Interim Results for the six months ended 31 December 2012

25/02/2013

ARCONTECH GROUP PLC ("Arcontech" or the "Group")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

Arcontech Group PLC (AIM: ARC), providers of products and services for real-time financial market data processing and trading, reports its unaudited results for the six months ended 31 December 2012.

Financial and business highlights:

• Turnover increased by 22% to £848,101 (six months to 31 December 2011: £696,797).
• Operating loss reduced by 23% to £262,850 (six months to 31 December 2011: £342,789).
• Contracted future annual recurring revenues at 31 December 2012 amount to £1.7 million (2011: £1.3 million) and cover 73% (2011: 67%) of the cost base.
• Net cash of £0.6 million at 31 December 2012.

Richard Last, Chairman of Arcontech Group, said:

With our increased level of recurring revenues and tight control of operating costs we are making solid progress towards profitability. We have continued to invest in product development whilst also adding to our sales resource, which we believe will add to the continued successful growth of the Group.

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To access more information on the Group please visit: http://www.arcontech.com

The interim report will only be available to view online enabling the Group to communicate in a more environmentally friendly and cost effective manner.

Chairman’s Statement

Turnover for the Arcontech Group for the six month period to 31 December 2012 increased by 22% to £848,101 (six month period to 31 December 2011: £696,797), due primarily to the full year effect of sales made in the second half of the last financial year. Of this, £818,145 (96%) relates to recurring annual licence fees (six month period to 31 December 2011: £672,834 (97%)) and £29,956 (4%) relates to support revenues (six month period to 31 December 2011: £23,963 (3%)). The operating loss for the period was £262,850, 23% lower than the corresponding period for the six month period to 31 December 2011 (£342,789).

New customer contracts obtained during the six month period to 31 December 2012, together with contract wins in January 2013 result in our contracted annual recurring revenues amounting to £1.9 million covering 82% of the cost base.

Financing

As at 31 December 2012 the Group had net cash balances of £602,157 (31 December 2011: £1,252,693). This reduction reflects the trading losses incurred by the Group and the continued development of our product portfolio, the cost of which is charged to the income statement as incurred. As a result of the timing of contract renewals our net cash balances as at 21 February 2013 increased to £854,206.

Board

Arcontech announced on 3 January 2013 that Andrew Miller had resigned as Chief Executive Officer to pursue other business interests. Andrew’s contribution to the growth and development of the business is greatly appreciated and we wish him every success for the future. We are currently in the process of considering candidates for this position and expect to make an announcement before the end of our financial year.

Employees

I should like to thank all of our employees for their continued hard work, dedication and support over this last six months. Their continued focus on delivering quality software and support has provided the Group with the firm foundations needed to achieve growth.

Outlook

With our increased level of recurring revenues and tight control of operating costs we are making solid progress towards profitability. We have continued to invest in product development whilst also adding to our sales resource, which we believe will add to the continued successful growth of the Group.

Richard Last
Chairman