

One Media iP Group Plc
(formerly One Media Publishing Group Plc)
("One Media" or "the Group")

Preliminary Results

22 February 2013

Preliminary Results Announcement

One Media IP Group Plc ("One Media" or the "Company") announces its preliminary results for the year ended 31 October 2012

HIGHLIGHTS

- Increased revenue of 26% to £2,089,941.
- Pre-tax profits up 29% to £427,888.
- Announced the acquisition of fifteen further music, video and spoken word catalogues, investing £643,341 in the process.
- Two dividends declared and paid, totalling £70,974 in the year.
- Post year end acquired the Men & Motors catalogue of rights with over 3,000 episodes of this iconic TV programme.

OMiP Executive Chairman, Michael Infante commented:

Having had a good set of results for 2012, I am filled with enthusiasm for the forthcoming year. The digital music industry is quietly maturing but the jury is out on video and its exploitation routes. Downloading, streaming and broadcast 'video on demand' are all possibilities. My view is, that people will listen to a music track multiple times and therefore see value in ownership, but possibly only watch a film once every few years. So in my opinion, subscription and streaming wins hands down in the video wars. With this in mind we currently opt for YouTube style services for our video content, with our chosen nostalgic genres being instantly consumable, and ultimately disposable, but certainly not forgotten. It is the type of content that you want to be available to access at anytime day or night but not take up valuable space on your mobile device. The world of film has to now enter what we in the music industry have seen before, and have either been praised or criticised for in our handling. One Media is now almost a veteran at seven years old in understanding trends and being risk averse. We have opted for nostalgia over front line chart, and now in video, brands will play an important role in our visual initiative. 2013 brings its own challenges with talk of recessions and the continuing consolidation of our industry, but we see opportunities for developing our business.

The financial information set out in this Preliminary Results Announcement, which has been extracted from the audited Report and Financial Statements, does not constitute the Company's statutory accounts for the year ended 31 October 2012.

The report of the auditor on the Report and Financial Statements for the year ended 31 October 2011 is not qualified and does not include a statement under s498(2) to s498(4) of the Companies Act 2006.

OMiP's Preliminary Results Announcement for the year ended 31 October 2012 can be viewed on the Company's website, www.onemediaip.com, with effect from 22 February 2013.

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Executive Chairman's Statement For the year ended 31 October 2012

Financial Overview

The digital music industry has entered its tenth year since the sale of the first iTunes track. In that time globally, digital music has gone from start up to approaching \$7bn of sales. The world of the compact disc has decreased by over 60% in the same period. For the first time in the UK digital sales of music outsold physical sales during 2012. Companies such as Facebook have dominated the social media scene, Twitter has emerged as the strongest mobile medium and the Group has acquired under a variety of terms over 170,000 tracks of music and 5,000 digital video programs. As a small group it is hard competing in a world dominated by multi-nationals but we have carved out a profitable space and we are confident that we can say that the Group is at its real beginning. Unlike much of the music industry we are not saddled with the legacy they carry from the past. The Group's focus six years ago was on building the business for the future. And now, that future is the present, and we are reaping the rewards. The revenues are modest but our profit ratios are enviable within our industry.

Our revenue for this period was £2,089,841 up 26% on last years' revenue of £1,662,516 (2011) and our profit before tax is reported at £427,888, up 29% from £330,810 in 2011. We are debt free with cash resources and with no gearing. Our dividend policy was underpinned by the payment of £70,974 during the financial year ending 2012 (2011: £14,994). We would always consider a dividend policy at this stage to further demonstrate that the Group is not just a growth stock but also a yielding stock.

Review of Activities (The Highlights)

Acquisitions

During the past year the Group acquired a significant number of music, video and spoken word tracks. These acquisitions demonstrate the Group's ability to work within the cash resources it has and to monetise often-redundant content catalogues. Not all of the acquisitions mentioned below came with revenue, and generally, the benefits to the Group will be felt in the year following acquisition, as we exploit the recordings within the digital arena.

