



ANT plc INTERIM REPORT

for the six months ending 30 June 2010

FIRST HALF HIGHLIGHTS

- New market opportunities for ANT as Germany, France and the UK begin to invest and launch products and services in the connected TV market
- New licences won with leading device manufacturers
- Gross margin 85% on revenue of £2.1m
- Maintained investments in research and development whilst cash consumption reduced
- Product offering for connected TV well received
- Continued realignment of commercial focus to new, potentially larger markets

ABOUT ANT PLC

ANT plc (www.antplc.com) develops and deploys embedded software solutions and services for the TV industry. Its ANT Galio Suite, a browser, client and applications stack, is an open standards based, flexible application & middleware solution for a wide range of consumer TV platforms. Using its experience of TV, ANT provides powerful solutions to its customers by combining consultancy and engineering services with its highly capable platform products.

ANT enables media driven organisations to quickly create and roll-out innovative and successful applications and TV services, enabling operators to attract new subscribers, reduce churn and increase average revenue per user. ANT's software has been extensively deployed by customers throughout the world including Amino, Cisco, Chunghwa Telecom, HwaCom, France Telecom, Humax, Philips, Pirelli, Sagem, Samsung, SaskTel, Telecom Italia, Thomson and YouSee.

ANT plc's shares are listed on AIM, a London Stock Exchange regulated market, under the ticker ANTP (Reuters: ANTPL, Bloomberg: ANTP.LN).

KEY FIGURES

	H1 2010	H1 2009
Revenue	£2.1m	£2.0m
Gross Margin	£1.8m	£1.6m
Gross Margin (%)	85%	83%
Loss from Operations	£(0.5m)	£(0.9m)
Cash outflow	£0.4m	£0.6m
Cash and Cash equivalents	£4.6m	£5.1m
Loss per share	(0.02)p	(0.04)p

ANT (LSE AIM: ANTP), a leading provider of software solutions and services for the TV industry, is pleased to announce its unaudited interim results for the six months ended 30 June 2010.

Royston Hoggarth, Chairman of ANT, commented:

“ANT has made steady progress in the first half of the year. The Company continues to build strong relationships with leading players in the global digital TV market with device manufacturers, operators, broadcasters and semiconductor vendors which bodes well for entry into additional markets in the future. The Board and management remain confident that ANT is well positioned at the heart of the connected TV market and with an increasing level of consumer and industry interest in this market, ANT occupies a central position within an industry poised for growth.”

CHAIRMAN'S REVIEW

ANT has delivered a steady performance in the traditionally weaker first half of the year, whilst maintaining continued focus on product development. Key metrics for the period are in line with management's expectations and the market for digital TV continues to evolve in a manner supportive of our growth strategy.

There continues to be a real technological revolution in the TV industry and ANT's software, which supports the convergence of internet and TV services, is at its very forefront. This progression to connected TVs, devices that are connected to the internet enabling the delivery of web based services to the TV, is moving ANT into the mainstream. ANT's client software and browser products allow operators, broadcasters and device manufacturers to deliver additional TV services such as Video-on-Demand, catch-up TV, Internet Radio, detailed programme information and games to consumers. ANT's unique software supports a dynamic, interactive user experience that remains flexible to allow the introduction of new services on a regular basis.

We have seen evidence during the half that the interest in these services continues to broaden. An area of particular note is the migration of highly successful, traditionally PC-based on-demand TV players, such as BBC iPlayer into the living room via TV devices and the increasing momentum behind the cross-industry hybrid TV initiative, HbbTV (Hybrid Broadcast Broadband TV) in which ANT continues to play a central role.

To be effective in this new and larger market we have realigned our commercial focus, and with the ANT client middleware extending the historic browser product lines we are seeing the reach for our product portfolio increasing into the broader connected TV market.

There is an increasing awareness in the market that ANT has considerable depth of expertise, not only in product offerings but also the ability to consult on wider issues surrounding content delivery. This means that ANT is often involved in early stage system design, leveraging our core skills and abilities in the delivery of compelling user experiences to the consumer. The characteristics of these new customers will drive the volume gearing in the business although, given the nature of these organisations' internal processes, time to product launch is often elongated.

