



Ceres Media International plc

Half-yearly Report

CERES MEDIA INTERNATIONAL PLC

("Ceres" or the "Company" or the "Group")

Half Yearly Report

Chairman's Statement

Ceres is a supplier of environmentally friendly and sustainable materials for the 'Out of Home' and 'In-store' print industry and has made progress in developing and refining suitable materials for these markets.

The Board presents the results for the Company for 6 months to 31 January 2013.

The Company has continued to experience difficult trading conditions since admission of its shares to AIM in September 2011. The general lack of confidence in the marketplace has manifested itself for Ceres business in the slower than anticipated adoption of its new printing materials by both the Out of Home Advertising and In store point of sales ("POS") markets.

While year on year sales growth is clearly apparent (+168%), revenues remain significantly behind budget for the first half period for the reasons outlined above.

Operating losses versus the same period last year are significantly reduced from (£453k) to (£89k) primarily as a result of a sizeable overhead reduction programme. Further improvements in sales revenue during the second half are expected.

Shortfalls in sales revenue against projections led to the inevitable cash shortages earlier this year and the business was pleased to receive the backing of a number of key shareholders in raising a further £275,000 to permit the funding of product development initiatives and ensuring their readiness for market.

As notified in recent announcements the Company has finally received approval for use of the Tierrafilm™ Backlit product with the major 'Out of Home' owners in the UK providing the Company with access to potential advertisers in this large market place. The Company is now working with a number of high profile brand owners and media buyers to launch TierraFilm in the UK during 2013. This strategy is also being applied in North America with Tierrafilm™ Backlit materials having recently been approved for use by the first major US Shopping Mall media owner.

After experiencing numerous adhesion difficulties with the original Tierrafilm™ Window-cling a new improved variant with a light tack adhesive, as requested by end users, has been developed and market tests have now been

successfully completed. This market ready product will be introduced to the UK and North American markets during May 2013.

With the approval of NatureWoven™ materials by Hewlett Packard at the end of 2012 the Company has continued to see increasing enquiries for products from international printers and distributors with trials currently underway in a number of European countries, South America and the Middle East. The Company is hopeful this will begin to bear further fruit in the near future.

Sales of NatureWoven™ Chorus and Gossyp continue to be below the board's expectations, however, off-take has increased in North America as brands, agencies and printers increasingly become aware of how to best employ materials. The board believes this trend will continue throughout 2013.

The directors believe that Ceres now has its portfolio of products ready to take advantage of the UK and US advertisers' needs for environmentally responsible advertising and display materials. The directors believe this will finally give the Company the ability to grow and successfully exploit its products in existing, new and developing markets.

The board would like to thank shareholders for their continued support of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31st January 2013

	Notes	six months to January 2013 (unaudited) £	six months to January 2012 (unaudited) £
CONTINUING OPERATIONS			
Revenue	2	141,664	52,832
Cost of Sales		(102,532)	(32,563)
Administrative Expenses		(128,206)	(472,807)
OPERATING LOSS		(89,074)	(452,538)
Interest Income		-	-
Finance Costs		(787)	(2,407)
LOSS BEFORE TAX		(89,861)	(454,945)
Taxation		-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(89,861)	(454,945)
LOSS PER SHARE	4	0.001	0.015

CONSOLIDATED BALANCE SHEET

	At 31 January 2013 (unaudited)	At 31 January 2012 (unaudited)
ASSETS		
NON-CURRENT ASSETS		
Goodwill	-	868,088
Intangible Assets	368,977	255,213
Property, plant and equipment	4,875	15,384

	373,852	1,138,685
CURRENT ASSETS		
Inventories	296,612	403,975
Trade and other receivables	31,367	49,790
Cash and cash equivalents	9,835	79,970
	337,814	533,735
TOTAL ASSETS	711,666	1,672,420
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	5,574,070	5,260,069
Share premium	838,822	831,887
Other reserves	(3,444,553)	(3,444,553)
Retained earnings	(2,617,848)	(1,330,117)
TOTAL EQUITY	350,491	1,317,286
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	338,264	304,731
Financial liabilities	22,911	-
Interest bearing loans and borrowings	-	50,403
TOTAL LIABILITIES	361,175	355,134
TOTAL EQUITY AND LIABILITIES	711,666	1,672,420

