DCD Media Plc

("DCD Media" or the "Group")

Unaudited Interim Results For The Six Months Ended 30 June 2013

DCD Media, the independent TV production and distribution group, is pleased to report unaudited interim results for the six months ended 30 June 2013.

Financial highlights

Continuing operations:

• Revenue	£7.4m (2012: £7.4m)
• Gross profit	£1.9m (2012: £2.2m)
• Operating loss	£1.1m (2012: £2.1m)

Discontinued operations:

• Revenue	£nil m (2012: £0.0m)
• Gross profit	£nil m (2012: £0.1m)
• Operating profit	£nil m (2012: £0.1m)

Group results:

• Unadjusted loss before tax	£1.2m (2012: £2.1m)
• Adjusted EBITDA	Loss £0.6m (2012: Loss £0.9m)
• Adjusted loss before tax	£0.7m (2012: £1.0m)
• Adjusted basic earnings per share	Loss 154p (2012: Loss 500p)
• Long term liabilities (excluding deferred tax)	£1.1m (2012: £0.0m)

Business highlights

- **Funding of £1.0m** secured in the form of new convertible loan notes from the Group's largest shareholders.
- **David Craven** was appointed as the Group's Executive Chairman.
- **September Films** was commissioned to produce the 10th season of hit wedding series 'Bridezillas'.
- **Matchlight** secured a number of documentary commissions for BBC Two, BBC Four and Channel 4, including for Dispatches, as well as its first series commission for BBC Scotland.
- **Rize USA** gained exclusive worldwide broadcast rights to cover the USA Memory Championship.
- **Sequence Post**, the Group's post production arm, continued its expansion with a major refit and equipment upgrade.
- **DCD Rights** made significant acquisitions in high quality programmes through its distribution fund, including 'I Found the Gown' and 'Mr & Mrs Murder', in addition to securing significant sales for the Group's productions.
- **DCD Publishing** sealed QVC deal for 'Zalza' - starring Russell Grant & Flavia Cacace.

Post period events

- **DCD Rights** expanded acquisition team following strong international factual sales and new acquisitions.
- **Matchlight** hired Paul Murray as Creative Director, New Markets, following new commissions.
- **Rize USA** secured three part series ‘Making Liberty’ for Channel 4.
- **DCD Publishing** sealed QVC deal for Flavia Cacace and Vincent Simone’s ‘School of Dance’.
- **September Films** announced that it has not received the commission to produce an 11th season of ‘Bridezillas’.

David Craven, Executive Chairman, commented:

“DCD Media has seen some significant change in the period with the focus on development within the production companies. This has led to a growing pipeline of potential commissions, however, conversion of these has been slower than anticipated. The executive team continues to focus on rationalising the operations to help create a stable platform for future profitable growth, whilst maintaining a measured commitment to recruiting fresh and exciting new creative talent across the group.”

For further information please contact:

Nahid Burke
Investor Relations/ Media Relations
DCD Media plc

Tel: +44 (0)20 8563 6976
ir@dcdmedia.co.uk

Stuart Andrews or Charlotte Stranner
finnCap

Tel: +44 (0)20 7220 0500

Executive Chairman's Statement

This announcement presents the unaudited results for the Group for the six months ended 30 June 2013.

With the support of its largest shareholders, the Group received a further £1.0m investment in the form of new convertible loan notes. These funds are being utilised to sustain the overhead and TV production divisions which are showing growth potential with a promising pipeline of future programming growth and development.

While **September Films** announced it was to produce the 10th season of hit wedding series 'Bridezillas', the US business has been focusing keenly on developing new returnable TV productions and the broadcast engagements in this area have been very encouraging. These commissions will be required to replace 'Bridezillas', which will not be continuing into an 11th season.

Post period, in Glasgow, **Matchlight** has appointed Paul Murray as Creative Director, New Markets. His remit is to develop new opportunities and work has already begun in earnest.

We have also made significant progress in growing the Rights and Distribution division, through the exploitation of ancillary rights and third party distribution and that process continues. **DCD Rights** has expanded is acquisition team following international strong factual sales and new acquisitions.

