

microgen plc

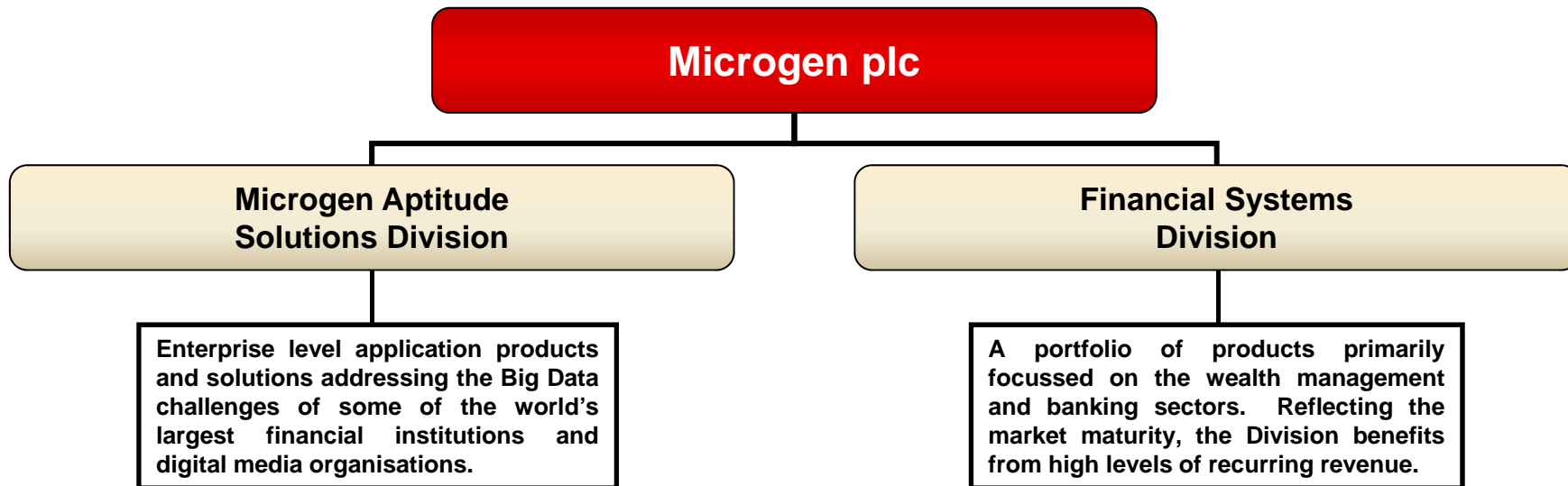
Interim Results for the six months ended 30 June 2013