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT 31 JANUARY 2013

	Called up Share capital £	Share Premium £	Merger reserve £	Reverse acquisition reserve £	Profit and loss account £	Total equity £
At 1 August 2012	5,574,070	838,822	1,157,850	(4,602,402)	(2,527,987)	440,353
Issue of Equity	-	-	-	-	-	-
Loss for the period	-	-	-	-	(89,861)	(89,861)
At 31 January 2013	5,574,070	838,822	1,157,850	(4,602,402)	(2,617,848)	350,491

	Called up Share capital £	Share Premium £	Merger reserve £	Reverse acquisition reserve £	Profit and loss account £	Total equity £
At 1 August 2011	5,200,348		1,157,850	(4,602,402)	(875,172)	880,624
Issue of Equity	59,721	831,887	-	-	-	891,607
Loss for the period	-	-	-	-	(454,945)	(454,945)
At 31 January 2012	5,260,069	831,887	1,157,850	(4,602,402)	(1,330,117)	1,317,286

CONSOLIDATED STATEMENT OF CASHFLOWS

As at 31 January 2013

	six months to January 2013 (unaudited) £	six months to January 2012 (unaudited) £
Cash flows from operating activities		
Loss before tax	(89,861)	(454,945)
Depreciation charges	268	2,405
Investment income	-	-
(Increase)/decrease in inventories	44,330	(241,312)
(Increase)/decrease in trade and other receivables	80,971	48,523
Increase/(decrease) in trade and other payables	14,913	(231,983)
Net cash from operating activities	50,621	(877,312)
Cash flows from investing activities		
Purchase of intangible fixed assets	(14,437)	(31,907)
Purchase of tangible fixed assets	-	(6,327)
Net cash from investing activities	(14,437)	(38,234)
Cash flows from financing activities		
New loans in the year	-	109,005
Issue of equity net of costs	-	891,609
Repayment of loan	-	(58,602)
Finance interest paid	(787)	(2,407)
Net cash from financing activities	(787)	939,605
Increase/(decrease) in cash and cash equivalents	35,397	24,059
Cash and cash equivalents at the beginning of period	(48,472)	55,911
Cash and cash equivalents at end of period	(13,075)	79,970

NOTES TO HALF YEARLY REPORT

1. GENERAL INFORMATION

Ceres Media International plc is a public limited company incorporated and domiciled in the United Kingdom with its shares listed on the AIM market of the London Stock Exchange.

The principal activity of the Group is the development, production and provision of 100% natural and compostable printing materials to the advertising and point of sale markets.

The Ultimate parent company of the Group is Ceres Media International plc whose principle place of business is 81 Rivington Street, London, EC2A 3AY and registered office is 1 Charterhouse Mews, London, EC1M 6BB.

The interim financial statements for the period ended 31 January 2013 (including the comparatives for the period ended 31 January 2012) were approved by the Board of Directors on 24 April 2013. Under the Security Regulations Act of the European Union ("EU"), amendments to the financial statements are not permitted after they have been approved.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 July 2012, prepared under International Financial Reporting Standards ("IFRS"), have been filed with the Registrar of Companies. The auditor's report on those financial

statements was unqualified and did not contain statements under Sections 498(2) and 498(3) of the Companies Act 2006.

The interim financial information has been prepared using the accounting policies set out in the Group's 2012 statutory accounts. Copies of the annual statutory accounts and the interim report may be obtained by writing to Ceres Media International plc, 81 Rivington Street, London EC2A 3AY and can be found on the Company's website at www.ceresmediapl.com

2. SEGMENTAL REPORTING

	six months to January 2013 £	six months to January 2012 £
EU	8,266	36,443
Rest of the world	133,398	16,389
	141,664	52,832

3. EXCEPTIONAL ITEMS

There were no exceptional items during the period.

4. EARNINGS/(LOSS) PER SHARE

The calculation of earnings per share is based on the net result and ordinary shares in issue during the period as follows:

	six months to January 2013 £	six months to January 2012 £
Loss for the financial period	89,861	454,945
Weighted average shares in issue in the period	63,373,961	30,978,591
Loss per share	0.001	0.015

5. SHARE CAPITAL

During the period Ceres Media International plc had the following shares in issue.

	Ordinary shares of 20p/1p each
In issue 1 August 2012	63,373,961
Issued during the period	-
In issue 31 January 2013	
Weighted average shares in issue in the period	63,373,961

For further information, please contact:

Ceres Media International PLC	Tel: 020 3178 5622
Alex Dowdeswell/Leslie Barber	
Nominated Adviser, Cairn Financial Advisers LLP	Tel: 020 7148 7900
Liam Murray/Jo Turner	
Broker, XCAP Securities PLC	Tel: 202 7101 7070
Jon Bellis	