FINANCIAL REVIEW

During the six months to 30 June 2010, revenues rose by 5% to £2.1m compared to H1 2009 (H1 2009: £2.0m). The revenue mix changed in the period producing an increase in the percentage contributed by Professional Services revenue, £0.7m (H1 2009: £0.4m), whilst the Group's licence and royalty revenue decreased to £1.4m (H1 2009: £1.6m). Professional services revenues are received once engagement has begun with a new customer or in support of a new deployment opportunity with an existing customer. This shift in revenue type is an indication of increased customer activity in addressing new deployments.

Unit shipments in the period remained broadly stable at 1.5m units (H1 2009: 1.6m) as did the total number of shipping customers (27) and the number of customers shipping over 50,000 units (7).

Operating costs decreased by 23% whilst investment in R&D in the product range remained stable in the period. The loss from operations was reduced to £0.5m (H1 2009: £0.9m).

The average exchange rate for H1 2010 was US \$1.56:£1 (H1 2009: \$1.59:£1), with the fluctuations in rates during the period leading to a £0.03m credit to the income statement (H1 2009: charge of £0.09m).

Finance revenue in the period fell to £0.02m (H1 2009: £0.06m) reflecting the general decrease in interest rates.

Net cash outflow during the period was £0.4m (H1 2009: £0.6m). The Group continues to manage its cost base and cash resources prudently and ended the period with cash balances of £4.6m compared with £5.1m at the end of H1 2009.

The Directors are not declaring the payment of a dividend.

OPERATIONAL REVIEW

New Licensees

During the period, ANT signed five new licence deals for elements of the ANT platform with some of the world's leading players in the digital TV market. These include device manufacturer Topfield and the global high tech telecommunications company KATHREIN-Werke KG, which will incorporate the ANT Galio Platform into set-top boxes targeting various European markets using both its Kathrein and TechnoTrend Görler consumer brands.

Open Standards

Standards are important to our market as they provide a framework to drive volume deployments across multiple geographical regions. For many years ANT has demonstrated a strong commitment to open standards, and is now seeing the benefit of the investment made in its open standards approach to software development. ANT is an active member of both Web standards and relevant TV-related standards activities. Open standards offer a number of advantages for both the industry and the consumer, increasing choice for all.

ANT contributes to the Open IPTV forum (OIPF), European Telecommunications Standards Institute (ETSI), the Digital TV Group (DTG), Digital Video Broadcasting Project (DVB) and is a founding member of the HbbTV consortium.

Connected TV

The interest and activity in connected TV has increased considerably in recent months, with leading analysts such as In-Stat commenting: "TV programmes have come to the Internet. Now, the internet is coming back to TV, and savvy software engineers and smart TV producers are finding ways to create new 'hybrid' services that bring it all together. The set-top box industry is scrambling to create designs that facilitate all these new features."

Some of the key findings of recent research into connected and hybrid TV show that hybrid-capable set-top boxes are shipping today, but only a small percentage are using the capabilities. Reports suggest Western Europe will be the hot bed for development of hybrid services, and the leader for early hybrid set-top box shipments. Commentators expect the connected TV market to reach \$1.3bn by 2014.¹

ANT is centrally positioned to support the delivery of Internet based connected TV or Over-The-Top (OTT) services. ANT's Galio Platform, at the heart of many HbbTV connected set-top boxes and TVs, provides these products with their ability to integrate traditional TV with OTT, broadband TV services.

HbbTV, the major pan-European connected TV standard, harmonises the delivery of converged broadcast and broadband TV services. New, enhanced services include Video-on-Demand (VoD), catch-up TV, interactive advertising, personalisation, games and social networking and have been initially launched in Germany.

HbbTV's cross industry consortium includes

¹ Broadband TV News - Connected TV market to reach \$1.3bn by 2014 By Robert Briel

European television industry leaders, software

originally planned.

providers, hardware manufacturers, broadcasters and satellite operators. Since HbbTV was announced as an initiative in August 2009, ANT has licensed the ANT Galio HbbTV Platform to a number of set-top box manufacturers, including Humax, Kaon Media, INTEK Digital, Topfield, Kathrein and CreNova. The ANT Galio HbbTV Platform is the only complete pre-integrated HbbTV solution available and was the first to be commercially deployed when it was included within the Humax HbbTV STBs launched in Germany in December 2009. The ability to provide the building blocks necessary to deliver an HbbTV compliant solution continues to drive increased customer demand.