1. Financial Review

In May, the Group's largest shareholders agreed to lend a further £1.0m in the form of new convertible loan notes, which have an interest rate of 10% and a conversion price of 0.5p (£5 following the share consolidation described below). These notes are due for repayment on 30 May 2015 if not previously converted.

At the AGM in June, shareholders granted approval for the sub-division of the Company's issued ordinary share capital into new ordinary shares of 0.5p each and new deferred shares of 0.5p each, followed immediately by the consolidation of the Company's issued ordinary share capital into new ordinary shares of £5 each.

Following continued scheduled repayments, at 30 June 2013 the balance on the bank loan with Coutts & Co was £0.72m (2012: £0.5m). The facility incurs interest at 3.5 per cent. above Libor and is repayable on demand, but scheduled to be repaid by 30 November 2014 in quarterly instalments. The balance has been reduced by £0.24m in the period since 31 December 2012 and has been reduced by a further £0.12m post period end. The Group continues to make use of the overdraft facility, which at 30 June 2013 was £0.47m (2012: £0.84m). The Group's overdraft facility was extended until 11 May 2014, subject to periodic review. At 30 June 2013 the Group had cash and cash equivalents of £2.6m, comprising working capital commitment in relation to programme making and an element of free cash available to the Group.

The income statement reflects one month of interest on the new convertible loan notes and interest on the Group's bank facility.

As noted in the 2012 Annual Report, the Board had been determined to better understand the key underlying businesses and their financial and operating policies, reporting systems and controls. This included the streamlining of processes and generation of operating efficiencies and also covered financial aspects of each core segment. During this process, the Group's principal accounting policies were reviewed in detail, resulting in prior period adjustments to comparative information as previously reported where, in the Board's opinion, income recognition policies had not been fully adhered to in the past and the carrying value of certain assets had not been appropriately reported. The comparative figures as at 30 June 2012 have been restated accordingly.

2. Profit and Loss Review

Revenues for the six months to 30 June 2013 were £7.4m (2012: £7.4m). While overall Group revenue has remained constant, an increase in Rights has offset a reduction in Production revenue.

Adjusted loss before tax was £0.7m (2012: £1.0m), resulting in adjusted loss per share for the period of 154p (2012: 500p). Due to the £0.4m non-cash charge against intangibles, described in the balance sheet section below, the Group's statutory loss after tax was £1.1m (2012: £2.2m).

The losses for the Group for the period are a consequence of lower than expected content production output. The Group's strategy remains to develop new UK and USA production content, which requires some investment. The strength of the development pipeline with a number of major projects at an advanced stage of broadcaster engagement indicate a positive future revenue growth, while continued focus on cost control is intended to reduce then eliminate losses going forward.

September Films USA continued to perform strongly in the period reflecting its consistent success within the US market. Having expanded its creative team with the appointment of senior development executives, the company now has several promising projects in the pipeline for 2014 which are the subject of paid development deals. Further new commissions will be required to replace the ‘Bridezillas’ income.

UK productions, consisting of Matchlight, Rize USA, September Films UK and Prospect, contributed £1.6m to revenue but made an operating loss of £0.5m. As noted above, we have invested in this business and expect operating profits to be generated here in the future.

Sequence contributed £0.2m to revenue in the first six months. While the post production house was working at capacity for a large part of the period, a refocus on the mix of work has resulted in turnover improving considerably after the period end.

DCD Rights has performed strongly in the first half of the year with revenue increasing by £0.7m to £2.5m. Gross margins have increased compared with the prior period due to a revised structure in the advance funding model.

DCD Publishing division, including Music and DVD sales, has increased turnover by £0.1m to £0.3m between the periods with gross margins excluding one offs remaining consistent. The increase in turnover has mainly arisen from a refocus on DVD sales, the division having secured a deal with QVC for ‘Zalza’ starring Russell Grant and Flavia Cacace.

The measure used by the Group to indicate operating performance aims to reflect normalised trading before exceptional, restructuring items and non cash impairment charges, but after net finance costs.

