DCD Media Plc

("DCD Media", the "Company" or the "Group")

Unaudited Interim Results for the Six Months Ended 30 June 2017

DCD Media, the independent TV distribution and production group, is pleased to report unaudited interim results for the six months ended 30 June 2017.

Financial highlights

• Revenue	£4.9m (2016: £3.3m)
• Gross profit	£1.5m (2016: £1.2m)
• Operating profit	£0.3m (2016: loss of £0.5m)
• Unadjusted profit before tax	£0.3m (2016: loss of £0.5m)
• Adjusted EBITDA	£0.5m (2016: £0.0m)
• Adjusted profit before tax	£0.5m (2016: £0.0m)
• Cash & cash equivalents	£1.7m (FY2016: £2.2m)
• Adjusted basic earnings per share	22p (2016: 3p)

Operational highlights

- Filming of the third series of **Penn & Teller: Fool Us in Vegas** was completed in H1 2017. The series is a co-production between 1/17 Productions and **September Films** for the CW Network in the USA.
- **DCD Rights** secured the distribution rights for the ongoing hit American series **Mama June: From Not to Hot** following its premiere on WE tv.
- **DCD Rights** signed a number of new deals for its diverse selection of factual and factual entertainment content, including presales for the brand new second season of Electric Pictures' reality series **Aussie Gold Hunters.**
- **DCD Rights'** distribution title, **My Baby, Psychosis & Me**, won Best Factual Documentary at the RTS Scotland Awards.
- **DCD Rights** signed a multi-territory deal with SundanceTV Global for conspiracy thriller **Acceptable Risk** as well as major deals with a number of high profile subscription streaming services.
- **MIPTV – DCD Rights** celebrated its first 10 years with an event at MIP TV in Cannes. After signing a number of early sales for the factual entertainment series **James Martin's French Adventures** distributed by DCD Rights, James Martin was on hand at the event and able to speak directly to more potential buyers.
- **DCD Rights** has continued to secure additional funding for content acquisition.
- Series two of **Rize USA**'s hugely popular talent show for teenagers **Got What it Takes?** aired on CBBC.

Post period events

- **DCD Rights** secured the licence to produce and distribute **September Films'** highly popular and long-running series **Bridezillas,** which will make its return in early 2018 on WE tv.
- Series three of **Rize's** popular children's reality show **Got What it Takes?** is currently in production and is due to be broadcast in Q1 2018.

David Craven, Executive Chairman, commented:

“We are pleased to report that DCD Media has made a solid start to the financial year with trading in-line with management expectations. Our senior management team have executed a successful turnaround of the Company, which is now on track to benefit from our renewed focus on growing DCD Media’s rights business.

“We continue to see strong traction and sales from our growing licensed library with several of the large streaming video on demand platforms now established major DCD Rights customers in addition to our longer term cable and broadcast partners.

“The business reports an adjusted pre-tax profit of £0.5m; and importantly top line revenue of £4.9m (2016: £3.3m) which is growing and which enables the Board to confidently look forward to a period of growth and sustained profitability. The DCD Rights senior management team is gearing up for expansion with the challenge of sourcing high quality new content which is being aided by additional, independent programme funding that has been sourced over the last 18 months.

“This report marks the end of a period of transition and consolidation for DCD Media with solid progress on the turnaround plan and tangible cash generation. The Company is confident in the rights and licencing business’ underlying momentum, as it now embarks on its growth phase.

“Through the first half of the year, the management team have successfully engaged with investment funds in order to secure additional programme financing thus increasing our capacity for content acquisition. As a consequence, DCD Rights has secured a number of large output and sales deals with networks around the globe. The division has expanded its catalogue across four major genres - Drama, Factual, Entertainment, and Music, and has also branched out its portfolio to include a number of ventures in co-production.

“When we embarked on our journey to revitalise and improve the DCD Media business, we identified the rights business as core, stable, and potentially very profitable. Driven by a successful and highly regarded team, the business is now proving to be cash generative and holds a strong market position as a leading independent content distributor.

“The turnaround plan was intended to return the business to sustainable profitability and cash generation which we are delighted to report is now complete. We look forward to both top and bottom line growth as the Company gears itself up for a period of expansion and growth in global sales of its burgeoning catalogue.”

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

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Executive Chairman's Statement

This announcement presents the unaudited interim results for the Group for the six months ended 30 June 2017.

