brand can achieve. (The implementation process of rebranding the three offices as Ten Alps Publishing is well underway and is expected to complete in January 2007.)

The 250 sales staff will be rebranding on publications and events which will enable Ten Alps to put its name out into the commercial economy from January 2007. This was a major undertaking. The Ten Alps team has been greatly enhanced with a number of new talented managers, and both teams consider the acquisition of McMillan-Scott to have been an operational success.

Under the unified brand, the Communications operations will now work together to offer increased services – a joined-up approach which will potentially deliver incremental margin opportunities and expansion.

Ten Alps Publishing

As well as being the platform from which to build niche, web-based media, the re-branded McMillan-Scott business is a solid specialist publishing and advertising sales operation which has delivered growth in the period.

Revenue growth has been delivered through increased trade event activity, and by strong business development success, with a net 12 new contract publishing clients coming on board in the period. Client wins include new publishing services to The Royal Yachting Association, The Association Of Optometrists and advertising sales services for the BBC staff publication, Ariel. Ten Alps Publishing – as it will be known from January - now publishes circa 400 titles per annum.

These positive trends and initiatives combined with underlying advertising revenues helped to deliver an annual growth in revenues of 7.8% year on year. Meanwhile the shift to fee based publishing income and improved product cost controls saw margins strengthen in the Publishing operation to 31.5%.

Ten Alps Publishing will increasingly bring its titles online over the coming months, facilitating incremental sales growth and product cost savings. In addition Public TV can allow increased marketing of publications and the opportunity to sell wider communication packages to its clients and advertisers.

As announced on 7 November 2006, Ten Alps acquired the Gateshead-based specialist media company Camerons Publishing for an initial consideration of £400,000. Camerons Publishing will be fully integrated and rebranded as part of Ten Alps Publishing in April 2007, and we will use this Gateshead operation to expand the existing Manchester office to provide increased advertising sales opportunities.

Ten Alps Live

The event management business now spans music (*Metro Weekender*) as well as corporate events (BP, EMI) and live TV coverage (including *Scottish Party Conferences* for the BBC).

Having moved into the London offices of Ten Alps Publishing, the events team are working to produce new trade events, of which ten new shows are planned over the next year, focussed on infrastructure, urban regeneration, security and transport. There is a synergy here with Public TV. The aim is for repeatable sponsorship and exhibitor revenues from these shows.

Ten Alps RMA / Ten Alps MTD

The marketing agency businesses have seen revenues flatten during this period with the loss of the creative aspect of Stannah (though we have retained its media buying operations) partially offset by new client wins. Reductions in the cost base in both operations have left projected performance collectively about £0.1m down against the prior year. However it is envisaged that positive overlap with the digital, publishing and events operations will complement the existing business development initiatives within these operations in the coming months.

Finance Director – Nitil Patel

Financial analysis

The six months to 30 September 2006 was a period of investment and profits stability.

Group turnover grew by 52.7% to £33.6m (2005: £21.99m) and gross profits increased by 83.7% to £9.6m (2005: £5.23m).

Gross margins increased from 23.8% in the prior interim period to 28.6% for the period under review, primarily due to the addition of Ten Alps Publishing. As a consequence administrative expenses have increased as a percentage and now represent 23.1% of turnover (2005: 15.9%).

EBITDA or headline profit, a key measure used by the board, increased by 22.3% to £2.17m (2005: £1.77m) even after a significantly increased level of investment, relating to the strategic development of Ten Alps Digital, Public TV and (less successfully) Ten Alps Drama. The development costs relating to these activities were written off in full directly to the profit and loss account. EBIT was also up to £1.53m (2005: £1.16m) illustrating strong growth in underlying earnings.

The amortisation charge for the period was £283,000 (2005: £397,000) and was calculated on acquisitions with a useful economic life of 10 years. The goodwill associated with Ten Alps Publishing (McMillan-Scott) has been assessed on an indefinite useful economic life and therefore no amortisation has been provided for in that respect. A full explanatory note will be included in the statutory accounts for the year to 31 March 2007.

The profit before tax was stable at £1.23m (2005: £1.23m), reflecting the interest charge of £ (300,000) (2005: £63,000) on the debt outstanding as at 30 September 2006.

The retained distributable profit and loss account reserves are now at £1.69m (2005: £0.84m).

The Group continues to maintain a strong balance sheet and as at 30 September 2006 had cash at bank of £13.18m (2005: £7.46m). The cash balance is £1.33m lower than the 31 March 2006, reflecting cash outflows on acquisitions and reduction of loans due to the bank by £1.2m (2005: Nil).