A reconciliation of the Group’s Adjusted loss before tax (LBT) and Earnings before Interest Tax Depreciation and Amortisation (EBITDA) is shown below:

	Unaudited 6 months ended 30 June 2013 £’m	**Unaudited 6 months ended 30 June 2012 £’m**
Operating loss per accounts (continuing operations)	(1.12)	(2.08)
Add: Discontinued operations	0.00	0.07
Operating loss per accounts	**(1.12)**	**(2.01)**
Add: Net amortisation and capitalisation of programme rights	0.02	0.10
Add: Impairment of programme rights	0.20	0.05
Add: Amortisation of trade names	0.23	0.23
Add: Impairment of goodwill and related intangibles	0.00	0.74
Add: Depreciation	0.03	0.02
EBITDA	**(0.64)**	**(0.87)**
Add: Restructuring costs (legal and statutory)	0.00	0.00
Adjusted EBITDA	**(0.64)**	**(0.87)**
Less: Net financial expense	(0.06)	(0.07)
Less: Depreciation	(0.03)	(0.02)
Adjusted LBT	**(0.73)**	**(0.96)**

The Group’s management believes the most appropriate measure of performance after taking account of the non-cash and non-trading charges shown above is the Adjusted LBT of £0.7m (2012: loss of £1.0m).

3. Balance Sheet review

Intangible assets as at 30 June 2013 stood at £6.1m (2012: £7.0m). The balance at 31 December 2012 was £6.5m and details of this movement were explained in the results for the year ended 31 December 2012. The subsequent movement in intangible assets within the six month period to 30 June 2013 reflects the ongoing amortisation of trade names of £0.2m (2012: £0.2m), the net capitalisation and amortisation of programme rights of £0.02m (2012: £0.1m) and impairment of programme rights on £0.2m (2012: £0.05m).

In the period to 30 June 2012, an impairment charge of £0.7m was booked to goodwill relating to September Films, following a review of future anticipated discounted cash flows for this Cash Generating Unit, which included both September Films

USA and September Films UK. A similar review of the carrying value of goodwill was carried out at 30 June 2013 and no further charge was deemed necessary.

The total convertible loan debt at 30 June 2013 stood at £1.0m (2012: £3.9m) including rolled up interest. The 2012 Annual Report contains the details of the conversions that occurred in the second half of last year, reducing the loan balance to £0.05m at 31 December 2012. In the period, the Group's largest shareholders agreed to lend a further £1.0m in the form of new convertible loan notes, having an interest rate of 10% and a conversion price of 0.5p. These notes are due for repayment on 30 May 2015 if not previously converted. At the AGM on the 28 June 2013, following the approval of the capital re-organisation, the conversion price became £5.

Bank debt, provided by Coutts & Co., was £0.72m (2012: £0.5m) at the period end. This reflects a reduction of £0.24m since the year end. The 2012 Annual Report contains details of the movement in the debt between 30 June 2012 and 31 December 2012. A further £0.12m has been repaid after the period end reducing the outstanding amount to £0.6m. The loan is scheduled to be repaid in quarterly instalments up to November 2014, but is repayable on demand and therefore is included in current liabilities.

Trade and other receivables and trade and other payables are broadly consistent at £5.0m (2012: £4.9m) and £5.8m (2012: £5.8m) respectively.

Cash on hand at the period end stood at £2.6m (2012: £1.4m). The majority of the Group's cash balances represent working capital commitment in relation to programme making and therefore is not all considered to be free cash.

The amounts owing to taxation and social security stood at £0.4m (2012: £0.4m).

There is no UK tax charge as a result of losses available for offset. No deferred tax asset has been recognised in relation to these losses.

No interim dividend is proposed for the period. Adjusted earnings per share are disclosed in the notes below.

4. Substantial shareholdings

As at 30 September 2013, the following notifications had been made by holders of beneficial interests in 3% or more of the Company's issued ordinary share capital as follows:

	No. of £5 ordinary shares	%
Colter Ltd	124,000	29.93
Timeweave Ltd	104,642	25.26
Henderson Global Investors Ltd	88,299	21.31
D Green (Director)	24,246	5.85
H Kronsten	15,500	3.62

5. Review of operational activities

The Group consists of three key divisions: Production, Post Production and Rights and Licensing.