**Martyn Ratcliffe
David Sherriff
Philip Wood**

**Chairman
Chief Executive Officer
Group Finance Director**

22 July 2013

**To be read in conjunction with the interim results
announcement released on 22 July 2013**



- 49% of Group Revenue
- 54% recurring revenue
- 20% operating margin

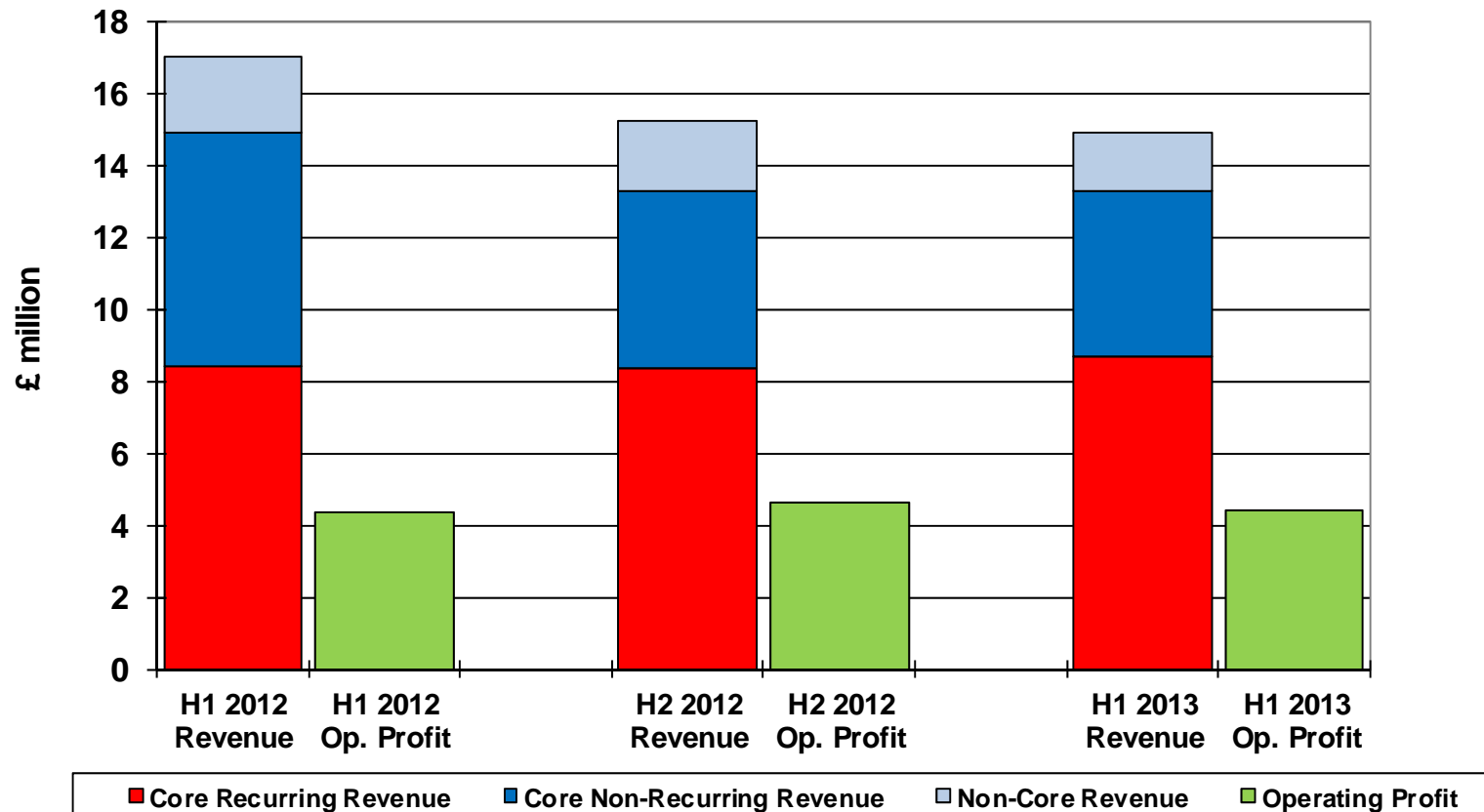
- 51% of Group Revenue
- 80% recurring revenue
- 54% operating margin

- Satisfactory performance with good operating margins and high recurring revenues
- MASD annual software licence and recurring revenue growth of 10%
- Operating margins increased to 30% (H1, 2012: 26%).
- Operating profit maintained at £4.4 million.
- Basic EPS 4.2 pence (H1, 2012: 4.2 pence)
- Strong balance sheet with net cash at 30 June 2013 of £26.8 million (H1, 2012: £27.1 million) after returning £7.2 million of cash to shareholders in the last twelve months
- Interim dividend of 1.1 pence per share (H1, 2012: 1.1 pence)