As at the period end the Group had outstanding loans of £9.65m (2005: £0.71m) of which £8m (2005: £0.64m) is due after more than one year.

Profit Growth

The Group's profitability before tax was st
able, with only 0.4% growth, however, when adjusting for development costs written off during the period, and the one-off bonus of £608,000 relating to the previous year (2004-5), Group profit before tax grew by 99%. (In the year ended 31 March 2006, a Key Performance Indicator bonus was received relating to a period which included nine months from the 2004-5 financial year. Removing the effect of this bonus gives a more appropriate comparative purely for 2005-6. This is also illustrated by the minority interest line, which is substantially reduced in this half year (£112k) compared to last (£270k).)

Taxation

The tax charge for the period is £447,000 (2005: £475,000) at an effective rate of 29.1% (2005: 26.5%) reflecting the fact that Ten Alps plc has now utilised most of its tax losses.

Earning per share

Basic earnings per share in the period was 1.30p (2005: 1.09p), an increase of 18.9%, and was calculated on profits after taxation of £672,000 (2005: £485,000) divided by the weighted average number of shares in issue during the period of 51,830,413 (2005: 44,458,330).

The number of shares in issue increased as a result of the placing carried out at the time of the acquisition of McMillan-Scott, when 7 million new shares where issued. The remaining changes are due to employees exercising share options during the period.

Diluted basic earnings per share in the year was 1.26p (2005: 1.07p), an increase of 17.8%, and is based on the basic earnings per share calculation above, except that the weighted average number of shares includes all dilutive share options granted as if those options had been exercised on the first day of the accounting year or the date of the grant, if later.

This gives a weighted average number of shares in issue of 53,198,587(2005: 45,256,618) reflecting the impact of the outstanding share options as at 30 September 2006.

The Group has adopted FRS20, which has been reflected in the interims and prior year in accordance with requirements of the standard. The amounts in question are shown separately on the face of the profit and loss account.

International Financial Reporting Standards (IFRS)

The Group will report under IFRS for the year ending 31 March 2008 and has set up a committee to assess the impact of the new standards on the annual report.

TEN ALPS PLC

CONSOLIDATED SUMMARISED PROFIT AND LOSS ACCOUNT

For the period ended 30 September 2006

	Notes	Six months ended 30 Sept 2006 Unaudited £ '000	Six months ended 30 Sept 2005 Unaudited £ '000	Year ended 31 March 2006 Audited £ '000
Turnover				
- continuing operations		33,578	21,988	41,805
- acquisitions				406
		33,578	21,988	42,211
Cost of sales		(23,979)	(16,763)	(32,749)
Gross profit		9,599	5,225	9,462
Amortization of goodwill		(283)	(397)	(658)
FRS 20 Share-based payment		(14)	(164)	(341)
Administrative expenses		(7,771)	(3,497)	(6,895)
Total administrative expenses		(8,068)	(4,058)	(7,894)
Operating profit				
- continuing operations		1,531	1,167	1,609
- acquisitions				(41)
Profit on ordinary activities before interest		1,531	1,167	1,568
Net interest (payable) / receivable		(300)	63	91
Profit on ordinary activities before tax		1,231	1,230	1,659
Taxation		(447)	(475)	(819)
Profit on ordinary activities after taxation		784	755	840
Equity minority interest		(112)	(270)	(365)
Retained profit for the year		672	485	475
Basic earnings per share	2	1.30p	1.09p	1.08p
Diluted earnings per share	2	1.26p	1.07p	1.06p

TEN ALPS PLC

CONSOLIDATED SUMMARISED BALANCE SHEET AS AT

30 September 2006

	As at 30 Sept 2006 Unaudited £ '000	As at 30 Sept 2005 Unaudited £ '000	As at 31 Mar 2006 Audited £ '000
Fixed Assets			
Intangible assets	15,172	3,467	15,718
Tangible assets	1,583	1,178	1,611
Intangible assets- Investments in Productions	-	171	-
	16,755	4,816	17,329
Current assets			
Work in progress	2,190	62	2,662
Debtors	11,411	7,585	12,978
Bank	13,183	7,456	14,515
	26,784	15,103	30,155
Creditors			
Amounts falling due within one year	(22,317)	(11,140)	(25,005)
NET CURRENT ASSETS	4,467	3,963	5,150
Total assets less current liabilities	21,222	8,779	22,479
Creditors			
Amounts falling due after one year	(7,997)	(636)	(10,078)
Net assets	13,225	8,143	12,401
Capital and reserves			
Called up share capital	1,037	892	1,035
Share premium account	7,152	3,065	7,127
Merger reserve	2,930	2,930	2,930
Special reserve	2	2	2
Profit and loss account	1,691	839	1,006
Shareholders' funds	12,812	7,728	12,100
Minority interest	413	415	301
Equity shareholders	13,225	8,143	12,401