On the 16th November 2011, the Group acquired over 8,000 recordings, some 800 hours of classical music for a consideration of £104,000. The classical music catalogue comprises masterpieces by some of the world's greatest composers. Works by over 150 composers including; Mozart, Handel, Tchaikovsky, Bach, Verdi, Schubert, Mendelssohn, Brahms, Liszt, Grieg, Elgar, Haydn, Vivaldi, Beethoven and Debussy just to name a few. The catalogue includes masterpieces such as; La Traviata, Carmina Burana, Air on a G-string, The Nutcracker Suite, Peer Gynt, Romeo & Juliet, and Toccata and Fugue as a small example of the many compositions included in this deal.

On the 24th November 2011, we extended our contract with a principal provider to have greater access on more favourable terms for a deal we originally concluded on 5th February 2009. The original deal that was announced for a period of five years in February 2009 was extended by a further ten years for an additional advance against royalties of £10,000. The music catalogue of over 400 tracks includes performances by The Sex Pistols, Lou Reed, Paul Weller, T.REX, Iggy Pop and other 'New Wave' music from the 1970's that have performed well for the Group digitally.

On the 28th November 2011, the Group announced that we had purchased and configured in association with the data-centre at Pinewood Studios and SohoNet (our provider of connectivity) a new digital storage system to house our growing audio library and newly acquired film and visual music documentary content. The investment provides the Group with a substantially increased media storage ability, increased media delivery bandwidth, a robust disaster recovery solution and a scalable system to meet future digital storage and delivery requirements. The investment is a crucial move for the Group to ensure that it can digitally deliver what the Group acquires.

On the 2nd December 2011, the Group concluded five recordings with British actress Anita Harris and created the Group's first five children's stories as 'spoken word' content in the Group's newly established children's 'pre-school' genre. Anita recorded delightful versions of Cinderella, Snow White, Little Red Riding Hood, The Emperor's New Clothes and Beepo the Bear.

On the 8th December 2011, the Group acquired a catalogue that comprises over 6,000 karaoke tracks from over the last 50 years of the charts to facilitate consumers to sing along with great tracks like 'Mamma Mia' to 'Living Doll' and 'Bad Moon Rising' to Dr. Zhivago's 'Somewhere my love'. In addition

there was another 4,000 tracks of original artist performances of a nostalgia genre including tracks performed by The Libertines, Babyshambles, Bad Manners, The Stranglers, Emerson Lake & Palmer, Mike Bennett, Pete Doherty, Tom Pepper, Wishbone Ash, as small example of the many artists included in this deal.

On the 20th February 2012, the Group acquired a catalogue of American TV broadcast video content including 420 performances performed by over 150 popular artists. Amongst the performers are 'indie bands' such as Kasabian, KT Tunstall, Athlete, Elbow, Gym Class Heroes, Imogen Heap, Jonas Brothers, Juliette & The Licks, Paramore, Supergrass and The Cribs. The deal was concluded together with the acquisition of other audio rights featuring over 350 modern jazz titles featuring works by Lennie Tristano, Art Hodes, Robert Lockwood, Stephan Grappelli and Chris Barber.

On the 23rd February 2012, the Group invested into three diverse catalogues of music. The first catalogue originally traded as the 'Dressed to Kill' catalogue of rights and comprises of over 100 albums of popular easy listening and off beat punk music tributes and original artists such as Tina Charles and Gloria Gaynor. The second catalogue of rights is a 'Rap Hop' collection of over 200 recordings with artists such as, 50 Cent, Mase, G-Unit, Lil Wayne, Lloyd Banks, Prodigy, Snoop Doggy Dogg, Spider Loc, Lil Vic, 40 Glocc, The Team, Young Buck, RasKass, Seven, Chamillionaire, Lil Scrappy, Mike Jones, Mobb Deep and Bobby Greek. The third catalogue is a collection of over 100 traditional Yiddish Homeland Folk songs, which should prove a successful addition to our 'World-Music' collections. Further, a Spoken Word version of 'Peter Pan' was acquired to add to the growing audio books collection.