In April 2010, the French Government's regulatory body for TV, The Conseil Supérieur de l'Audiovisuel (CSA), announced its support for HbbTV and is expected to introduce interactive services and applications based on HbbTV in 2011. This further demonstrates an expanding market opportunity for HbbTV and ANT.

Additional customer developments

ANT continues to work with many customers on several projects, including Cisco in the development of its cable set-top box based on the ANT Galio Suite. ANT is also providing the software to power a range of set-top boxes with Humax, and has partnered with Kaon Media, to extend its product set to support visually rich interactive multimedia services based on the ANT Galio Platform. Satellite TV Operator, Arab Media Corporation (AMC), with whom ANT signed a licence in the first half of last year, has sold its TV content rights to the TV network, Aljazeera.

This means that the project that ANT successfully completed with AMC is unlikely to be deployed as

New opportunity in the 'player' market

During the first half the market has seen a continuation of the trend for broadcasters and operators to deliver on-demand TV content via 'players', for example BBC iPlayer and BSkyB's Sky Player. ANT is well positioned for the next phase of this evolution as these services migrate from the PC to the TV. ANT's platform allows set-top boxes, and iDTVs (Interactive Digital Televisions) to support the more complex delivery mechanisms involved in these on-demand services, previously only available on a PC.

OUTLOOK

ANT has made steady progress in the first half of the year. The Company continues to build strong relationships with leading players in the global digital TV market with device manufacturers, operators, broadcasters and semiconductor vendors. This broadening range of potential customers bodes well for entry into additional markets in the future.

The HbbTV connected TV specification, which is expected to be adopted across Europe, is already moving forward and gaining traction in multiple geographies.

The Board and management remain confident that ANT is well positioned at the heart of the connected TV market and with an increasing level of consumer and industry interest in this market, ANT occupies a central position within an industry poised for growth.

CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2010

	Notes	6 Months to 30 June 2010 (unaudited) £	6 Months to 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Revenue	3	2,109,558	2,014,181	4,698,510
Cost of sales		(306,806)	(333,025)	(614,210)
Gross profit		1,802,752	1,681,156	4,084,300
Administrative expenses		(1,152,334)	(1,421,732)	(2,319,675)
Research and Development expenses		(1,165,104)	(1,155,142)	(2,476,450)
Loss from operations	4	(514,686)	(895,718)	(711,825)
Finance revenue		24,571	57,209	84,397
Loss before tax		(490,115)	(838,509)	(627,428)
Tax on loss on ordinary activities		(29,681)	(76,676)	(63,700)
Loss for the year		(519,796)	(915,185)	(563,728)
Basic and Diluted Loss per ordinary share	5	(0.02)	(0.04)	(0.03)

All activities relate to continuing activities

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the six months ended 30 June 2010

	6 Months to 30 June 2010 (unaudited) £	6 Months to 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Net Income for the year	(519,796)	(915,185)	(563,728)
Other Comprehensive income for the year	-	-	-
Total Comprehensive income for the year	(519,796)	(915,185)	(563,728)

CONSOLIDATED BALANCE SHEET
as at 30 June 2010

	Notes	As at 30 June 2010 (unaudited) £	As at 30 June 2009 (unaudited) £	As at 31 December 2009 (audited) £
Non-current assets				
Intangible assets		27,113	41,514	34,495
Property, plant and equipment		103,273	126,622	116,139
		130,386	168,136	150,634
Current assets				
Trade and other receivables		1,343,696	1,069,231	1,551,428
Other financial assets	6	2,500,000	3,000,000	3,000,000
Cash and cash equivalents	6	2,113,566	2,097,791	2,050,217
		5,957,262	6,167,022	6,601,645
Total assets		6,087,648	6,335,158	6,752,279
Current liabilities				
Trade and other payables		(1,469,252)	(1,544,438)	(1,622,283)
Net assets		4,618,396	4,790,720	5,129,996
Capital and reserves				
Called up share capital		1,214,318	1,214,318	1,214,318
Share premium account		12,066,990	12,066,990	12,066,990
Merger reserve		9,787,208	9,787,208	9,787,208
Retained losses		(18,450,120)	(18,277,796)	(17,938,520)
Total equity		4,618,396	4,790,720	5,129,996

