CONNECTING THE ENTERTAINMENT EXPERIENCE

Amino Technologies plc
Interim Report 2011

ABOUT
AMINO TECHNOLOGIES PLC

Amino Technologies plc specialises in the development and delivery of IPTV and hybrid/OTT solutions. With over three million devices sold to 850 customers in 85 countries, Amino's award-winning solutions are deployed by major network operators and service providers worldwide. Amino Technologies plc is listed on the London Stock Exchange Alternative Investment Market (AIM: symbol AMO). It is headquartered near Cambridge, in the UK, with offices in the US, China and Sweden. For more information, please visit www.aminocom.com

HIGHLIGHTS

FINANCIAL **OVERVIEW**

- 36.2% increase in revenue to £24.7m (H1 2010: £18.1m) - Third consecutive H1 revenue growth
- 33.5% increase in gross profit to £6.0m (H1 2010: £4.5m)
- Adjusted* gross margin increased by 6.0 percentage points to 35.7% (H1 2010: 29.7%)

  * Adjusted gross margin excludes Telecom Italia sales, Forex impact and provision for legacy stock

- Net cash balance has improved substantially to £11.6m (30 Nov 2010: £3.6m)
- Operating loss reduced to £0.4m, down by £0.6m (H1 2010: loss of £1.0m)

OPERATIONAL **OVERVIEW**

- Total shipments up 23% to 298,000 (H1 2010: 243,000)
- Order book of 153k units (H1 2010: 250k units) underpins revenue visibility into H2 2011
- Improved supply chain management and component simplification programme feeding through to improved margins
- OTT market developments offer significant opportunities for growth
- Third order from Telecom Italia for hybrid/ OTT technology underlines growing market traction and revenue contribution
- Amino positioned as world leader in price/ performance ratio, roadmap and innovation according to independent industry analysts Infonetics Research

CHAIRMAN'S **REPORT**

Keith Todd - Non-executive Chairman

The Company continues to make considerable progress against its strategic goals, combining growing traction in its core and emerging target markets, good financial improvement and a healthy order backlog to take it into the second half of the year. The benefits of a rigorous focus on supply chain management are now feeding through in terms of improved margins, less component complexity and security of supply. Furthermore, the traction the OTT offering is gaining gives the Board confidence that the Company is well positioned to benefit from further growth and development in the OTT market.

FINANCIAL PROGRESS

Revenues at £24.7m increased 36.2% year on year (H1 2010: £18.1m) – the third consecutive first half period of record revenue growth. This growth was at a greater rate than the increase in unit shipments - which grew 22.7% from 243k to 298k during the period - largely due to a more favourable product mix benefiting the average selling price. Revenue also benefited as expected from the delivery of the Telecom Italia OTT units which were contracted during 2010 but delivered during the current financial year. Excluding these OTT sales, revenue was in line with last year's first half.

The focus on margin improvement, underpinned by new supply chain management and the transition to a higher margin product mix, is now making a positive impact on performance, particularly in the IPTV sector. Gross margins at 24.3% were in line with the same period last year (H1 2010: 24.8%) and reflect the impact of a) OTT sales of £6.4m at nil margin – impact 8.4% (H1 2010: Nil), b) Foreign exchange impact – impact 0.8% (H1 2010: 4.9%) and c) £400k provision for legacy stock – impact 2.2% (H1 2010: Nil). Adjusting for all three of these items increases gross margin six percentage points from 29.7% to 35.7%.

Gross profit in the period increased 33.5% to £6.0m compared with £4.5m in H1 2010. Operating costs increased by £0.9m to £6.4m (H1 2010: £5.5m) largely due to higher amortisation during the period following the launch of the 7105 IPTV product range into the market, and further investment in OTT and operational headcount investment.

As outlined in the period end trading update, the Company made a small operating loss after exceptional items of £0.4m (H1 2010: loss of £1.0m). Net loss after tax is £0.4m (H1 2010: loss of £0.9m) with a loss per share of 0.7p (H1 2010: loss per share of 1.70p). The Company's cash position has recovered strongly with a substantially improved cash balance at £11.6m (30 Nov 2010: £3.6m), due to receipt of Telecom Italia payments and robust cash management.