The single most accretive action we have taken in DCD Media is to focus heavily on the rights and distribution business as the core activity which has now significantly improved future profitability, and importantly for a small business, strengthened our cash position.

We are delighted in H1 2017 to report that our proprietary formats, vesting in the production entities, have performed exceptionally well this year. In particular, in August this year we reported that the Company had licensed the production of September Films' top-rated format **Bridezillas** to the broadcaster WE tv with a season of 10 new hour-long episodes in 2018. DCD Rights already holds the international rights to the previous 10 series of Bridezillas which will now be revitalised as a consequence of the new commission.

Additionally, we are pleased to note that filming of the third series of **Penn & Teller: Fool Us in Vegas** was completed in H1 2017 for the CW Network in the USA.

In addition to this, DCD Rights acquired the distribution rights to **Mama June: From Not to Hot,** which aired on WE tv, and has since been sold to the Discovery Channel. The programme is expected to air in Australia, New Zealand, Italy, UK & Eire, MENA, Africa, Benelux, and Latin America.

Other notable sales and acquisitions include **James Martin's French Adventure**, which premiered earlier this year on ITV and delivered exceptional ratings, prompting a 30 minute prime-time remake, and a Saturday morning cooking show. The programme has gone on to sell globally to networks in Australia (Foxtel), Europe (AMC network, Matkanalen, 24 Kitchen), Asia (BBC Worldwide) and New Zealand (Choice TV).

Upcoming drama acquisition **Romper Stomper** stirred quite an encouraging response on social media and in the press on its announcement, with a much anticipated debut since its multi-territory sale to the Sundance TV Global Networks.

Aussie Gold Hunters was commissioned for a second season, and has since been sold to both Discovery and Viasat; meanwhile Franco-German network ARTÉ signed a deal for historical documentary **Morocco to Timbuktu: An Arabian Adventure** which has also sold to other distinguished networks across the globe, including Choice TV (New Zealand), Acorn Media (USA), Films Media Group (North America).

The Company's growing market presence has also helped to foster healthy and profitable relationships with a number of the world's largest subscription video-on-demand (SVOD) networks. As a result, the sales team have struck up a number of profitable multi-programme deals throughout 2017.

As we look ahead, we are entering perhaps the most exciting period in the Company's history, having eliminated the uncertainty and heavy cost burden to secure a bright future for the Company and its committed management team.

I believe under the leadership of Nicky Davies Williams and her management team, the Company is now in the best shape to capitalise on the future growth and investment opportunities that will arise as the TV content markets expand. I would also like to thank our shareholders and staff for their continued support and wish everyone well for the remainder of 2017.

1. Financial Review

The Group benefitted from an overdraft facility of £225k as at 30 June 2017 down from £250k as at 31 December 2016. As mentioned in the 2016 full year report the overdraft will be reduced by £25k a quarter down to a new revised limit of £150k. The overdraft will be reviewed further by the Group's principal bankers, Coutts & Co, on 30 April 2018 when the current facility is due for renewal.

At 30 June 2017 the Group had cash and cash equivalents of £1.7m, comprising client cash held on account by DCD Rights and an element of free cash available to the Group.

2. Profit and Loss Review

Revenues for the six months to 30 June 2017 were £4.9m (2016: £3.3m). As was the case in 2016 the increase has been driven internally by the sales team who have managed to obtain a number of premium titles and licences across the globe. Funding has grown steadily and continues to do so through the continuing support of an existing finance provider and our immediate parent, Timeweave. The funding support both funders have provided allows us to be competitive in the tender process for new titles and content, while we add to our expanding catalogue.

DCD Rights has performed well with revenue up by £1.7m to £4.4m compared to the same period last year. This increase in revenue is a result of a significant amount of new contracts being secured with existing cable and broadcast partners along with new deals with SVOD platforms and partly due to some contracts, in the prior year, not being agreed until H2 2016 which had a negative effect on those results.

Adjusted profit before tax was £0.49m (2016: £0.02m), resulting in an adjusted gain per share for the period of 19p (2016: 3p). Due to the £0.2m non-cash charge against intangibles, described in the balance sheet section below, the Group's statutory profit after tax was £0.3m (2016: loss £0.5m).

Adjusted profit or loss before tax (PBT or LBT) is the measure used by the Group to indicate operating performance and aims to reflect normalised trading before exceptional, restructuring items and non cash impairment charges, but after net finance costs. The change in PBT is largely down to increased sales and cost reduction through restructuring undertaken in 2016 and partly due to timing of DCD Rights income.