Group Revenue

microgen

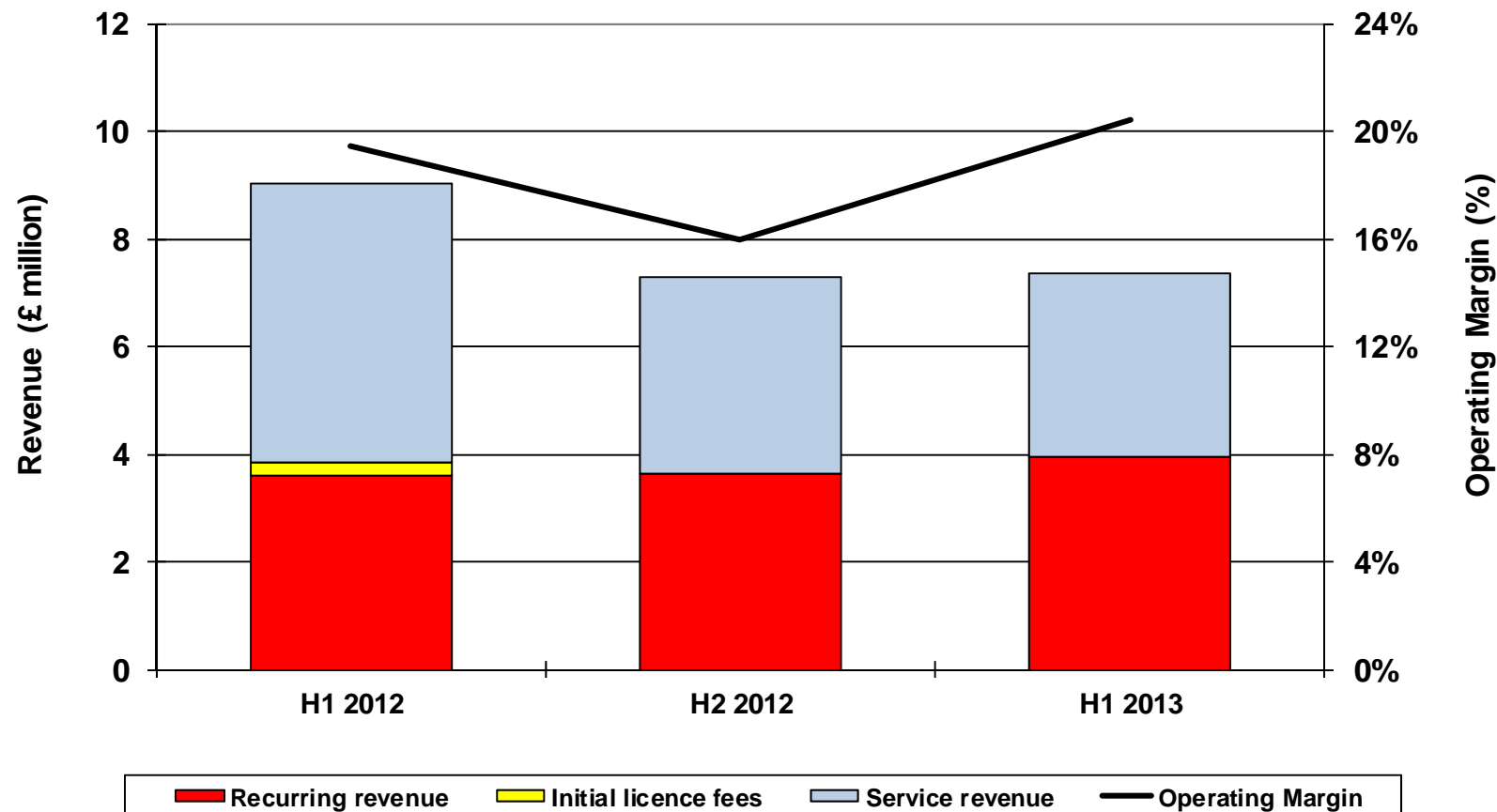
- Satisfactory performance in Core Business activities
- Growth in Core Business software licence and recurring revenue
- Operating profit maintained at £4.4 million benefitting from higher proportion of annual software licences and other recurring revenue



