

TEN ALPS COMMUNICATIONS PLC ("TEN ALPS")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2001

Financial Highlights

Results for six months ended 30 September 2001, during which time (July 27) the company underwent a reverse takeover and name change from Osprey Communications to Ten Alps.

- Operating profit of £74,000 up from a corresponding loss of (£647,000) in the same period last year.
- Net Profit was £71,000 compared to a loss of (£719,000) before exceptionals in the previous period.
- Turnover from continuing operations up 11% and operating profit from continuing operations up 63%.
- EBITDA of £159,000 compared to a loss of (£458,000) on turnover of £3.75m.
- Cash balance at end of period was £2.9m compared to an overdraft of (£420,000).
- Net current assets of £2.7m compared to net current liabilities of (£2.05m) in 2000.
- Equity shareholders' funds were £5.49m compared to a deficit of (£1.90m).

Operational Highlights

- Increased revenues in advertising businesses, despite general downturn during the period.
- Client list during month of October 2001 alone for event marketing and production now includes Sony, Microsoft, BBC, BSkyB, EMI, Ford, NCR, Flextech and Music Choice.
- Interim results do not include recent acquisition (October 17) of events company Pacesetter, which showed profits before excess directors' pay of £419,000 on turnover of £3.17m in year to May 31, 2001.
- Interim results include only two months' contributions from Ten Alps Broadcasting and Dr Party.

Chairman's Statement

Ten Alps Communications is about 'bringing brands to life,' whether that be through event marketing or advertising.

It is targeting what many see as a new space in the media between production and advertising – one which in our view has no dominant, global player.

During the past year, companies now forming the Ten Alps group have served over 70 companies with such skills. We believe this is a broad client base for a company this size (roughly one client per employee). This contributed to reassuringly stable revenues in the face of a wider advertising slowdown.

After an absence of three years profits have now returned to the company. Profitability, as well as growth, was a key part of the reverse takeover and renaming of the company as Ten Alps.

We now have a sturdy base going forward. We have a much stronger balance sheet, substantial cash in the bank, and a focussed management team under Chief Executive Alex Connock.

We also have considerable depth of experience amongst the managers at subsidiary level – such as events and branding expert Tim Spencer at Pacesetter and advertising executive Roger Maber at Osprey RMA. Both have delivered six-figure profits every year for the last four years.

Building on our client base, we have now targeted international growth around sporting events such as Formula One Grand Prix. We have also increased our TV and radio production levels, both because these are profitable undertakings, and also because they are key commodities in content provision for brands.

We are keeping separate brands at subsidiary level because clients expect best-in-class services from specialists. So Dr Party can offer corporate entertainment to Microsoft, whilst Pacesetter can offer the more sober annual reports presentation service to EMI. Some integration of clients and sharing of cost bases between divisions is taking place behind the scenes.

During the next six months your board will continue to look at appropriate acquisitions targeted at strengthening its offering in event marketing.

We will strike a balance between considering the kind of internal investment that will target steeper revenue growth in the long term, and of pursuing prudent, shorter-term profit. In these uncertain times, we believe this mix of prudence and acceleration is appropriate.

Brian Walden

Chairman

Ten Alps Communications PLC

21 November 2001

Financial Overview

Profit and Loss Account

Highlights above show the benefits of the Group's recent restructuring, with group profitability improving significantly. Interest payments have ceased, reflecting strong cashflow and the recent share placing. The results reflect the acquisition of Ten Alps and Dr Party only for the 2 months of August and September 2001.

Net profit is £71,000 for the six months whilst for the whole financial year to 31 March 2001 the Group reported losses of (£129,000). The Group has reported operating profits of £74,000 compared to operating losses of (£466,000) after discounting the gain on the disposal of the discontinued operations for the previous year.

Balance Sheet

At 30 September 2001 Group had a cash balance of £2.9m and net current assets of £2.7m. After the restructuring and share placement the Group's net assets strengthened from £71,000 to £5.49m as at 30 September 2001.