A reconciliation of the Group's operating profit to Adjusted Profit before Tax and Earnings before Interest Tax Depreciation and Amortisation (EBITDA) is shown below:

	Unaudited 6 months ended 30 June 2017 £'m	**Unaudited 6 months ended 30 June 2016 £'m**
Operating profit/(loss) per accounts	**0.30**	**(0.48)**
Add: Net amortisation and capitalisation of programme rights	0.02	0.04
Add: Impairment of programme rights	-	-
Add: Amortisation of trade names	0.21	0.21
Add: Depreciation	0.03	0.01
EBITDA	**0.56**	**(0.22)**
Add: Restructuring (income)/costs	(0.03)	0.26
Adjusted EBITDA	**0.53**	**0.04**
Less: Net financial expense	(0.01)	(0.01)
Less: Depreciation	(0.03)	(0.01)
Adjusted PBT	**0.49**	**0.02**

3. Balance Sheet review

Intangible assets as at 30 June 2017 stood at £1.1m (2016: £1.5m). The balance as at 31 December 2016 was £1.3m and details of this movement were explained in the results for the year ended 31 December 2016. The subsequent movement in intangible assets within the six month period to 30 June 2017 reflects the ongoing amortisation of trade names of £0.2m (2016: £0.2m) and the net capitalisation, amortisation and impairment of programme rights of £0.02m (2016: £0.04m).

Trade and other receivables and trade and other payables at £9.7m (2016: £9.0m) and £9.8m (2016: £9.6m) respectively have both risen due to the continued increase in activity in DCD Rights.

Cash on hand at the period end stood at £1.7m (FY2016: £2.2m). The majority of the Group's cash balances represent working capital commitment in relation to programme making and cash held in DCD Rights' client accounts and therefore is not all considered to be free cash.

Bank overdrafts are secured by a fixed charge over the Group's intangible programme rights and a floating charge over the remaining assets of the Group. The bank overdraft has been extended to the 30 April 2018, and is repayable on demand. The Directors expect an overdraft facility to be available to the Group for the foreseeable future.

The total convertible loan debt at 30 June 2017 stood at £0.1m (2016: £0.1m) including accrued interest. The balance as at 31 December 2016 was £0.1m.

In 2016, the Group accrued £0.2m of recharges including VAT for director, management and financial services from Timeweave Ltd ("Timeweave"), its major shareholder that along with the 2015 charges of £0.5m remained unpaid. In addition, £0.1m of input VAT recovered by the Group and due to Timeweave on previous recharges was also not paid. In the period to 30 June 2017, a further £0.1m of such charges were accrued and £0.1m was repaid after the period end. The Group continues to be in discussion with Timeweave to formalise this debt of £0.8m.

The amounts recoverable from HMRC in relation to VAT and social security stood at £0.1m (2016: £0.3m).

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.

Called up share capital at 30 June 2017 stood at £12.3m (2016: £12.3m). The balance as at 31 December 2016 was £12.3m.

No interim dividend is proposed for the period. Adjusted earnings per share are disclosed in note 3 to the interim financial statements.

4. Substantial shareholdings

As at 29 September 2017, 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 £1 ordinary shares	%
Timeweave Ltd *	1,694,377	66.67
Colter Ltd *	124,000	4.88
Lombard Odier **	662,598	26.07

*Timeweave Ltd and Colter Ltd are under common ownership.
**Lombard Odier means Lombard Odier & Co Limited and certain funds managed by any Lombard Odier Group.

5. Review of operational activities

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

Rights and Licensing
During the period DCD Rights expanded its catalogue across four core genres – Drama, Factual, Entertainment, and Music, and has also branched out its portfolio to include a number of ventures in co-production. The management team have continued to engage with investment funds to secure additional financing in order to increase and underpin their capacity for content acquisition.

This has been a strong half year for DCD Rights sales around the globe. The acquisition of the distribution rights for the hit America series **Mama June: From Not to Hot**, from broadcaster WE tv spawned a plethora of deals with a number of international divisions of the Discovery Channel. The programme is due to air in Australia, New Zealand, Italy, UK & Eire, MENA, Africa, Benelux, and Latin America.