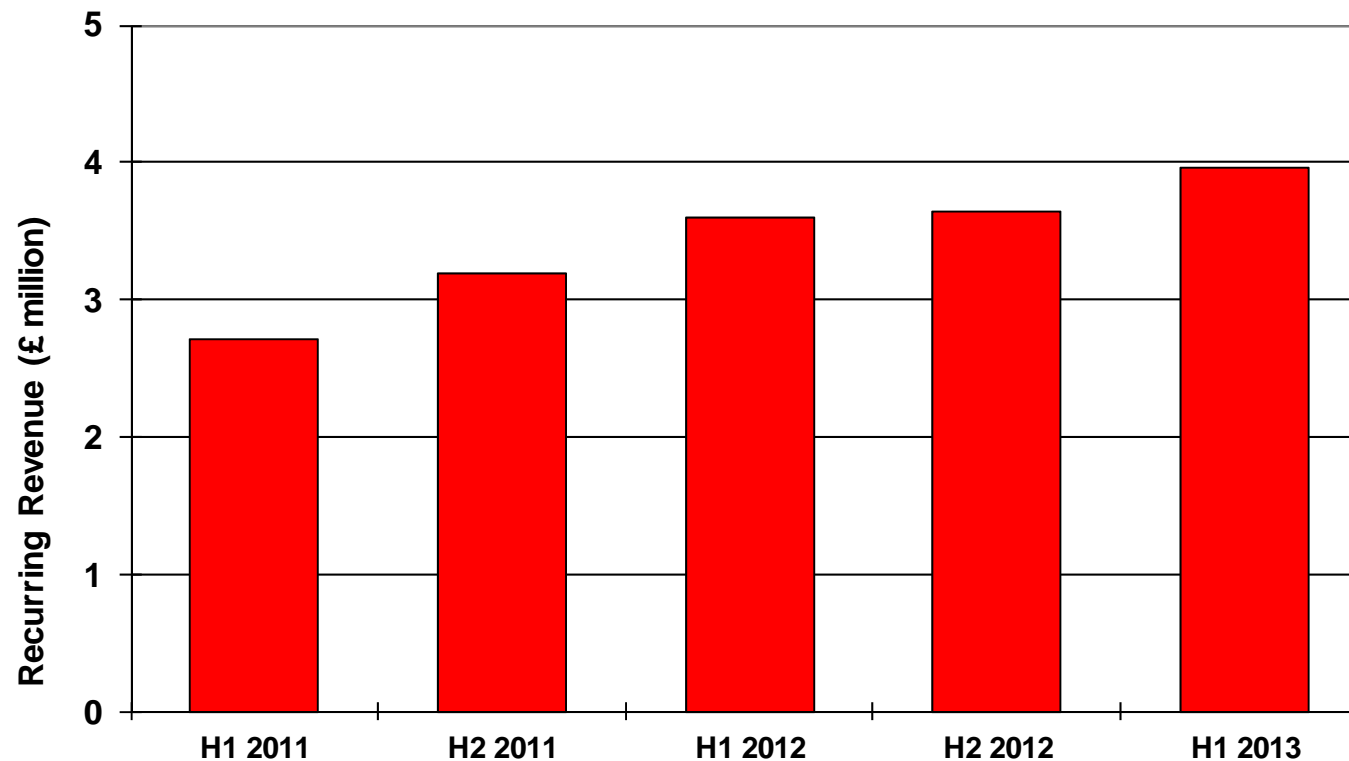
Microgen Aptitude Solutions Division

microgen

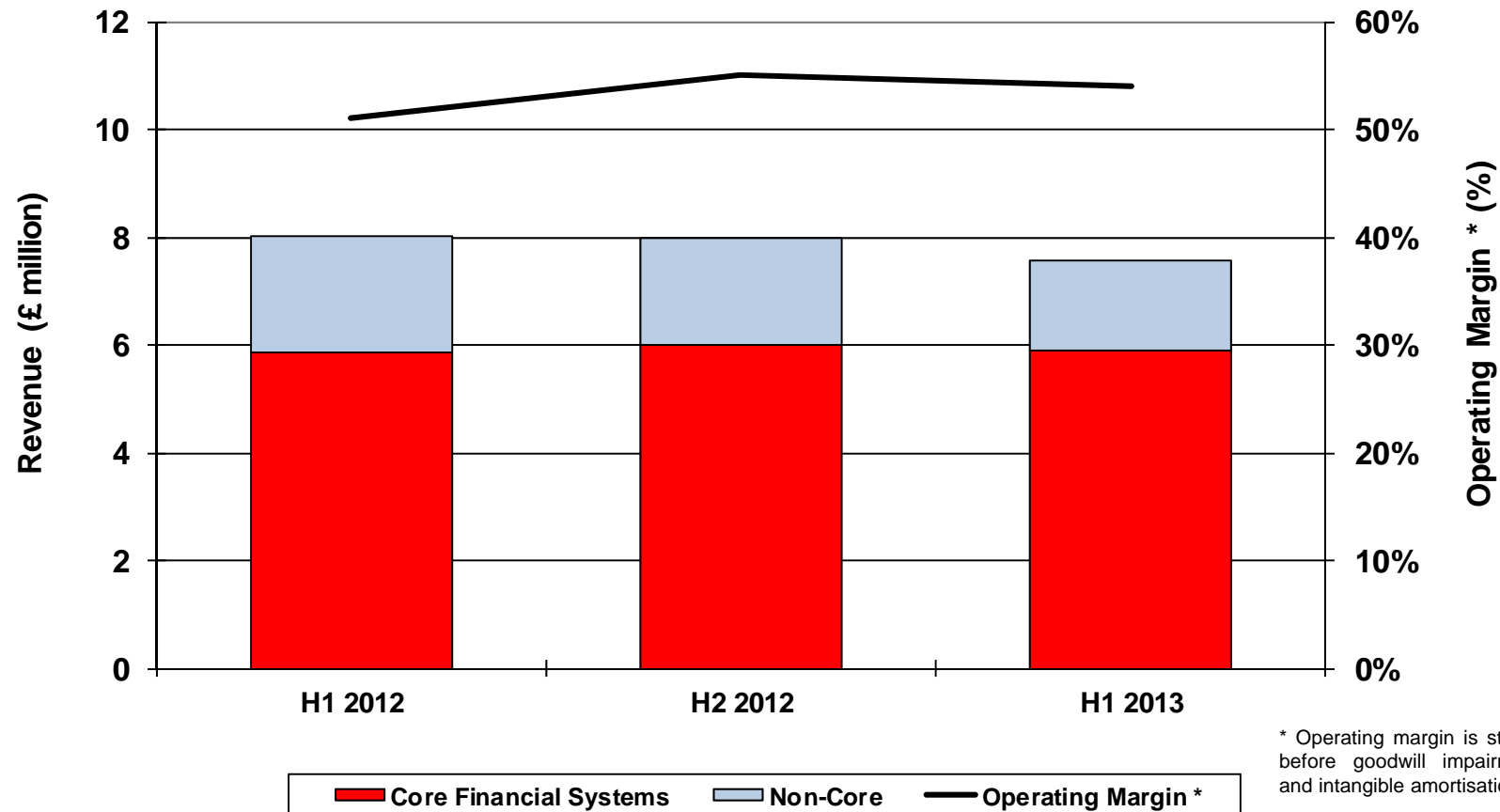
- Growth in annual software licences and other recurring revenue of 10%
- Overall revenue of £7.4 million marginally ahead of H2 2012 yet below H1 2012 revenue of £9.0 million due to reduction in consultancy revenue
- Discussions progressing to develop further the Division's channel strategy



- Continued growth in the proportion of Microgen Aptitude Solutions Division software and recurring revenue is consistent with the value enhancement strategy for the division