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2010

	Called up share capital	Share Premium	Merger Account	Retained Losses	Total Equity
	£	£	£	£	£
At 1 January 2009	1,214,318	12,066,990	9,787,208	(17,390,085)	5,678,431
Total Comprehensive Income	-	-	-	(915,185)	(915,185)
Share Based payment	-	-	-	27,474	27,474
At 30 June 2009	1,214,318	12,066,990	9,787,208	(18,277,796)	4,790,720
Total Comprehensive Income	-	-	-	351,457	351,457
Share Based payment	-	-	-	(12,181)	(12,181)
At 31 December 2009	1,214,318	12,066,990	9,787,208	(17,938,520)	5,129,996
Total Comprehensive Income	-	-	-	(519,796)	(519,796)
Share Based payment	-	-	-	8,196	8,196
At 30 June 2010	1,214,318	12,066,990	9,787,208	(18,450,120)	4,618,396

CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 June 2010

	Notes	6 Months to 30 June 2010 (unaudited) £	6 Months to 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Cash flows from operating activities				
Loss before tax		(490,114)	(838,509)	(627,428)
Finance revenue		(24,571)	(57,209)	(84,397)
(Gain)/Loss on disposal of property, plant and equipment		(240)	-	99
Depreciation of property, plant and equipment		37,851	35,249	72,371
Amortisation of intangible assets		10,253	12,604	24,444
Foreign exchange differences		3,346	22,554	17,448
Share-based charge/(credit)		8,196	27,474	15,293
Decrease/(increase) in debtors		208,088	420,446	(64,413)
(Decrease)/increase in creditors		(153,033)	(279,010)	(201,164)
Cash used in operating activities		(400,224)	(656,401)	(847,747)
Foreign withholding tax paid		(59,222)	(76,676)	(142,095)
Research and development tax credit		29,541	214,404	420,199
Net cash used in operating activities		(429,905)	(518,673)	(569,643)
Cash flows from investing activities				
Interest received		24,215	57,100	86,949
Purchase of property, plant and equipment		(25,868)	(61,184)	(87,922)
Purchase of intangible assets		(2,871)	(5,650)	(10,471)
Proceeds from the sale of property, plant and equipment		1,124	-	-
(Disposal of)/investment in other financial assets		500,000	500,000	500,000
Net cash (used in)/generated from investing activities		496,600	490,266	488,556
Net (decrease)/increase in cash and cash equivalents	6	66,695	(28,407)	(81,087)
Foreign exchange differences		(3,346)	(22,554)	(17,448)
Opening cash and cash equivalents		2,050,217	2,148,752	2,148,752
Closing cash and cash equivalents	6	2,113,566	2,097,791	2,050,217

In addition to the cash balance of £2,113,566 (H1 2009: £2,097,791), detailed above, the Group also holds Other Financial Assets of £2,500,000 (H1 2009: £3,000,000).

NOTES TO THE FINANCIAL STATEMENTS at 30 June 2010

1. Corporate information

ANT plc is a public limited company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire CB4 0WZ. ANT plc's shares are publicly traded on AIM (The Alternative Investment Market of the London Stock Exchange).

2. Basis of preparation and statement of compliance

The Group's interim financial statements have been prepared in accordance with the accounting policies set out in the financial statements for the year ended 31 December 2009.

The figures for the six month period to 30 June 2010 and 2009 have not been audited. Those for the year ended 31 December 2009 are the consolidated audited results from ANT plc. These accounts do not however represent statutory accounts for the purpose of s240 Companies Act 1985.

3. Segmental information

Revenue represents the amounts derived from the provision of goods and services which fall within the companies ordinary activities stated net of value added tax.

The Group has one segment, the provision of computer software licensing and consultancy, originating from the head office situated in the UK. The Chief Operating decision makers view all current activity as being related to the provision and enablement of licensed IP. The Revenue, Result, Total Assets and Liabilities of the Group all relate to this segment and are those reported in the Financial Statements. As such no reconciliation of segmental information to the Groups Financial Statements is presented.