Other notable sales and acquisitions include **James Martin's French Adventure**, which premiered earlier this year on ITV and delivered exceptional ratings, prompting a 30 minute prime-time remake. The programme has gone on to sell globally to networks in Australia (Foxtel), Europe (AMC network, Matkanalen, 24 Kitchen), Asia (BBC Worldwide), New Zealand (Choice TV) and more. Upcoming drama acquisition **Romper Stomper** stirred quite a response on social media and in the press upon its announcement, with a much anticipated debut since its multi-territory sale to the Sundance TV Global Networks.

Aussie Gold Hunters was commissioned for a second season, and has since been sold to both Discovery and Viasat; meanwhile Franco-German network ARTÉ signed a deal for historical documentary **Morocco to Timbuktu: An Arabian Adventure** which has also sold to other distinguished networks across the globe, including Choice TV (New Zealand), Acorn Media (USA), Films Media Group (North America).

DCD Rights' growing presence has also ensured that the company has built a healthy and highly profitable relationship with a number of the world's largest SVOD networks. As a result, the sales team have struck up a number of profitable multi-programme deals already in 2017.

DCD Rights have continued to put themselves at the forefront of international television distribution, building a global presence particularly at major international TV markets. Earlier this year the team hosted a cocktail party at MIPTV in Cannes to celebrate 10 years of operation. In addition, celebrity chef James Martin was welcomed to Cannes when DCD Rights hosted an exclusive special event dinner launching his new series which was attended by the key international network buyers.

Production
A co-production between 1/17 Productions and DCD Media's production subsidiary, September Films, completed the filming of the third series of **Penn & Teller: Fool Us in Vegas** in H1 2017 for the CW Network in the USA. Furthermore, Rize USA's hugely popular talent show for teenagers **Got What it Takes?** aired on CBBC in early 2017. The Group continues to focus on its key production franchises that includes these titles.

Post Production
Sequence continued to perform in line with prior years with sales around £0.2m for H1 2017 with an overall operating result that is breaking even. The team undertook the offline and 4k conform for a production on the band **Oasis** for its first major SVOD client. Sequence also undertook the full picture post production for the **Electric Light Orchestra** which will be releasing a picture disc edition of their top selling double album **Out of the Blue** in Q3 2017.

6. Outlook

The Directors are delighted that the extensive work over successive years to position DCD Media for growth is bearing fruit. We are especially pleased that as we emerge from the restructuring, the television market is in good health and its long-term outlook remains positive.

This is by no means a coincidence for DCD Media. Priming the rights business against a background of increasing demand for quality commissioned content was the imperative under Timeweave's stewardship. The key investor group in the business has always held the view that the television industry has delivered consistent innovation as an entertainment medium.

As SVOD, that delivers television programming via broadband networks, continues to grow (although traditional TV form remains dominant), we see DCD Media as a perfectly placed high-quality content provider to deliver capacity.

Our assessment is that the SVOD market will continue to grow globally; and in some markets, SVOD offerings are successfully challenging established TV businesses.

However, in the long-term we believe that traditional and new models will likely be blended into the overall television market. It is abundantly clear that all the content distribution networks require creative and compelling content packages to maintain their quality of service. DCD Media is well-placed in the near to medium term to meet the addressable market.

David Craven
Executive Chairman
29 September 2017

Consolidated income statement (unaudited) for the 6 months ended 30 June 2017

	Note	**Unaudited 6 months to 30 June 2017 £'000**	Unaudited 6 months to 30 June 2016 £'000	Audited Year to 31 December 2016 £'000
Revenue		**4,883**	3,327	8,597
Cost of sales		**(3,358)**	(2,173)	(5,744)
Impairment of programme rights		**-**	-	(9)
Gross profit		**1,525**	1,154	2,844
Selling and distribution expenses		**-**	(9)	-
Administration expenses:				
- Other administrative expenses		**(1,048)**	(1,162)	(2,253)
- Impairment of goodwill and trade names		**-**	-	-
- Amortisation of goodwill and trade names		**(210)**	(209)	(419)
- Restructuring costs		**30**	(254)	(287)
Total administrative expenses		**(1,228)**	(1,625)	(2,959)
Operating profit / (loss)		**297**	(480)	(115)
Finance costs		**(9)**	(10)	(24)
Profit / (loss) before taxation		**288**	(490)	(139)
Taxation - current	2	**40**	38	76
Profit / (loss) for the period from continuing operations		**328**	(452)	(63)
Profit on discontinued operations net of tax		**-**	-	96
Profit / (loss) for the period		**328**	(452)	33
Profit / (loss) attributable to:				
Owners of the parent		**328**	(444)	33
Non controlling interest		**-**	(8)	-
		328	(452)	33
Earnings per share attributable to the equity holders of the Company during the period (expressed as pence per share)				
Basic profit/(loss) per share from continuing operations		**13p**	(17p)	(3p)
Basic earnings per share from discontinued operations		**-**	-	4p
Total basic profit / (loss) per share		**13p**	(17p)	**1p**
Diluted profit/(loss) per share from continuing operations		**13p**	(17p)	(3p)
Diluted earnings per share from discontinued operations		**-**	-	4p
Total diluted profit / (loss) per share		**13p**	(17p)	**1p**