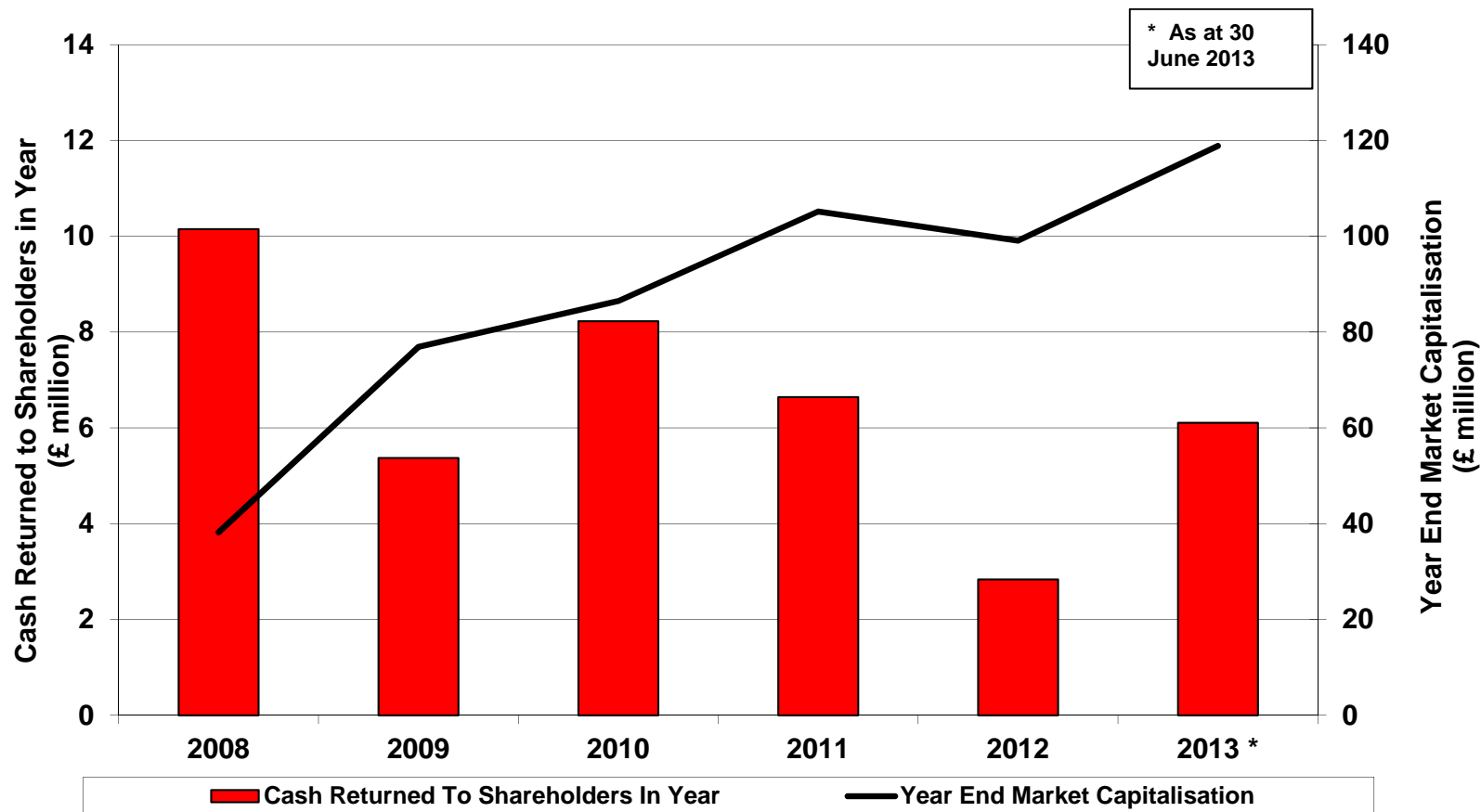
- Revenue of £7.6 million (H1, 2012 : £8.0 million) with stable core financial systems
- 5Series trust & fund software making good progress following investment in product
- Operating margins increased to 54% (H1, 2012 : 50%)
- High recurring revenue levels from diverse client base