On the 14th May 2012 the Group invested US\$33,000 to partner with a production house to deliver up to 3,000 music tracks in the 'easy listening', 'instrumental' and 'TV & Film' music genres. Whilst some of the music library already existed, we retained the additional right to select new tracks (not yet recorded) over the 36 months following. This allows the Group to keep its library populated with new tunes as required at a fixed price. We use this style of music extensively in both the digital distribution to our consumers via digital stores, such as Spotify, Amazon, iTunes, YouTube and E-music, and to the world of film, TV, websites and gaming industries for background music known as 'Synchronisation'.

On the 15th June 2012, the Group announced that we had acquired under a long term license the label OVOW (One Voice One World) that had traded on iTunes for several years previously and has over 100 pop videos featuring performances by the Moody Blues, Phil Collins, Neil Sedaka, Dusty Springfield, Gene Pitney, Iggy Pop, Santana, Eric Clapton and Elton John, to name just a few.

On the 18th June 2012, the Group acquired under license the management rights to exploit in excess of 30,000 various artist tracks from over the last 50 years for a consideration of US\$400,000. Much of the content was already ingested to our principal distributor (The Orchard), which afforded a smooth transition of the rights management and the income.

On the 25th June 2012, the Group announced that it had acquired, under license, over 50 hours of Children's audio narrated by Britain's celebrity elite. The collection features kids stories and 'early learning' recordings performed by stars such as Rik Mayall, Judi Dench, Stephen Fry, Patrick Moore, Tony Robinson, Phillip Schofield, Lenny Henry, David Bellamy and Bill Oddie, reading a selection of stories which includes Aladdin, Sleeping Beauty, Learning to Count, Spelling games, Dinosaur stories, Space Travel, Kids Quizzes and Learning French.

On the 28th June 2012, the Group extended the deal with Miki Dallon Productions, who was originally contracted in 2007. The Group has been exploiting the rights successfully for the past 5 years. Dallon is an English musician, songwriter and producer of music from the 1960s and 70s. Dallon's first published work was a Mickie Most track called "That's Alright" on which Dallon also played piano. Dallon also produced the Elias Hulk album 'Unchained', the Bearded Lady single 'Rockstar', 'Country Lady' and 'Apollo 100' for Youngblood Records. The catalogue of 900 songs includes tracks also performed by JJ Jackson, ABC, Billy Ocean, Johnny Kid & The Pirates and Greyhound to name just a few of the other artists featured.

On the 8th August 2012, English comedian Bobby Davro added six further 'One Man Pantos' to the growing children's catalogue of rights that the Group continues to build. His renditions of the Hare & the Tortoise, Rumpelstiltskin, Rapunzel, Jack and the Beanstalk, Hansel & Gretel, and the Adventures of Alice in Wonderland are both comical and appealing to younger ears.

On the 3rd September 2012, the Group announced that it had acquired the music-video content from Tropicana currently being exploited via the 'YouTube' channels featuring all of the Motor City, High Energy & Northern Soul videos produced by legendary producer Ian Levine. The 'Levine' YouTube channel has had in excess of over 15 million views to date. The Group has now annexed this acquisition

to the deal it originally completed with him on the 7th April 2010(Regulated News Service, "RNS"). Featured on the channel are 550 exclusive videos of Disco, High-Energy, Motorcity and Northern Soul videos, including Evelyn Thomas performing 'High Energy' and The Trammps performing 'Hold Back The Night' which together have achieved over 2 million views so far. As a YouTube Premier Partner, the Group is able to monetise its content viewed on YouTube through advertisements and the forthcoming subscription accounts.

Relationship with the Orchard

On the 12th March 2012, the Group announced that it had negotiated and received a cash advance payment of US\$750,000 from The Orchard, our digital distributor.

AIM and name change

On the 15th May 2012, the Group announced, further to the announcement made by Plus SX Markets (14th May 2012), that it [Plus SX] was issuing a six-month notice to potentially quit trading and close the Plus SX trading platform. We were quick to comment (RNS 15th May 2012) on this to reassure our shareholders that we would be seeking an alternative trading platform in this event and started the process of examination of alternative markets. The Group has subsequently announced (RNS 2nd January 2013) its intention to list on the AIM Market (the London Stock Exchange's international market for smaller growing companies).