Production
The Production division comprises factual brands Matchlight, Rize USA, September Films UK and Prospect, all in the United Kingdom, and the reality television, entertainment and formats production company September Films USA in America. Their output encompasses all non-fiction genres including Entertainment, Factual and Lifestyle programming.

Matchlight
The Glasgow based factual production company had several transmissions in the first six months, including its second series of 'Dangerous Drivers School' on Channel 5 and the Channel 4 Dispatches special 'The Truth about Junior Doctors' presented by TV personality Dr Christian Jessen. The company continued production on two landmark history and arts series for BBC Two and BBC Four presented by Amanda Vickery and Helen Castor with whom it has an ongoing relationship. Matchlight also secured a number of documentary commissions for BBC Two, BBC Four and Channel 4 as well as its first series commission for BBC Scotland.

Rize USA
Following a strong first full year in 2012, the joint venture between Creative Director Sheldon Lazarus and DCD Media continued to gain momentum both in the UK and US. Highlights included the premiere of its first UK primetime series 'A Very British Wedding' on BBC Two and the current affairs special 'The Alps Murders' on Channel 4. Rize USA also gained exclusive worldwide broadcast rights to televise the first ever USA Memory Championship, America's biggest event of its

type, which resulted in the one-hour special ’Memory Games’ for Discovery’s Science Channel (a co-production with Sharp Entertainment). Rize USA recently secured the major 3 part series ’Making Liberty’ currently in production for BBC Two.

Prospect
Following the transmission of its latest investigative documentary ’The Hunt for Britain's Metal Thieves’, which aired on BBC One to a slot winning audience in February, Prospect’s creative team joined forces with Matchlight to build on their current affairs track record. They partnered on several projects including ’Celebs, Brands and Fake Fans’, a one hour special for Channel 4 Dispatches investigating social media, which aired after the period end.

September Films USA
US production revenue is driven by September Films USA, the reality television, entertainment and formats production company based in Los Angeles. During the period the company delivered the 10th Anniversary season of the hit wedding series ‘Bridezillas’, which premiered on US cable channel WE tv, with viewing figures growing almost 50% among women 25-54 over Season 9 Premiere. DCD Rights now distributes a total of 198 hours of ’Bridezillas’ and has also acquired for international distribution a new spin-off series ‘Marriage Bootcamp: Bridezillas’, produced by Thinkfactory Media in association with September Films. Unfortunately WE tv will not commission an 11^{th} season. September Films USA has made significant progress on a number of new projects under paid development deals by US broadcasters to be announced in the coming months.

Post Production – Sequence Post

The London based post production house acquired by DCD Media in 2012 continued its expansion through a major refit and upgrade of its editing suites and equipment in January 2013, in a strategic move to position the facility as one of the most modern, tapeless workflow providers in London. In addition to growing its creative and technical teams, the company broadened its range of clients across all television, film and commercial genres. Aside from continuously expanding its commercial and short form activities, TV highlights included ‘Ibiza Rocks’ (JJ Stereo for MTV), ‘Cheryl: Access All Areas’ (Fresh One for ITV), as well as a number of series and documentaries for the Group’s producers including Rize USA and Matchlight. In September 2013, the company secured its first major drama contract, scheduled to be announced this Christmas.

Rights and Licensing

DCD Rights
The Group’s distribution arm had a strong first half fuelled by increased pace in high quality programme acquisition made through its distribution fund in the three key genres: Drama, Factual, and Music.

In the Drama genre, the latest major Australian series acquisition ‘Mr & Mrs Murder’ was an international sales success with an all rights sales to North America following its launch at the MIP TV market, whilst award winning dramas ‘Rake’, ‘The Slap’ and ‘The Straits’ continued to sell and break new markets.

Factual shows remained popular with buyers, notably new series ‘I Found The Gown’ and ‘Parole Diaries’, as well as documentaries from the Group’s producer Rize USA covering popular and current affairs themes such as ‘The Alps Murders’, ‘My Social Network Stalker’, and ‘The Girl Who Became Three Boys’. DCD Rights also signed an output deal with Fuse, the American national cable network dedicated exclusively to music related programming, and debuted their original programming slate with new series ‘Warped Roadies’.