PRODUCT AND MARKET MOMENTUM

The encouraging momentum in sales performance has been driven by continued demand for the Company's traditional IPTV market and growing traction for OTT products.

Launched last year, the 7105 IPTV product range continues to be very well received by customers. The focus on developing and delivering simpler, higher margin and more powerful devices has proved successful and a campaign to transition customers to these new products is yielding positive results. In competitive pitches, the devices have proved to be highly compelling securing both new and returning customers. Contract wins during the period include Serbia Telecom , Nex-Tech in North America and Telsur in Chile.

In North America, over 200 customers are now deploying or trialling this IPTV product range and there is growing demand in other key markets. This strong positioning is underlined by recent independent research on the global IPTV set-top

"In North America, over 200 customers are now deploying or trialling this IPTV product range and there is growing demand in other key markets."

box market which highlighted Amino's world-leading performance in key areas such as price-to-performance ratio, pricing and product roadmap. The report, by Infonetics Research, analysed Amino's performance against other leading set-top box providers and also highlighted the Company's innovation and customer support offering.

Underpinning this progress are significant improvements in supply chain management. This was best exemplified during the industry-wide disruption following the Japanese earthquake, where the strong industry partnerships the Company developed over the last 12 months helped to secure continued component supply despite some short-term challenges.

The benefits of this strategic focus are now feeding through the entire supply chain. The reduction in component complexity – and the range and variety of key elements in product build – is driving down costs and improving margin performance. Improved forecasting has also eliminated component "spot buying" during the period. This combined effort has impacted positively on lead times for product delivery to customers and will help accelerate new products to market.

The IPTV product range will be further enhanced with OTT capability with a launch scheduled for the major IBC event in September. This will strengthen both the Company's market leadership and further drive the transition programme amongst new and existing customers.

The process of continuous improvement is supporting the Company's responsiveness to opportunities in the OTT market. The award of a third order from Telecom Italia underlines the growing traction for OTT products, both on the part of consumers and operators, as well as further proving Amino's ability to deliver products to the tier one market.

The Freedom "Jump" companion OTT device is now in trials with tier one operators and continues to excite positive market reaction as a low cost means of deploying OTT functionality without the costly change-out of existing pay-TV devices. Further investment in product development has been made to strengthen the Company's overall OTT proposition and build on the solid progress made during the period in this exciting emerging market. While this has impacted on the cost base, the Board believes that it remains a critical strategic imperative and a future driver of growth over the long term.

OUTLOOK

Going forward, the Company remains focused on its strategy of enhancing its product line in both IPTV and OTT sectors, driving scale and extending across the value chain. The combination of a strong and enhanced product portfolio, underpinned by solid supply chain management, and growing market traction provides an encouraging outlook for the second half of the year. The substantial improvement in our cash position, allied to a healthy new business pipeline, provides the Board with confidence for the full year.

KEITH TODD CBE
Non-executive Chairman

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 May 2011

	Notes	**Six months ended 31 May 2011 Unaudited £**	Six months ended 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
Revenue	3	**24,702,610**	18,141,321	43,975,603
Cost of sales		**(18,770,492)**	(12,755,973)	(31,377,280)
Realised and unrealised foreign exchange gains / (losses)		**62,669**	(894,792)	(71,504)
Gross profit		**5,994,787**	4,490,556	12,526,819
Selling, general and administrative expenses		**(3,394,634)**	(2,888,505)	(8,220,290)
Research and development expenses		**(3,015,799)**	(2,567,302)	(5,201,972)
Operating loss		**(415,646)**	(965,251)	(895,443)
Analysed as:				
Operating (loss)/profit before restructuring, realised foreign exchange gains/(losses), impairment and onerous contracts		**(271,491)**	(70,459)	1,776,849
Restructuring costs		**-**	-	(101,667)
Loss on first OTT contract		**-**	-	(1,675,993)
Realised and unrealised foreign exchange losses		**(144,155)**	(894,792)	(894,632)
Operating loss		**(415,646)**	(965,251)	(895,443)
Finance income		**27**	21,050	13,182
Loss before taxation		**(415,619)**	(944,201)	(882,261)
Corporation tax credit		**19,929**	15,881	536,392
Loss for the period attributable to equity holders		**(395,690)**	(928,320)	(345,869)
Basic and diluted loss per 1p ordinary share	4	**(0.70p)**	(1.70p)	(0.61p)

