



Company Number 06172239

DAILY  **Internet PLC**

Consolidated Half Yearly Results 2014

6 months ended 30 September 2014

Highlights and Chairman's Statement



Daily Internet plc, the hosting and cloud infrastructure provider, is pleased to announce its unaudited interim results for the six months ended 30 September 2014.

Financial Highlights

Period under review:

- Revenue growth of 123% to £1,79m (H1 2013: £802k)
- Maiden adjusted* operating profit of £256k (H1 2013: loss £289k)
- Cash at bank at period end up 3% to £271k (H1 2013: 263k)
- Statutory loss after tax reduced 80% to £79k (H1 2013: £401k)
- Loss per share reduced 93% to 0.02p (H1 2013: 0.3p)
- *(*Operating profit, before depreciation, amortisation, acquisition and integration costs, fair value adjustment and share based payments)*

Operational Highlights

- Acquisition of Evohosting Limited for £435k – adding further critical mass to SME division
- New high calibre management team appointments in Netplan
- Netplan launch VMware Cloud platforms in 2 New York Datacentres
- 'Daily' branded business restructured and contributed earnings before interest, tax, depreciation and amortisation ("EBITDA") profit of £97k (H1 2013: loss £130k)
- All brands now EBITDA positive

Chairman's statement

Daily Internet continues to evolve as a business. We are very pleased to report our maiden EBITDA profit. However, we regrettably report that there were some management team issues which adversely affected Netplan's trading performance in the last few months of the period and as such we expect the group as a whole to be slightly behind management's expectations for the full year. I am pleased to report that we have since resolved these issues by replacing the individuals concerned with a stronger team.

We have additional changes which we hope to announce to the market in due course which will further and considerably strengthen our business offering. We expect these changes to significantly bolster us in achieving the transformation we desire - to become a Cloud SaaS provider capable of taking on much larger clients and contracts.

During the period we acquired Evohosting Limited for a cash consideration of £435k which was favourably supported through a share placing with our existing institutional investors. Evohosting has performed slightly better than we had expected and is now fully integrated into the Group.

Our Cloud capabilities continue to advance in Netplan with increases in network capacity and footprint. We successfully installed Cloud platforms in two New York datacentres, at the request of our clients, and we have plans to extend our Cloud platform to other countries to further meet the needs of our clients.

With our increased capabilities and the ongoing transformational changes we look forward with confidence.

Michael Edelson
Chairman
10 December 2014



Consolidated Interim Statement of Comprehensive Income

Six months ended 30 September 2014

	Notes	Unaudited six months to 30 Sep 2014 £,000	Unaudited six months to 30 Sep 2013 £,000	Audited year to 31 Mar 2014 £,000
Revenue		1,785	802	2,331
Cost of sales		(693)	(425)	(1,045)
Gross profit		1,092	377	1,286
Operating expenses before depreciation, amortisation, acquisition and integration costs, fair value adjustment and share based payments		836	666	1,331
Operating profit (loss) before depreciation, amortisation, acquisition and integration costs, fair value adjustment and share based payments		256	(289)	(45)
Depreciation		119	52	166
Amortisation of intangibles		122	-	82
Acquisition and integration costs		102	-	276
Fair value adjustment		3	-	(21)
Share based payments		(18)	-	33
Administrative expenses		(1,164)	(718)	(1,867)
Loss from operations		(72)	(341)	(581)
Investment income		-	-	-
Finance costs		(31)	(60)	(95)
Loss before taxation		(103)	(401)	(676)
Taxation		24	-	-
Total comprehensive loss attributable to the equity holders of the company		(79)	(401)	(676)
Basic and fully diluted loss per share	2	£0.0002	£0.003	£0.003

The Group's results are derived from continuing operations.

Consolidated Interim Statement of Financial Position

As at 30 September 2014

	Unaudited 30 Sep 2014 £,000	Unaudited 30 Sep 2013 £,000	Audited 31 Mar 2014 £,000
Assets			
Non-current assets			
Goodwill	2,794	392	2,576
Intangible assets	1,710	-	1,465
Plant, property and equipment	572	278	482
	5,076	670	4,523
Current assets			
Trade and other receivables	369	42	344
Cash and cash equivalents	271	263	999
	640	305	1,343
Total Assets	5,716	975	5,866
Equity and Liabilities			
Equity attributable to the equity shareholders of the parent			
Called up share capital	2,246	595	2,038
Share premium reserve	6,782	3,438	6,185
Share based payment reserve	188	173	206
Retained losses	(5,415)	(5,061)	(5,336)
	3,801	(855)	3,093
Non-current liabilities			
Obligations under finance leases	154	82	100
Convertible loan notes	101	269	101
Deferred taxation	357	-	308
Other loans	-	605	-
	612	956	509
Current liabilities			
Trade and other payables	1,056	791	1,021
Contingent consideration due on acquisitions	-	-	933
Convertible loan notes	163	-	163
Obligations under finance leases	84	83	147
	1,303	874	2,264
Total Equity and Liabilities	5,716	975	5,866