Finally Emeli Sandé’s concert ‘Live at the Royal Albert Hall’ was sold around the world as the multi award-winning singer cemented herself as one of Britain’s best music exports.

DCD Publishing
General trading for the Group’s licensing arm has been improving, winning several key deals including:

- DVD sales for ‘Zalza’, Russell Grant and Flavia Cacace’s fitness/dance concept DVD, which launched exclusively on QVC;
- major publishing deals for new clients including Jack Monroe, author of the successful budget food blog ‘A Girl called Jack’, with whom DCD Publishing signed a global representation deal and sold world rights to a tie-in cookbook to Penguin; and
- selling book rights for Channel 4 documentary ‘Tallest Tower – Building The Shard’ which were acquired by Thames and Hudson.

The division also licensed the rights of the Duchess of Northumberland to award-winning preserve producers The Mercers to launch the brand’s first food range, and acquired UK DVD rights for popular Children’s series and dinosaur brand ‘Dino Dan’ as seen on CITV.

The DVD label, DCD Publishing, continued to successfully exploit TV programming IP with releases including Matchlight's BAFTA winning factual series 'Afghanistan: The Great Game', Prospect's 'Tallest Tower – Building The Shard' and shows from third party producers such as 'The Best of Men' and 'Tony Robinson's Gods and Monsters'.

6. Outlook

The Board continues with its stated imperative to build a sustainable, vertically-integrated media business. The key stages in this process are to reduce costs which are disproportionate to the revenue derived from the TV production business in general; then invest in creative development to win new commissions which ultimately will be harvested through the rights and licensing business. The Board remains committed to this strategy, which while challenging, we are confident the DCD Media executive team will deliver.

David Craven
Executive Chairman
30 September 2013

Consolidated income statement (unaudited) for the 6 months ended 30 June 2013

	Note	**Unaudited 6 months to 30 June 2013 £'000**	Unaudited 6 months to 30 June 2012 £'000	Audited Year to 31 December 2012 £'000
Revenue		**7,419**	7,408	16,084
Cost of sales		**(5,454)**	(5,198)	(10,455)
Impairment of programme rights		**(67)**	(50)	(782)
Gross profit		**1,898**	2,160	4,847
Selling and distribution expenses		**(10)**	(6)	(24)
Administration expenses:				
- Other administrative expenses		**(2,806)**	(3,266)	(5,309)
- Impairment of goodwill and trade names		**-**	(740)	(740)
- Amortisation of goodwill and trade names		**(231)**	(231)	(462)
- Restructuring costs		**-**	-	(339)
Total administrative expenses		**(3,037)**	(4,237)	(6,850)
Other comprehensive income		**32**	-	130
Operating loss		**(1,117)**	(2,083)	(1,897)
Finance income		**1**	1	2
Finance costs		**(56)**	(71)	(245)
Loss before taxation		**(1,172)**	(2,153)	(2,140)
Taxation - current	2	**109**	(72)	106
Loss after taxation for continuing operations		**(1,063)**	(2,225)	(2,034)
Profit/(loss) on discontinued operations net of tax		**-**	71	715
Loss for the period		**(1,063)**	(2,154)	(1,319)
Loss attributable to:				
Owners of the parent		**(1,100)**	(2,133)	(1,313)
Non controlling interest		**37**	(21)	(6)
		(1,063)	(2,154)	(1,319)

Earnings per share attributable to the equity holders of the Company during the period
(expressed as pence per share)

		Restated*	Restated*
Basic loss per share from continuing operations	**(257p)**	(1,360p)	(790p)
Basic profit per share from discontinued operations	**-**	40p	280p
Total basic loss per share	**(257p)**	(1,320p)	(510p)

Consolidated income statement (unaudited) for the 6 months ended 30 June 2013

Diluted loss per share from continuing operations	**(257p)**	(1,360p)	(790p)
Diluted profit per share from discontinued operations	**-**	40p	280p
Total diluted loss per share	**(257p)**	(1,320p)	(510p)

* Comparative Earnings per share figures have been restated to reflect the share capital reorganisation approved at the Company's AGM held on 28 June 2013.