TEN ALPS PLC

CONSOLIDATED SUMMARISED CASH FLOW STATEMENT

For the period ended 30 September 2006

		As at 30 Sept 2006 Unaudited £ '000	As at 30 Sept 2005 Unaudited £ '000	As at 31 Mar 2006 Audited £ '000
Net Cash inflow from operating activities	**3**	2,037	433	3,644
Return on investments and servicing of finance		(300)	63	(119)
Taxation		(390)	-	(429)
Capital expenditure and financial investment		(326)	(281)	(387)
Acquisitions and disposals		(1,113)	(315)	(10,497)
Net cash (outflow) before financing		(92)	(100)	(7,788)
Financing				
Issue of ordinary share capital		27	40	3,863
Expenses paid in connections with share issues				382
Capital element of finance lease rentals		(67)	(6)	(14)
Loans net (decrease)/increase		(1,200)	-	10,550
Net cash (outflow)/inflow from financing		(1,240)	34	14,781
(Decrease)/Increase in cash		(1,332)	(66)	6,993
Reconciliation of net cash flow movement to movement in net debt				
(Decrease)/Increase in cash in period		(1,332)	(66)	6,993
Change in debt and finance leases		1,267	6	(10,536)
Change in net debt resulting from cash flows		(65)	(60)	(3,543)
Finance Leases acquired with subsidiaries			-	(116)
Movements in media loans			-	
Exchange adjustments		11	3	(4)
		(54)	(57)	(3,663)
Net funds at beginning of period		3,468	7,131	7,131
Net funds at end of period		3,414	7,074	3,468

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of Preparation

The financial information in this statement does not constitute statutory accounts but have been prepared in accordance with the principal accounting policies set out in the statutory accounts of 31 March 2006, which remain unchanged other than the adoption of FRS20 Share based payments.

The financial information in respect of the year ended 31 March 2006 has been extracted from the statutory accounts, which received an unqualified auditors' report and have been delivered to the Registrar of Companies.

2 Earnings per share

Basic earnings per share in the period was 1.30p (2005:1.09p) based on the profit on ordinary activities after taxation of £672,000 divided by the weighted average number of shares in issue during the period of 51,830,413 (2005: 44,458,330).

Diluted earnings per share in the year was 1.26p (2005:1.07p) based on the basic earnings per share calculation above, except that the weighted average number of shares includes all dilutive options granted by the balance sheet date as if those options had been exercised on the first day of the accounting year or the date of the grant, if later. This gives a weighted average number of shares in issue of 53,198,587 (2005: 45,256,618).

	As at 30 Sept 2006 Unaudited £ '000	**As at 30 Sept 2005 Unaudited £ '000**	**As at 31 Mar 2006 Audited £ '000**
For basic earnings per share			
Profit for the financial period	672,000	485,000	475,000
For adjusted earnings per share			
Profit for the financial period	672,000	485,000	475,000
Add Back:			
Goodwill Amortisation	283,000	397,000	658,000
FRS 20 Share-based payment	14,000	164,000	341,000
Adjusted profit for the financial period	969,000	1,046,000	1,474,000

	Number of Shares	**Number of Shares**	**Number of Shares**
For basic earnings per share	51,830,413	44,458,330	44,554,163
Share Options	1,368,174	798,288	1,082,198
For diluted earnings per share	53,198,587	45,256,618	45,636,361

3 Reconciliation of operating profit to net cash inflow/ (outflow) from operating activities

	As at 30 Sept 2006 Unaudited £ '000	As at 30 Sept 2005 Unaudited £ '000	As at 31 Mar 2006 Audited £ '000
Operating profit	1,531	1,167	1,568
Depreciation	354	212	464
Goodwill amortisation	283	397	658
Loss/ (gain) on sale of fixed assets	(2)	-	8
Foreign exchange loss/ (gain) on media loans	(11)	(3)	4
Change in work in progress	472	182	(25)
Change in debtors	1,623	(352)	(1,546)
Change in Creditors	(2,227)	(1,334)	2,172
FRS 20 payments	14	164	341
Net Cash inflow from operating activities	2,037	433	3,644

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