The Group operates within three geographical markets the United States, Europe and the Rest of the World. All of the Group's non-current assets are held in the UK.

An analysis of turnover by geographical market is given below:

	6 Months to 30 June 2010 (unaudited) £	6 Months to 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
United States	654,627	639,790	1,655,689
Europe	732,175	567,732	892,279
Rest of the World	722,756	806,659	2,150,542
	2,109,558	2,014,181	4,698,510

An analysis of turnover by type is given below:

	6 Months to 30 June 2010 (unaudited) £	6 Months to 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Licence and Royalty Revenue	1,455,343	1,627,853	3,687,830
Professional Services	654,215	386,328	1,010,680
	2,109,558	2,014,181	4,698,510

No. of customers contributing more than 10% revenue	2	3	4
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The percentage contribution to revenue of customers contributing more than 10% during the period was 13% and 18% (H1 2009:13%, 14% and 15%).

Finance revenue generated during H1 2010 was £24,571 (H1 2009: £57,209).

4. Loss from operations

This is stated after charging:

	6 Months to 30 June 2010 (unaudited) £	6 Months to 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Research and Development Cost			
- Customer Specific	147,714	125,001	179,879
- Generic	1,165,104	1,155,142	2,476,450
Amortisation of intangible assets	10,253	12,604	24,444
Depreciation of property, plant and equipment	37,851	35,249	72,371
Net foreign currency differences	(42,396)	116,083	111,791
Loss on forward contract	17,159	(23,247)	(23,825)
Operating Lease Rentals			
- land and buildings	73,103	73,103	146,205
- other	-	122	-
(Gain)/Loss on disposal of tangible fixed assets	(240)	-	99
Loss on disposal of intangible assets	-	-	-

Research and development costs that are customers funded, and included in cost of sales, relate to customer specific modifications to which ANT retains the intellectual property.

5. Loss per ordinary share

The calculations of earnings per share from continuing operations are based on the loss after tax for the first 6 months of the year of £519,796 (H1 2009: £915,185) and the following weighted average number of shares:

	6 Months to 30 June 2010 (unaudited) £	6 Months to 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Loss for the period	(519,796)	(915,185)	(563,728)
Weighted average number of shares in issue	21,557,870	21,557,870	21,537,870
Basic and Diluted loss per share	(0.02)	(0.04)	(0.03)

The options have no dilutive effect on loss making years, and hence the dilutive loss per share is the same as the basic loss per share in these years.

6. Additional cash flow information

Analysis of Group net Cash	At 1 January 2010 £	Cash flow £	At 30 June 2010 £
Cash and Short Term Deposits	2,050,217	63,349	2,113,566
Other Financial Assets	3,000,000	(500,000)	2,500,000
	5,050,217	(436,651)	4,613,566

	At 1 January 2009 £	Cash flow £	At 30 June 2009 £
Cash and Short Term Deposits	2,148,752	(50,961)	2,097,791
Other Financial Assets	3,500,000	(500,000)	3,000,000
	5,648,752	(550,961)	5,097,791

	At 1 January 2009 £	Cash flow £	At 31 December 2009 £
Cash and Short Term Deposits	2,148,752	(98,535)	2,050,217
Other Financial Assets	3,500,000	(500,000)	3,000,000
	5,648,752	(598,535)	5,050,217

Short term deposits are made for varying periods of between one day and three months.

Other Financial Assets comprise of term deposits with maturity of more than three months from commencement that relate to a known amount of cash and are subject to an insignificant risk in change in value.

7. Statement of Changes in equity

Merger reserve

This represents the difference between the fair value and the nominal value of shares issued in connection with the acquisition of ANT Software Limited in March 2005.

Retained Losses

During H1 2009 120,000 options were exercised. No charge for these options has previously been reflected in the accounts as, in line with IFRS 2, they had vested before the 1 January 2006. The shares satisfying these options were released to the employees from the pool already held by the Employee benefit trust (EBT) and were reflected in the accounts by a cross charge from the EBT to retained losses amounting to £97,761, which is reflected in retained losses for the prior year.

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