Consolidated statement of comprehensive income (unaudited) for the 6 months to 30 June 2013

	Unaudited 6 months to 30 June 2013 £'000	Unaudited 6 months to 30 June 2012 £'000	Audited Year to 31 December 2012 £'000
Loss	**(1,063)**	(2,154)	(1,319)
Prior year adjustments	-	-	(41)
Loss reported since the prior year	**(1,063)**	(2,154)	(1,360)
Other comprehensive income/(expenses)			
Exchange losses arising on translation of foreign operations	**56**	(116)	(79)
Total other comprehensive income/(expenses)	**56**	(116)	(79)
Total comprehensive expenses	**(1,007)**	(2,270)	(1,439)
Total comprehensive expenses attributable to:			
Owners of the parent	**(1,044)**	(2,249)	(1,433)
Non controlling interest	**37**	(21)	(6)
	(1,007)	(2,270)	(1,439)

Consolidated statement of financial position (unaudited) at 30 June 2013

	Unaudited 30 June 2013 £'000	Unaudited 30 June 2012 £'000	Audited 31 December 2012 £'000
Assets			
Non-current			
Goodwill	**3,893**	3,893	3,894
Other intangible assets	**2,204**	3,202	2,653
Property, plant and equipment	**143**	85	149
Trade and other receivables	**180**	-	263
	6,420	7,180	6,959
Current assets			
Inventories	**107**	138	73
Trade and other receivables	**5,017**	4,930	4,735
Cash and cash equivalents	**2,566**	1,408	3,728
Assets held for sale	**-**	-	-
	7,690	6,476	8,536
Liabilities			
Current liabilities			
Bank overdrafts	**(469)**	(843)	(634)
Convertible loan	**-**	(3,918)	-
Bank and other loans	**(720)**	(500)	(984)
Trade and other payables	**(5,793)**	(5,815)	(6,608)
Taxation and social security	**(392)**	(375)	(422)
Obligations under finance leases	**(7)**	(14)	(10)
	(7,381)	(11,465)	(8,658)
Non-current liabilities			
Convertible loan	**(1,005)**	-	(49)
Bank and other loans	**(54)**	-	(54)
Obligations under finance leases	**(25)**	(22)	(27)
Deferred tax liabilities	**(374)**	(569)	(483)
	(1,458)	(591)	(613)
Net assets	**5,271**	1,600	6,224
Equity			
Called up share capital	**10,145**	7,989	10,145
Share premium account	**51,118**	49,391	51,118
Equity element of convertible loan	**55**	132	1
Merger reserve	**-**	-	-
Translation reserve	**(145)**	(238)	(201)
Own shares held	**(83)**	(83)	(83)
Retained earnings	**(55,851)**	(55,571)	(54,751)
Equity attributable to owners of the parent	**5,239**	1,620	6,229
Non controlling interest	**32**	(20)	(5)
Total equity	**5,271**	1,600	6,224

Consolidated statement of cash flows (unaudited) for the 6 months ended 30 June 2013

Cash flow from operating activities including discontinued operations	**Unaudited 6 months ended 30 June 2013 £'000**	Unaudited 6 months ended 30 June 2012 £'000	Audited year ended 31 December 2012 £'000
Net loss before taxation	**(1,172)**	(2,080)	(1,421)
Adjustments for:			
Depreciation of tangible assets	**29**	18	37
Amortisation and impairment of intangible assets	**3,321**	1,121	6,702
Profit on disposal of undertakings	**-**	-	(715)
Net bank and other interest charges	**55**	189	243
Net exchange differences on translating foreign operations	**56**	(21)	(79)
Net cash flows before changes in working capital	**2,289**	(773)	4,767
(Increase)/decrease in inventories	**(35)**	48	113
(Increase)/decrease in trade and other receivables	**(199)**	1,079	50
Decrease in trade and other payables	**(867)**	(4,726)	(2,430)
Cash from operations	**1,188**	(4,372)	2,500
Interest received	**1**	1	2
Interest paid	**(45)**	(25)	(66)
Income taxes (paid)/received	**-**	(126)	150
Net cash flows from operating activities	**1,144**	(4,522)	2,586
Investing activities			
Purchase of property, plant and equipment	**(23)**	(25)	(110)
Purchase of intangible assets	**(2,873)**	-	(5,032)
Net cash flows used in investing activities	**(2,896)**	(25)	(5,142)
Financing activities			
Repayment of finance leases	**(5)**	(5)	(5)
Repayment of loan	**(240)**	(654)	(894)
New loans raised	**1,000**	-	778
Net cash flows from financing activities	**755**	(659)	(121)
Net decrease in cash	**(997)**	(5,206)	(2,677)
Cash and cash equivalents at beginning of period	**3,094**	5,771	5,771
Cash and cash equivalents at end of period	**2,097**	565	3,094