All amounts relate to continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 May 2011

	Six months ended 31 May 2011 Unaudited £	Six months ended 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
Foreign exchange difference arising on consolidation	**(208,633)**	264,836	85,998
Net comprehensive income / (expense) recognised directly in equity	**(208,633)**	264,836	85,998
Loss for the period	**(395,690)**	(928,320)	(345,869)
Total comprehensive expense for the period	**(604,323)**	(663,484)	(259,871)

The accompanying notes are an integral part of these interim financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 May 2011

	Notes	**As at 31 May 2011 Unaudited £**	As at 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
Assets				
Non-current assets				
Intangible assets	5	**6,878,803**	5,630,462	6,442,979
Property, plant and equipment		**879,376**	1,202,487	1,094,020
Deferred income tax assets		**671,149**	695,634	671,149
Trade and other receivables		**172,704**	173,345	172,964
		8,602,032	7,701,928	8,381,112
Current assets				
Inventories		**4,470,384**	5,475,194	11,962,412
Trade and other receivables		**7,648,066**	8,182,578	12,528,263
Derivative financial instruments		**40,850**	-	-
Cash at bank and in hand		**11,573,596**	13,132,850	3,587,687
		23,732,896	26,790,622	28,078,362
Total assets		**32,334,928**	34,492,550	36,459,474
Capital and reserves attributable to equity holders of the business				
Called-up share capital		**578,930**	578,930	578,930
Share premium		**126,376**	126,376	126,376
Capital redemption reserve		**6,200**	6,200	6,200
Foreign exchange reserves		**371,468**	758,939	580,101
Other reserves		**16,388,755**	16,388,755	16,388,755
Retained earnings		**3,817,490**	3,464,573	4,163,382
Total equity		**21,289,219**	21,323,773	21,843,744
Current liabilities				
Trade and other payables		**11,045,709**	12,622,140	14,592,381
Derivative financial instruments		**-**	546,637	23,349
Total liabilities		**11,045,709**	13,168,777	14,615,730
Total equity and liabilities		**32,334,928**	34,492,550	36,459,474

The interim financial statements on pages 5 to 10 were approved by the Board of directors on 25 July 2011 and were signed on its behalf by:

Andrew Burke
Director

Julia Hornby
Director

Registered number: 05083390
The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 May 2011

	Notes	**Six months ended 31 May 2011 Unaudited £**	Six months ended 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
Cash flows from operating activities				
Cash generated from / (used in) operations	6	**8,824,247**	4,530,868	(3,567,180)
Corporation tax received		**566,037**	950,818	944,743
Net cash generated from / (used in) operating activities		**9,390,284**	5,481,686	(2,622,437)
Cash flows from investing activities				
Purchase of intangible assets		**(1,272,399)**	(1,257,490)	(2,518,914)
Purchase of property, plant and equipment (PPE)		**(11,271)**	(232,026)	(358,024)
Interest received		**27**	18,550	11,192
Net cash used in investing activities		**(1,283,643)**	(1,470,966)	(2,865,746)
Cash flows from financing activities				
Proceeds from exercise of employee share options		-	-	4,000
Net cash from financing activities		-	-	4,000
Net increase/(decrease) in cash and cash equivalents		**8,106,641**	4,010,720	(5,484,183)
Cash and cash equivalents at start of the period		**3,587,687**	9,047,378	9,047,378
Effects of exchange rate fluctuations on cash held		**(120,732)**	74,752	24,492
Cash and cash equivalents at end of period		**11,573,596**	13,132,850	3,587,687