On the 18th October 2012, the Group changed its name and dropped the word 'Publishing'. I said at the time that this change in name reflects the Group's expansion from being a purely audio content exploitation business to further reflect the monetisation of music, Film, TV programs and the associated brand licensing rights that the Group will develop further over the coming years. The Group intends to be a far more encompassing copyrights organisation with a focus on significantly expanding its digital asset base and intellectual property ownership in varying entertainment sectors.

Outlook

The Group is embracing and driving the shift in the marketplace with the intention of not only continuing to acquire music catalogues but to focus on the digital video side of our business as well. The Group is not only a B2B business but now delivers content direct to the video platforms such as YouTube making it a direct to consumer (B2C) 'Netlabel' as well. Digital video content will be the next 'big boom' in our evolution from the physical world of CD and DVD to the MP3 and MP4. The Group continues a policy of not manufacturing physical products and remains faithful to the business model of expanding digital rights library in all arenas.

As more consumers turn to mobile devices to access their social media sites such as Facebook and with the advent of Smart Televisions, more consumers will view and browse the Internet on their TVs. Google state that currently 30m consumers watch YouTube channels on Smart TVs, and they predict this to rise to 1bn by 2018. The Group's focus as a content provider therefore is to continue to acquire nostalgic content to meet these growing audiences. Google's 'Advert Funded' and forthcoming subscription model partnership deals, offer a great medium for visual nostalgia and monetisation for content owners.

Post period end, we announced on 12th December 2012 our acquisition of the Men & Motors catalogue of rights to over 3,000 episodes and the of ownership to the brand itself, which is already opening new doors to revenues for the Group compared to previous years where it was not technically possible.

Our staff head count remains small at nine personnel (excluding directors). The Group is intending to grow to nearer 12 or 13 over the next financial year. To cater for this the Group moved within the Pinewood complex to a larger suite of offices in July 2012. This affords the headroom for further growth. In addition we have taken secure storage here at Pinewood to house the growing video and music master asset, as we make more acquisitions in this area. We continue to enjoy the facilities here at Pinewood and now fully utilise the Postproduction services as well as the Data Centre services to repurpose and store our digital content.

I would like to thank the team for all their continued hard work and that of our professional advisers. And, as always, my special thanks to all of my co-directors for all of their valuable contributions and dedication.

Michael A Infante
Chairman

22 February 2013

**Consolidated Statement of Comprehensive Income
For the year ended 31 October 2012**

	Year ended 31 October 2012	Year ended 31 October 2011
	£	£
Revenue	2,089,841	1,662,516
Cost of sales	<u>(983,374)</u>	<u>(747,862)</u>
Gross profit	1,106,467	914,654
Administration expenses	<u>(678,793)</u>	<u>(583,809)</u>
Operating profit	427,674	330,845
Finance cost	-	(198)
Finance income	214	163
Profit on ordinary activities before taxation	<u>427,888</u>	<u>330,810</u>
Tax expense	<u>(88,668)</u>	<u>(79,995)</u>
Profit for period attributable to equity shareholders	<u>339,220</u>	<u>250,815</u>
Basic earnings per share	<u>0.73p</u>	<u>0.49p</u>
Diluted earnings per share	<u>0.62p</u>	<u>0.35p</u>

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing activities.

**Consolidated Statement of Changes in Equity
For the year ended 31 October 2012**

	Share Capital	Share redemption reserve	Share premium	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 November 2010	456,857	-	663,000	-	103,216	1,223,073
Share buy back	(239,546)	239,546	(23,897)	-	(219,500)	(243,397)
Proceeds from the issue of new shares	832	-	4,168	-	-	5,000
Share based payment charge	-	-	-	4,791	-	4,791
Profit for the year	-	-	-	-	250,815	250,815
Dividends	-	-	-	-	(14,994)	(14,994)
At 1 November 2011	218,143	239,546	643,271	4,791	119,537	1,225,288
Proceeds from the issue of new shares	55,000	-	75,000	-	-	130,000
Share based payment charge	-	-	-	7,625	-	7,625
Profit for the year	-	-	-	-	339,220	339,220
Dividends	-	-	-	-	(70,974)	(70,974)
At 31 October 2012	273,143	239,546	718,271	12,416	387,783	1,631,159