Statement of Changes in Equity (unaudited)

	Share capital	Share premium	Equity element of convertible loan	Merger reserve	Translation reserve	Own Shares Held	Retained earnings	Equity attributable to owners of the parent	Amounts attributable to non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 30 June 2011 as previously stated	**6,618**	**49,463**	**119**	**6,356**	**-**	**-**	**(54,182)**	**8,374**	**(102)**	**8,272**
Removal of merger reserve (note 1)	-	-	-	(6,356)	-	-	6,356	-	-	-
Prior period adjustments (note 2)	-	-	-	-	-	-	108	108	-	108
Balance at 30 June 2011 (restated)	**6,618**	**49,463**	**119**	**-**	**-**	**-**	**(47,718)**	**8,482**	**(102)**	**8,380**
Profit and total comprehensive income for the period	-	-	-	-	-	-	(5,720)	(5,720)	103	(5,617)
Convertible loan note issued	-	-	35	-	-	-	-	35	-	35
Shares issued	775	(72)	-	-	-	-	-	703	-	703
Exchange differences on translating foreign operations	-	-	-	-	(122)	-	-	(122)	-	(122)
Balance at 31 December 2011	**7,393**	**49,391**	**154**	**-**	**(122)**	**-**	**(53,438)**	**3,378**	**1**	**3,379**
Loss and total comprehensive income for the period	-	-	-	-	-	-	(2,133)	(2,133)	(21)	(2,154)
Shares issued on conversion of loan	596	-	(22)	-	-	-	-	574	-	574
Exchange differences on translating foreign operations	-	-	-	-	(116)	-	-	(116)	-	(116)
Shares allocated to employee benefit trust (note 3)	-	-	-	-	-	(83)	-	(83)	-	(83)
Balance at 30 June 2012	**7,989**	**49,391**	**132**	**-**	**(238)**	**(83)**	**(55,571)**	**1,620**	**(20)**	**1,600**
Loss and total comprehensive income for the period	-	-	-	-	-	-	820	820	15	835
Shares issued on conversion of loan	2,156	1,727	(131)	-	-	-	-	3,752	-	3,752
Exchange differences on translating foreign operations	-	-	-	-	37	-	-	37	-	37
Balance at 31 December 2012	**10,145**	**51,118**	**1**	**-**	**(201)**	**(83)**	**(54,751)**	**6,229**	**(5)**	**6,224**
Loss and total comprehensive income for the period	-	-	-	-	-	-	(1,100)	**(1,100)**	**37**	**(1,063)**
Convertible loan note issued	-	-	54	-	-	-	-	**54**	-	**54**
Exchange differences on translating foreign operations	-	-	-	-	56	-	-	**56**	-	**56**
Balance at 30 June 2013	**10,145**	**51,118**	**55**	**-**	**(145)**	**(83)**	**(55,851)**	**5,239**	**32**	**5,271**

Note 1 – The merger reserve was eliminated when the original investment in DC Distribution (Two) Ltd was rebased to eliminate goodwill which had been amortised to zero in 2007.

Note 2 – A review of the application of the Group's income recognition and other policies was performed in 2012 resulting in an adjustment of £108k to 2011 opening retained earnings. Details of the prior period adjustments are disclosed in the 2012 Annual Report.

Note 3 – 7,218,750 shares that had been held by the Directors of Done and Dusted Ltd were handed over to an employee benefit trust.