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 May 2011

	Share capital £	Share premium £	Other reserves £	Foreign exchange reserve £	Capital redemption reserve £	Profit and loss account £	Total £
Shareholders' equity at 1 December 2009 (audited)	**578,930**	**126,376**	**16,388,755**	**494,103**	**6,200**	**4,348,000**	**21,942,364**
Comprehensive income							
Loss for the period	-	-	-	-	-	(928,320)	(928,320)
Foreign exchange on consolidation	-	-	-	264,836	-	-	264,836
Total comprehensive income for the period attributable to equity holders	-	-	-	264,836	-	(928,320)	(663,484)
Share option compensation charge	-	-	-	-	-	44,893	44,893
Total Transactions with owners	-	-	-	-	-	44,893	44,893
Total movement in shareholders' equity	-	-	-	264,836	-	(883,427)	(618,591)
At 31 May 2010 (Unaudited)	**578,930**	**126,376**	**16,388,755**	**758,939**	**6,200**	**3,464,573**	**21,323,773**
Comprehensive income							
Profit for the period	-	-	-	-	-	582,451	582,451
Foreign exchange on consolidation	-	-	-	(178,838)	-	-	(178,838)
Total comprehensive income for the period attributable to equity holders	-	-	-	(178,838)	-	582,451	403,613
Share option compensation charge	-	-	-	-	-	112,358	112,358
Exercise of employee share options	-	-	-	-	-	4,000	4,000
Total Transactions with owners	-	-	-	-	-	116,358	116,358
Total movement in shareholders' equity	-	-	-	(178,838)	-	698,809	519,971
Shareholders' equity at 30 November 2010 (audited)	**578,930**	**126,376**	**16,388,755**	**580,101**	**6,200**	**4,163,382**	**21,843,744**
Comprehensive income							
Loss for the period	-	-	-	-	-	(395,690)	(395,690)
Foreign exchange on consolidation	-	-	-	(208,633)	-	-	(208,633)
Total comprehensive income for the period attributable to equity holders	-	-	-	(208,633)	-	(395,690)	(604,323)
Share option compensation charge	-	-	-	-	-	49,798	49,798
Total Transactions with owners	-	-	-	-	-	49,798	49,798
Total movement in shareholders' equity	-	-	-	(208,633)	-	(345,892)	(554,525)
At 31 May 2011 (Unaudited)	**578,930**	**126,376**	**16,388,755**	**371,468**	**6,200**	**3,817,490**	**21,289,219**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 31 May 2011

1. General information

Amino Technologies plc ('the Company') and its subsidiaries (together 'the Group') specialises in IPTV software technologies and hardware platforms that enable delivery of digital programming and interactivity over IP networks, including the internet.

The Company is a public limited company which is listed on the Alternative Investment Market (AIM) of the London Stock Exchange and is incorporated and domiciled in the UK.

2. Basis of preparation

The financial information has been prepared in accordance with all International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that had been published by 31 May 2011 as endorsed by the European Union (EU). The accounting policies adopted are consistent with those of the financial statements for the year ended 30 November 2010, as described in those financial statements.

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

In preparing these interim financial statements the Board has not sought to adopt IAS 34 "Interim financial reporting".

The figures for the six-month periods ended 31 May 2011 and 31 May 2010 have not been audited. The figures for the year ended 30 November 2010 have been extracted from, but do not constitute, the consolidated financial statements of Amino Technologies plc for that year. Those financial statements have been delivered to the Registrar of Companies and included an auditors' report, which was unqualified and did not contain a statement under Section 498(2) or Section 498(3) Companies Act 2006.

3. Revenue

The Group has only one operating segment, being the development and sale of broadband network software and systems (which has been analysed into four revenue streams as shown in the second table below). All revenues, costs, assets and liabilities relate to this segment.