Consolidated Statement of Financial Position at 31 October 2012

	Year ended 31 October 2012	Year ended 31 October 2011
	£	£
Assets		
Non-current assets		
Intangible assets	1,442,140	897,005
Property, plant and equipment	47,755	31,699
	<u>1,489,895</u>	<u>928,704</u>
Current assets		
Trade and other receivables	405,762	303,533
Cash and cash equivalents	368,655	409,770
	<u>774,417</u>	<u>713,303</u>
Total current assets	<u>774,417</u>	<u>713,303</u>
Total assets	<u>2,264,312</u>	<u>1,642,007</u>
Liabilities		
Current liabilities		
Trade and other payables	<u>633,153</u>	<u>416,719</u>
Total liabilities	<u>633,153</u>	<u>416,719</u>
Equity		
Called up share capital	273,143	218,143
Share redemption reserve	239,546	239,546
Share premium account	718,271	643,271
Share based payment reserve	12,416	4,791
Retained earnings	387,783	119,537
Total equity	<u>1,631,159</u>	<u>1,225,288</u>
Total equity and liabilities	<u>2,264,312</u>	<u>1,642,007</u>

**Consolidated and Company Cash Flow Statement
For the year ended at 31 October 2012**

	Year ended 31 October 2012	Year ended 31 October 2011
	£	£
Cash flows from operating activities		
Operating profit before tax	427,888	330,810
Amortisation	98,296	75,436
Depreciation	25,106	19,075
Share based payments	7,625	4,791
Finance costs	-	198
Finance income	(214)	(163)
Decrease/(increase) in receivables	(102,229)	155,804
(Decrease)/increase in payables	210,176	(276,781)
Corporation tax paid	(82,410)	(64,648)
Net cash inflow from operating activities	<u>584,238</u>	<u>244,522</u>
Cash flows from investing activities		
Investment in copyrights	(643,431)	(185,837)
Investment in property, plant and equipment	(41,162)	(24,871)
Finance cost	-	(198)
Finance income	214	163
Net cash used in investing activities	<u>(684,379)</u>	<u>(210,743)</u>
Cash flows from financing activities		
Purchase of own shares	-	(219,500)
Share redemption costs	-	(23,897)
Proceeds from the issue of new shares	130,000	5,000
Dividends paid	(70,974)	(14,994)
Net cash inflow(outflow) from financing activities	<u>59,026</u>	<u>(253,391)</u>
Net change in cash and cash equivalents	(41,115)	(219,612)
Cash at the beginning of the year	409,770	629,382
Cash at the end of the year	<u>368,655</u>	<u>409,770</u>

Notes to the Preliminary Results

Basis of preparation

The Company is a limited company incorporated and domiciled in England under the Companies Act 2006. The board has adopted and complied with International Financial Reporting Standards (IFRS's) as adopted by the European Union. The Company's shares are listed on the ICAP ISDX market.

Earnings per share

The calculation of earnings per share is based on the profit for the financial period of £339,220 (2011: £250,815) divided by the weighted average number of shares in issue 46,769,794 (2011: 51,474,705). The diluted earnings per share, after the exercise of warrants and share options, is calculated on a weighted average number of shares of 54,639,657 (2011: 2,208,038). The 2011 basic and diluted average number of shares is distorted because for the period 1 November 2010 to 17 December 2010, the date of the share buy back, see note 14, the Group had 91,371,339 ordinary shares in issue.

EBITDA

Earnings before interest, tax, depreciation and amortisation for the twelve months ended 31 October 2012 was £551,076 (2011: £425,356).

Directors' responsibilities

The Annual Report, including the financial information contained therein, is the responsibility of, and was approved by the directors on 21 February 2013. The continuing obligations of the ISDX Rules require that issuer's final results are in accordance with Appendix 4 of ISDX Rules and are disclosed herein.

Availability of the annual report

Copies of the Company's Report and Accounts will be sent to shareholders shortly together with the Notice of the Annual General Meeting to be held at 15.30 p.m. on Wednesday 17 April 2013 at Pinewood Studios. Copies of the Company's Report and Accounts will also be available at the registered office of the Company:

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