Consolidated Interim Statement of Changes in Equity

Six months ended 30 September 2014

	Attributable to equity holders of the parent				Total £,000
	Share capital	Share premium account	Other reserve	Accumulated losses	
	£,000	£,000	£,000	£,000	
At 1 April 2013	595	3,438	173	(4,660)	(454)
Loss and total comprehensive income for the year	-	-	-	(401)	(401)
At 30 September 2013	595	3,438	173	(5,061)	(855)
Loss and total comprehensive income for the period	-	-	-	(275)	(275)
Issue of share capital	1,443	2,944	-	-	4,387
Expenses of share issue	-	(197)	-	-	(197)
Movement in share option reserve	-	-	33	-	33
At 31 March 2014	2,038	6,185	206	(5,336)	3,093
Loss and total comprehensive income for the period	-	-	-	(79)	(79)
Issue of share capital	208	623	-	-	831
Expenses of share issue	-	(26)	-	-	(26)
Movement in share option reserve	-	-	(18)	-	(18)
At 30 September 2014	2,246	6,782	188	(5,415)	3,801

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share Premium	Amount subscribed for share capital in excess of nominal values.
Other Reserve	Amount reserved for share based payments to be released over the life of the instruments.
Accumulated losses	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Consolidated Interim Statement of Cash Flows

Six months ended 30 September 2014

	Unaudited six months to 30 Sep 2014 £,000	Unaudited six months to 30 Sep 2013 £,000	Audited year to 31 Mar 2014 £,000
Cash flows used in operating activities			
Loss after tax	(79)	(401)	(676)
Adjustments for:			
Depreciation and other amortisation	241	52	248
Fair value adjustment on contingent consideration	3	-	(21)
Finance costs	31	60	95
Acquisition and integration costs	102	-	276
Share based payments	(18)	-	33
Operating cash flows before movement in working capital	280	(289)	(45)
Decrease/(increase) in trade and other receivables	(14)	7	160
(Decrease)/increase in trade and other payables	(63)	42	(44)
Taxation paid	(95)	-	-
Net cash flow from operating activities	108	(240)	71
Cash flows from investing activities			
Payments to acquire property, plant & equipment	(125)	-	(38)
Acquisition and integration costs	(94)	-	(233)
Payment for acquisitions net of cash received	(916)	-	(2,640)
Net cash used in investing activities	(1,135)	-	(2,911)
Cash flows from financing activities			
Issue of ordinary share capital	411	-	3,428
Drawdown of loan facility	-	200	200
Loan note interest paid	(13)	(13)	(26)
Interest element of finance lease payments	(18)	(19)	(38)
Capital repayment of finance leases	(81)	(38)	(98)
Net cash from financing activities	299	130	3,466
Net (decrease)/increase in cash and cash equivalents	(728)	(110)	626
Cash and cash equivalents at the beginning of the period/year	999	373	373
Cash and cash equivalents at the end of the period/year	271	263	999

Notes to the Consolidated Interim Financial Statements

Six months ended 30 September 2014

1 Accounting policies

The financial information for the year ended 31 March 2014 set out in this half yearly report does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The figures for the year ended 31 March 2014 have been extracted from the Group financial statements for that year. Those financial statements have been delivered to the Registrar of Companies and included an independent auditor's report, which was unqualified and did not contain a statement under section 493 of the Companies Act 2006.

The half yearly financial information has been prepared using the same accounting policies and estimation techniques as will be adopted in the Group financial statements for the year ending 31 March 2015. The Group financial statements for the year ended 31 March 2014 were prepared under International Financial Reporting Standards as adopted by the European Union. These half yearly financial statements have been prepared on a consistent basis and format with the Group financial statements for the year ended 31 March 2014. The provisions of IAS 34 'Interim Financial Reporting' have not been applied in full.

The half year financial statements to 30 September 2014 have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board

2 Loss per share

	Unaudited six months to 30 Sep 2014	Unaudited six months to 30 Sep 2013	Audited year to 31 Mar 2014
Loss for the financial year attributable to shareholders	£79,000	£401,000	£676,000
Weighted number of equity shares in issue	428,022,700	118,984,892	217,600,479
Basic/diluted loss per share	£0.0002	£0.003	£0.003

Since the conversion of potential ordinary shares to ordinary shares would decrease the net loss per share, they are not dilutive. Accordingly diluted loss per share is the same as basic loss per share.

3 Subsequent events

There have been no events subsequent to the period end.

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