Delivering Shareholder Value

microgen

- £7.2 million of cash returned to shareholders in the last twelve months via dividend, special dividend and share buy back
- The Group has returned 100% of its market capitalisation as at October 2008



- Satisfactory performance with good operating margins and high recurring revenues
- Continued growth in the proportion of Microgen Aptitude Solutions Division software and recurring revenue is consistent with the value enhancement strategy for the division. Consultancy revenue declined as anticipated.
- Core revenues in Financial Systems Division remain stable with good progress in Wealth Management sector. Good margins maintained.
- Strong balance sheet with cash at 30 June 2013 of £26.8 million
- The Group has returned 100% of its market capitalisation as at October 2008

Appendix

Group Income Statement

microgen

	Six months ended 30 June 2013 £000	Six months ended 30 June 2012 £000	Year ended 31 December 2012 £000
Revenue			
Microgen Aptitude Solutions Division	7,376	9,038	16,316
Financial Systems Division	7,569	8,011	16,002
Total revenue	14,945	17,049	32,318
Operating costs (excl. Group overheads)	(9,369)	(11,316)	(21,094)
Operating profit before Group overheads	5,576	5,733	11,224
Operating profit before Group overheads (by division)			
Microgen Aptitude Solutions Division	1,505	1,761	2,928
Financial Systems Division	4,071	3,972	8,296
	5,576	5,733	11,224
Group overheads	(1,133)	(1,357)	(2,211)
Operating profit	4,443	4,376	9,013
Net finance income	67	97	174
Profit before tax	4,510	4,473	9,187
Taxation	(1,037)	(1,074)	(2,238)
Net profit for the period	3,473	3,399	6,949

Group Balance Sheet

microgen

	As at 30 June 2013 £'000	As at 30 June 2012 £'000	As at 31 Dec 2012 £'000
ASSETS			
Non-current assets			
Goodwill	41,774	41,774	41,774
Intangible assets	-	59	-
Property, plant and equipment	5,277	5,451	5,391
Deferred income tax asset	1,016	1,311	1,041
	48,067	48,595	48,206
Current assets			
Trade and other receivables	4,178	4,975	3,163
Financial assets – derivative financial instruments	51	-	69
Cash and cash equivalents	26,783	27,125	32,134
	31,012	32,100	35,366
LIABILITIES			
Current liabilities			
Financial liabilities - derivative financial instruments	(67)	(156)	(15)
Trade and other payables	(15,416)	(17,441)	(17,845)
Current income tax liabilities	(1,146)	(1,015)	(742)
Provisions for other liabilities and charges	(38)	(107)	(42)
	(16,667)	(18,719)	(18,644)
Net current assets	14,345	13,381	16,722
Non-current liabilities			
Provisions for other liabilities and charges	(255)	(134)	(256)
	(255)	(134)	(135)
NET ASSETS	62,157	61,842	59,975

Group Cash Flow

microgen

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 Dec 2011 £'000
Cash flows from operating activities			
Cash generated from operations	1,416	2,901	10,348
Tax paid	(633)	(827)	(2,023)
Net cash generated from operating activities	783	2,074	8,325
Cash flows from investing activities			
Interest received	(282)	(267)	(624)
Purchase of property, plant and equipment	67	97	174
Net cash generated used in investing activities	(215)	(170)	(450)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	181	48	59
Dividends paid	(6,108)	(1,794)	(2,691)
Purchase of own shares	-	-	(146)
Net cash used in financing activities	(5,927)	(1,746)	(2,778)
Net increase in cash and cash equivalents	(5,359)	158	5,097
Opening cash and cash equivalents	32,134	26,971	26,971
Effects of exchange rate changes	8	(4)	66
Closing cash and cash equivalents	26,783	27,125	32,134

microgen

microgen
www.microgen.com