The geographical analysis of revenue is as follows:

	Six months ended 31 May 2011 Unaudited £	Six months ended 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
United Kingdom	**488,743**	951,650	1,830,656
Italy	**6,753,680**	-	27,205
Netherlands	**3,908,217**	3,463,635	8,187,093
Russia	**1,578,351**	1,965,946	8,935,091
Serbia	**3,570**	2,161,467	3,739,820
North America	**6,007,934**	3,158,557	7,460,799
South America	**1,159,319**	1,425,431	2,202,733
Rest of the World	**4,802,796**	5,014,635	11,592,206
	24,702,610	18,141,321	43,975,603

Further analysis of revenue by stream is given below:

	Six months ended 31 May 2011 Unaudited £	Six months ended 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
Product	**23,422,934**	17,710,519	42,860,805
License	**471,115**	46,205	162,770
Support	**483,126**	348,248	770,888
Expert services	**325,435**	36,349	181,140
	24,702,610	18,141,321	43,975,603

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 31 May 2011 (CONTINUED)

4. Loss per share

	Six months ended 31 May 2011 Unaudited £	Six months ended 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
Loss attributable to shareholders	**(395,690)**	(928,320)	(345,869)
Weighted average number of shares (Basic)	**56,486,007**	54,617,961	56,420,652

The calculation of basic earnings per share is based on (loss)/profit after taxation and the weighted average number of ordinary shares of 1p each in issue during the period, as adjusted for shares held by an Employee Benefit Trust.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary share options. The Group has only one category of dilutive potential ordinary share options: those share options where the exercise price is less than the average market price of the Company's ordinary shares during the period. There is no dilutive effect in respect of the period ended 31 May 2011 as the Group was loss making.

5. Intangible assets

	Six months ended 31 May 2011 Unaudited £	Six months ended 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
Net book value			
Goodwill relating to Tilgin IPTV AB	**2,206,544**	2,206,544	2,206,544
Software licences	**188,801**	445,702	300,349
Development costs	**4,374,396**	2,796,448	3,790,671
Acquired intellectual property	**109,062**	181,768	145,415
	6,878,803	5,630,462	6,442,979

6. Cash (used in)/generated from operations

	Six months ended 31 May 2011 Unaudited £	Six months ended 31 May 2010 Unaudited £	Year to 30 November 2010 Audited £
Loss before corporation tax	**(415,619)**	(944,201)	(882,261)
Adjustments for:			
Amortisation charge	**725,029**	579,281	1,028,255
Depreciation charge	**345,940**	222,205	457,508
Loss on disposal of intangible fixed assets	**-**	-	3,382
Share-based payment charge	**49,798**	44,893	157,251
Fair value (gain)/ loss on derivative financial instruments	**(64,199)**	594,792	71,504
Financial income – net	**(27)**	(18,550)	(11,192)
Exchange differences	**(96,387)**	169,373	44,757
Decrease/(increase) in inventories	**7,492,022**	(1,783,937)	(8,271,155)
Decrease / (increase) in trade and other receivables	**4,337,657**	1,111,443	(2,691,040)
Decrease in provisions	**-**	(372,163)	(372,163)
(Decrease)/increase in trade and other payables	**(3,549,967)**	4,927,732	6,897,974
Cash generated / (used in) from operations	**8,824,247**	**4,530,868**	**(3,567,180)**

DIRECTORS AND ADVISORS

Directors	Keith Todd CBE, Non-executive Chairman and Director Andrew Burke, Chief Executive Officer Julia Hornby, Chief Financial Officer and Company Secretary Donald McGarva, Chief Operating Officer Peter Murphy, Non-executive Director Colin Smithers, Non-executive Director Michael Bennett, Non-executive Director
Registered Office	Prospect House Buckingway Business Park Anderson Road Swavesey Cambridge CB24 4UQ
Company secretary	Julia Hornby
Nominated adviser and stockbroker	finnCap 60 New Broad Street London EC2M 1JJ
Auditors	Grant Thornton UK LLP Byron House Cambridge Business Park Cambridge CB4 0WZ
Solicitors to the Company	Hewitsons Shakespeare House 42 Newmarket Road Cambridge CB5 8EP
Principal bankers	Barclays Bank plc Vision Park Histon Cambridgeshire CB4 9DE
Registrars and receiving agents	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