Due to acquisitions, the Group has goodwill of £2.498m, which is being amortised over 10 years. The charge for the period was (£45,000).

Nitil Patel

Finance Director

Ten Alps Communications PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

SIX MONTHS ENDED 30 SEPTEMBER 2001

	Notes	Six months ended 30 September 2001			Six months ended 30 September 2000			
		Continuing Operations Unaudited £'000	Acquisitions Unaudited £'000	Discontinued Operations Unaudited £'000	Total Unaudited £'000	Continuing Operations Unaudited £'000	Discontinued Operations Unaudited £'000	Total Unaudited £'000
Turnover		3,459	294		3,753	3,112	2,451	5,563
Cost of sales		(2,296)	(141)		(2,437)	(2,049)	(1,309)	(3,358)
Gross profit		1,163	153		1,316	1,063	1,142	2,205
Administrative expenses		(1,096)	(146)		(1,242)	(1,022)	(1,830)	(2,852)
Operating profit/(loss)		67	7		74	41	(688)	(647)
Profit on disposal of businesses						-	1,247	1,247
Goodwill previously written off to reserves written back on disposal								
Profit on ordinary activities before interest		67	7		74	41	559	600
Net interest receivable/(payable)					20			(72)
Profit on ordinary activities before tax					94			528
Tax charge					(22)			-
Profit on ordinary activities after tax					72			528
Minority Interest					(1)			-
Retained profit/(loss) for the period					71			528
Basic earnings/(loss) per share					0.2p			1.76p
Adjusted earnings/(loss) per share					0.2p			(2.39p)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2001

	Notes	Year ended 31		
		March 2001		
		Continuing Operations	Discontinued Operations	Total
		Audited £'000	Audited £'000	Audited £'000
Turnover		6,523	2,445	8,968
Cost of sales		(4,267)	(1,314)	(5,581)
Gross profit		<u>2,256</u>	<u>1,131</u>	<u>3,387</u>
Administrative expenses		(1,985)	(1,868)	(3,853)
Operating profit/(loss)		<u>271</u>	<u>(737)</u>	<u>(466)</u>
Profit on disposal of businesses		-	1,239	1,239
Goodwill previously written off to reserves written back on disposal		-	(807)	(807)
Profit on ordinary activities before interest		<u>271</u>	<u>(305)</u>	<u>(34)</u>
Net interest receivable/(payable)				(95)
Profit on ordinary activities before tax				<u>(129)</u>
Tax charge				-
Profit on ordinary activities after tax				<u>(129)</u>
Minority Interest				-
Retained profit/(loss) for the period				<u>(129)</u>
Basic earnings/(loss) per share				(0.13)p
Adjusted earnings/(loss) per share				0.68p

CONSOLIDATED BALANCE SHEETS

	As at 30 September 2001 Unaudited £ '000	As at 30 September 2000 Unaudited £ '000	As at 31 March 2001 Audited £ '000
Fixed assets			
Intangible	2,498	-	80
Tangible assets	306	149	140
	2,804	149	220
Current assets			
Work in progress	-	21	34
Debtors	1,357	1,125	1,336
Cash at Bank	2,907	-	115
	4,264	1,146	1,485
Creditors			
Amounts falling due within one year	1,538	3,192	1,634
	2,726	(2,046)	(149)
NET CURRENT ASSETS/LIABILITIES			
Total assets less current liabilities	5,530	(1,897)	71
Creditors			
Amounts falling due after more than one year	(38)	-	-
	5,492	(1,897)	71
	5,492	(1,897)	71
Capital and reserves			
Called up share capital	786	7,516	267
Share premium account	5,356	438	527
Minority Interest	2	-	-
Profit and loss account	(652)	(9,851)	(723)
	5,492	(1,897)	71
Equity shareholders' funds	5,492	(1,897)	71