Consolidated income statement (unaudited) for the 6 months ended 30 June 2013

Nature of operations and general information

The principal activity of DCD Media Plc and subsidiaries (the “Group”) is the production of television programmes in the United Kingdom and United States, and the worldwide distribution of those programmes for television and other media; the Group also distributes programmes on behalf of other independent producers.

DCD Media Plc is the Group's ultimate parent company, and it is incorporated and domiciled in Great Britain. The address of DCD Media Plc’s registered and its principal place of business is Glen House, 22 Glenthorne Road, London W6 0NG. DCD Media Plc’s shares are listed on the AIM market of the London Stock Exchange.

DCD Media Plc’s condensed consolidated interim financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 30 September 2013.

The financial information in the half yearly report has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRSs). The principal accounting policies used in preparing the half yearly report are those the Group expects to apply in its financial statements for the year ending 31 December 2013 and are unchanged from those disclosed in the Group’s Directors’ Report and consolidated financial statements for the year ended 31 December 2012. This interim report has neither been audited nor reviewed pursuant to guidance issued by the Audit Practice Board.

The financial information for the six months ended 30 June 2013 and the six months ended 30 June 2012 is unaudited and does not constitute the Group's statutory financial statements for those periods. The comparative financial information for the full year ended 31 December 2012 has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditor’s report on those accounts was unqualified.

While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

1. Basis of preparation

These interim condensed consolidated financial statements (the Interim Financial Statements) are for the six months ended 30 June 2013. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2012.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements and remain unchanged form those set out in the previous audited consolidated financial statements.

Basis of preparation – Going Concern

In considering the going concern basis of preparation of the Group’s financial statements, the Board has reviewed profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging economic environment. These projections reflect a reduction in operating costs to within current revenue expectations and the ongoing management of the day-to-day cash flows of the Group which include assumptions on the profile of receipts from existing and future commissions and payments of certain existing and of future liabilities of the Group. The forecasts also show that the Group will continue to utilise its term loan and overdraft facility provided by its principal bankers for the foreseeable future.

The Group’s overdraft facility has been renewed until May 2014, subject to periodic review. The bank loan facility, while being repayable on demand, is scheduled to be repaid in quarterly instalments to 30 November 2014. The Directors have a reasonable expectation that both the term loan and the overdraft facility will continue to be available to the Group for the foreseeable future.

In light of this continued debt funding, and certain operational changes to be implemented by the board, the Directors have a reasonable expectation that the DCD Media and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Interim Financial Statements.

2. Tax

There is no UK tax charge as a result of losses available for offset. No deferred tax asset has been recognised in relation to these losses.

3. Loss per share

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the average number of shares in issue during the period.

The calculation of the diluted loss per share is based on the basic loss per share, adjusted to allow for the issue of shares and the post tax effect of dividends and interest, on the assumed conversion of all other dilutive options and other potential ordinary shares.

	6 months to 30 June 2013 £'000	6 months to 30 June 2012 * £'000
Loss attributable to ordinary shareholders:		
Basic	**(1,063)**	(2,154)
Adjusted basic loss	**(638)**	(816)
	No.	No.
Weighted average number of shares in issue:		
Basic	**414,281**	163,318
Loss per share (pence):		
Basic	**(257)**	(1,320)
Adjusted basic	**(154)**	(500)

The consequences of conversion of convertible loan notes and exercise of share options held at period end have not been considered for either 2013 or 2012 as the effect would be anti-dilutive.

* Comparative loss per share figures have been restated to reflect the share capital reorganisation approved at the Company's AGM held on 28 June 2013.

4. Dividends

The Directors do not propose to recommend the payment of a dividend.

5. Events after the reporting date

On 30 September DCD Media announced that WE tv will not be commissioning an 11th series of 'Bridezillas'.

There were no other significant events after the reporting date to be disclosed.

6. Publication of non-statutory accounts

Copies of the Interim Financial Statements are available from the registered office of DCD Media Plc or from the website – www.dcdmedia.co.uk. The address of the registered office is: Glen House, 22 Glenthorne Road, London, W6 0NG.