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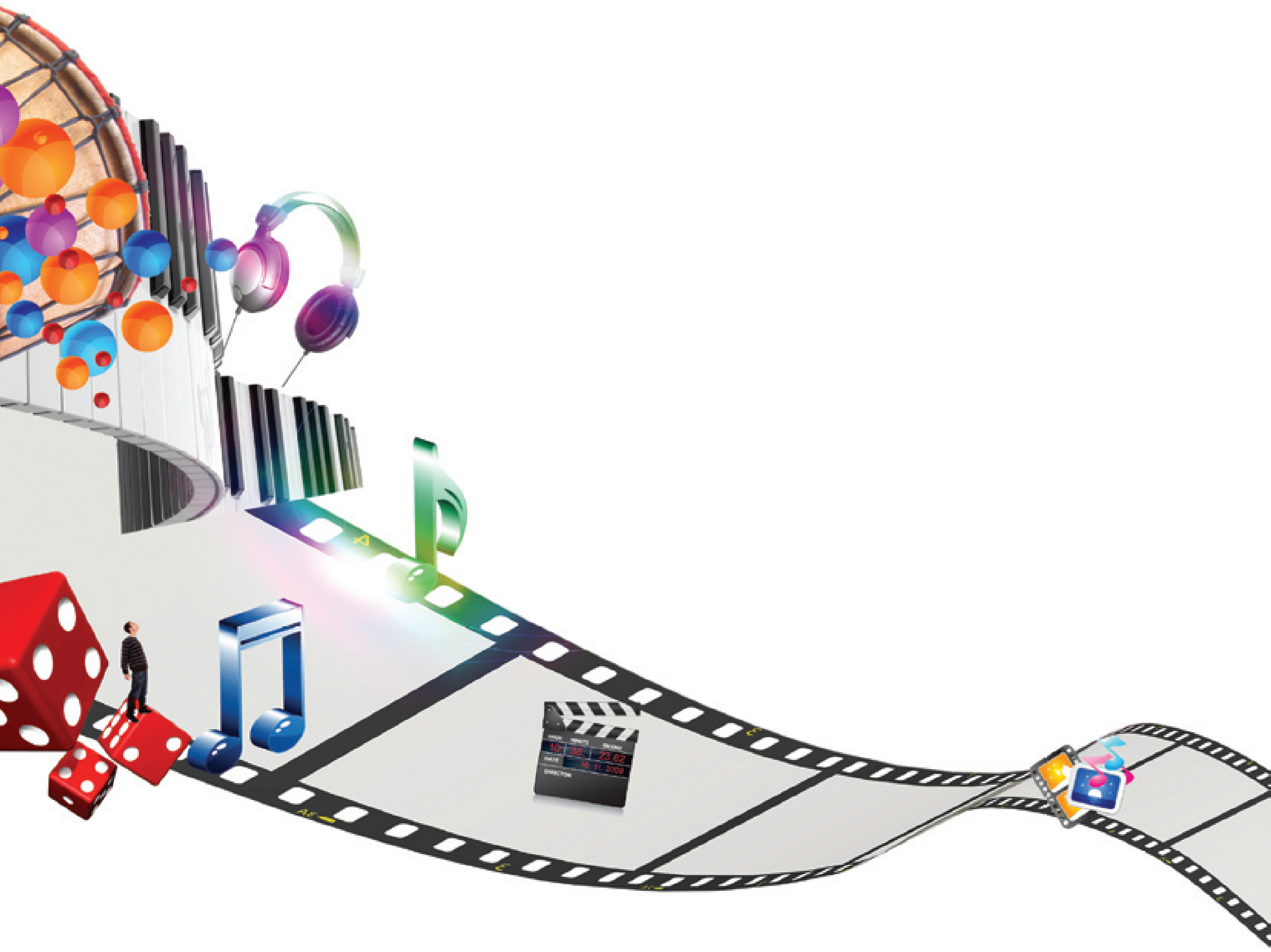

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