Consolidated statement of comprehensive income (unaudited) for the 6 months to 30 June 2017

	Unaudited 6 months to 30 June 2017 £'000	Unaudited 6 months to 30 June 2016 £'000	Audited Year to 31 December 2016 £'000
Profit / (loss)	**328**	(452)	33
Other comprehensive income			
Exchange gain arising on translation of foreign operations	**-**	3	177
Total other comprehensive income	**-**	3	177
Total comprehensive income/(expenses)	**328**	(449)	210
Total comprehensive expenses attributable to:			
Owners of the parent	**328**	(441)	210
Non controlling interest	**-**	(8)	-
	328	(449)	210

Consolidated statement of financial position (unaudited) at 30 June 2017

	Unaudited 30 June 2017 £'000	Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
Assets			
Non-current			
Goodwill	**1,017**	1,017	1,017
Other intangible assets	**38**	499	265
Property, plant and equipment	**74**	74	94
Trade and other receivables	**124**	89	224
	1,253	1,679	1,600
Current assets			
Trade and other receivables	**9,611**	8,893	8,975
Taxation and social security	**141**	331	-
Cash and cash equivalents	**1,733**	1,210	2,628
	11,485	10,434	11,603
Liabilities			
Current liabilities			
Bank overdrafts	**(63)**	(296)	(427)
Bank and other loans	**(32)**	-	(133)
Unsecured convertible loan	**(70)**	(62)	(67)
Trade and other payables	**(9,771)**	(9,586)	(10,014)
Taxation and social security	**-**	-	(25)
Obligations under finance leases	**-**	(8)	(23)
	(9,936)	(9,952)	(10,689)
Non-current liabilities			
Obligations under finance leases	**-**	(20)	-
Deferred tax liabilities	**-**	(84)	(40)
	-	(104)	(40)
Net assets	**2,802**	2,057	2,474
Equity			
Called up share capital	**12,272**	12,272	12,272
Share premium account	**51,215**	51,215	51,215
Equity element of convertible loan	**1**	1	1
Translation reserve	**-**	(174)	-
Own shares held	**(37)**	(37)	(37)
Retained earnings	**(60,649)**	(61,244)	(60,977)
Equity attributable to owners of the parent	**2,802**	2,033	2,474
Non controlling interest	**-**	24	-
Total equity	**2,802**	2,057	2,474

Consolidated statement of cash flows (unaudited) for the 6 months ended 30 June 2017

Cash flow from operating activities including discontinued operations	**Unaudited 6 months ended 30 June 2017 £'000**	Unaudited 6 months ended 30 June 2016 £'000	Audited Year ended 31 December 2016 £'000
Net profit/(loss) before taxation	**288**	(490)	(43)
Adjustments for:			
Depreciation of tangible assets	**28**	15	37
Amortisation and impairment of intangible assets	**228**	400	676
Net bank and other interest charges	**9**	10	24
Net exchange differences on translating foreign operations	**-**	3	-
Net cash flows before changes in working capital	**553**	(62)	694
Decrease in inventories	**-**	5	5
Increase in trade and other receivables	**(703)**	(436)	(652)
(Decrease)/increase in trade and other payables	**(241)**	350	1,257
Cash from continuing operations	**(391)**	(143)	1,304
Cash flow from discontinued operations			
Net profit before taxation	**-**	-	96
Adjustments for:			
Profit on discontinued operations	**-**	-	(96)
Net cash flows before changes in working capital	**-**	-	-
Interest paid	**(9)**	(10)	(25)
Net cash flows from operating activities	**(400)**	(153)	1,279
Investing activities			
Purchase of property, plant and equipment	**(8)**	(21)	(63)
Purchase of intangible assets	**-**	(154)	(196)
Net cash flows used in investing activities	**(8)**	(175)	(259)
Financing activities			
Repayment of finance leases	**(22)**	(3)	(10)
Repayment of loan	**(101)**	-	(61)
New loans raised	**-**	64	71
Net cash flows from financing activities	**(123)**	61	-
Net decrease in cash	**(531)**	(267)	1,020
Cash and cash equivalents at beginning of period	**2,201**	1,181	1,181
Cash and cash equivalents at end of period	**1,670**	914	2,201

Statement of changes in equity (unaudited)

	Share capital	Share premium	Equity element of convertible loan	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
Balance at 30 June 2015	**10,145**	**51,118**	**98**	**(183)**	**(37)**	**(58,704)**	**2,437**	**(63)**	**2,374**
Loss and total comprehensive income for the period	-	-	-	-	-	(2,096)	**(2,096)**	95	(2,001)
Shares allotted on conversion of loan notes	2,127	-	-	-	-	-	**2,127**	-	2,127
Equity element on conversion of convertible loans	-	97	(97)	-	-	-	**-**	-	-
Exchange differences on translating foreign operations	-	-	-	6	-	-	**6**	-	6
Balance at 31 December 2015	**12,272**	**51,215**	**1**	**(177)**	**(37)**	**(60,800)**	**2,474**	**32**	**2,506**
Loss and total comprehensive income for the year	-	-	-	-	-	(444)	**(444)**	(8)	**(452)**
Exchange differences on translating foreign operations	-	-	-	3	-	-	**3**	-	**3**
Balance at 30 June 2016	**12,272**	**51,215**	**1**	**(174)**	**(37)**	**(61,244)**	**2,033**	**24**	**2,057**
Profit and total comprehensive income for the period	-	-	-	-	-	477	**477**	(24)	453
Exchange differences on translating foreign operations	-	-	-	(36)	-	-	**(36)**	-	(36)
Movement between reserves				210		(210)	**-**	-	
Balance at 31 December 2016	**12,272**	**51,215**	**1**	**-**	**(37)**	**(60,977)**	**2,474**	**-**	**2,474**
Profit and total comprehensive income for the period	-	-	-	-	-	328	**328**	-	**328**
Balance at 30 June 2017	**12,272**	**51,215**	**1**	**-**	**(37)**	**(60,649)**	**2,802**	**-**	**2,802**

Notes to the interim financial statements (unaudited)

Nature of operations and general information

During the period, the principal activity of DCD Media Plc and subsidiaries (the Group) was the worldwide distribution of 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 registered in England and Wales. The address of DCD Media Plc's registered office is 9th Floor, Winchester House, 259 - 269 Old Marylebone Road, London, NW1 5RA, and its principal place of business is London. DCD Media Plc's shares are listed on the Alternative Investment Market (AIM) 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 29 September 2017.

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 2017 and are unchanged from those disclosed in the Group's Directors' Report and consolidated financial statements for the year ended 31 December 2016. 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 2017 and the six months ended 30 June 2016 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 2016 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 2017. 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 2016.

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 have prepared profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging market environment.

The Directors' forecasts and projections, which make allowance for reasonably possible changes in its trading performance, show that, with the ongoing support of its lenders and its bank, the Group can continue to generate cash to meet its obligations as they fall due.

The Directors, after making enquiries, have a reasonable expectation that the Company 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 annual report and financial statements.

The financial statements do not include the adjustments that would result if the Group or Company were unable to continue as a going concern.

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. Profit / (loss) per share

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

	6 months to 30 June 2017 £'000	6 months to 30 June 2016 £'000
Profit/(loss) attributable to ordinary shareholders:		
Basic	**328**	**(444)**
Adjusted basic profit	**554**	**71**
	No.	**No.**
Weighted average number of shares in issue:		
Basic	**2,541,419**	**2,541,419**
Profit/(loss) per share (pence):		
Basic	**13**	**(17)**
Adjusted basic	**22**	**3**

If convertible loan balances held at the period-end were converted at their respective conversion prices the number of shares issued would be 2,611,567. Diluted earnings per share would remain at 13 pence were this transaction to take place. Prior year figures have not been restated as, due to the overall loss position of the group in that year, the effect would be anti-dilutive.

4. Dividends

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

5. 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: 9th Floor, Winchester House, 259-269 Old Marylebone Road, London, NW1 5RA.