6 June 2017

Oxford Metrics plc

("Oxford Metrics" or the "Company")

Interim Results for the six months ended 31 March 2017

Oxford Metrics (OMG plc LSE: OMG), the international software company servicing government, life sciences, entertainment and engineering markets, announces interim results for the six months ended 31 March 2017.

Financial Key Points

- Group Revenue of £12.9m, up 17% (H1 FY16: £11.0m) – record first half performance
- Adjusted PBT of £1.6m (H1 FY16: £1.8m) in line with expectations following focused investments
- Group cash stands at £11.1m, up from £5.8m a year earlier following strong cash flow generation and receipt of remaining 2d3 consideration
- Yotta software revenue up 20% year-on-year, with 98% retention of growing SaaS customer base
- Vicon revenue up 15% year-on-year following a strong Americas performance
- Good progress towards strategic goal of doubling profits and tripling recurring revenues by 2021
    - Annual value of recurring revenues increased 13% to £4.3m (H1 FY16: £3.8m)

Operational Key Points

- Announced five year strategic growth plan in December – targeted investments made in first half
- Strategy for Yotta: expand geographically and develop cloud-based software products
    - Launch of Alloy, a cloud-based asset management platform, was received very positively – the SaaS-based software broadens Yotta's product capability and its flexibility will underpin Yotta's international expansion
    - Added staff in sales, partner management and delivery, to manage and develop partner network across Europe and build upon our existing presence in Australia
- Strategy for Vicon: strengthen and protect a profitable market leader
    - Launched Shōgun, new software which meets the growing demands of game, film and Virtual Reality production and maintains leadership in the Entertainment market
    - Vicon Vero exceeded expectations in first full sales period shipping over 1100 cameras, up 57% year-on-year on the previous mid-market product, Vicon Bonita
    - Vicon technology used in recent film A Monster Calls
- Initiated process to dispose of Yotta Surveying activities - now reported as asset held for sale
    - Negotiations ongoing, expect to announce the disposal in second half

Commenting on the results Nick Bolton, Chief Executive Officer said:

"This has been a very encouraging start to the year. When we announced our new five-year strategy last year we signalled a series of targeted investments to drive long term growth. Since then we have accelerated investment in our development teams and expanded our international sales channels.

Even at these early stages, it is encouraging to see the impact showing through as we launched Yotta's new software platform, Alloy. We are tracking well against plan recording encouraging recurring revenue growth while maintaining strong cash flow generation. The sales pipeline, which includes the first commercial sales of Alloy is also strong - all of which underpins our confidence in our full year targets as well as our long term growth prospects."

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About Oxford Metrics

Oxford Metrics develops and markets analytics software for motion measurement and infrastructure asset management to clients in over 70 countries worldwide. Our list of clients across the globe is as diverse as the markets we operate in; we help highways authorities manage and maintain their road networks, hospitals and clinicians decide therapeutic strategies and Hollywood studios create stunning visual effects. And the diversity of applications is growing all the time.

The group trades through two subsidiaries: Vicon and Yotta. Vicon is the world's leader in high precision motion measurement analysis to thousands of customers worldwide, including Guy's Hospital, EA Sports, MIT and NASA and our software is used in an ever expanding range of applications. Yotta provides cloud-based infrastructure asset management software to central and local government agencies and other infrastructure owners. Yotta has a large number of high profile clients including Highways England and Amey in the UK and VicRoads in Australia amongst others.

Founded in 1984 our group is headquartered in Oxford with offices in Leamington Spa, Gloucester, California, Colorado and Singapore. Since 2001, Oxford Metrics (LSE: OMG), has been a quoted company listed on AIM, a market operated by the London Stock Exchange.

For more information about Oxford Metrics, visit www.oxfordmetrics.com and to learn about our strategy, visit www.oxfordmetrics.com/about#scroll-strategy

Chairman and Chief Executive's Statement

We are pleased to report another strong period of trading for the business, with a record first half revenue performance on a continuing operations basis of £12.9m (H1 FY16: £11.0m), up 17% on last year's level. Adjusted profit of £1.6m (H1 FY16: £1.8m) is reported following targeted investment activities relating to the five-year plan. This strong performance converted well into cash flow and together with receipt of the remaining 2d3 consideration (£1.7m) group cash stood at £11.1m on 31 March 2017, up from £5.8m a year earlier.

The Group has made good progress in the first half towards achieving our strategic goals of doubling profits and tripling recurring revenues by 2021. Progress includes a pleasing increase in the annual value of recurring revenues to £4.3m (H1 FY16: £3.8m) and the public launch of Yotta's new Asset Management SaaS Software solution, Alloy - both key milestones of the five-year strategic plan. Following this positive first half performance, the Group is on target to achieve market expectations for the current financial year.

During the period, given the acceleration of Yotta's software business, the Group initiated a process to divest Yotta's surveying activities. The standards and methods of highways surveying are territory-specific and given Yotta's clear goal to drive growth through international expansion, the surveying business is no longer central to the Group's vision. In the first half, the operation reported revenues of £1.0m (H1 FY16: £1.2m) and an Adjusted PBT loss of £0.2m (H1 FY16 loss: £0.1m). The divestment will allow Yotta to focus on the delivery of the five-year goals and the development of a SaaS-driven Connected Asset Management software business. The Group is currently in negotiation and expects to announce a divestment in the second half. Consequently, the Financial Statement includes Yotta Surveying activities as Assets Held for Sale in the Balance Sheet and as a discontinued operation in the Income Statement.

A dividend of 1.00p per share in respect of the year ended 30 September 2016 was paid to shareholders in March 2017, following formal approval at the AGM. This represented an increase of 54% over the dividend paid in the previous year, in line with the Company's progressive dividend policy. When we announced the new plan in December 2016, we stated our aim to deliver an average dividend cover of 2.0x over the five-year period.

Strategy

The strong trading performance in the first half has been supported by progress against our five-year strategic plan announced in December 2016 to "amplify the core".

As a reminder, the strategic plan aims to drive growth by amplifying our core strengths and capabilities across our core products, markets and customers. In this way, we aim, by 2021, to double Group profit and to triple recurring revenues.

We are confident this is the right approach as both our Yotta and Vicon businesses are strong within their respective marketplaces. They both have highly differentiated products with exciting product roadmaps, enthusiastic global customer bases and passionate, capable teams driving the plan. We want to amplify their core strengths through carefully targeted investments.

The investments we are making in Vicon are designed to further strengthen and protect the position of this proven, profitable global market leader. In Yotta, the objective is to expand geographically through the building of new international sales channels and further develop our cloud-based software products, both of which should drive significant growth in Yotta's revenues and profit over time. Although we are only six months into this plan, we are starting to see clear early indicators of progress.

One of the key mechanisms for Vicon to strengthen its leadership position is to expand and fortify its product portfolio. This means carefully targeting our R&D spend to enhance our products' capabilities and maintain leadership within our core markets. We made two key moves in this direction in the first half.

First is the Vicon Vero camera, our measurement product in the key mid-tier of the market – a highly capable measurement system which utilises the same software applications as our flagship Vicon Vantage but available at a lower price point. This was Vero's first full period in the market and take up has been faster than our expectations. This was driven by the launch of the new Vicon website which includes a user configurable "build my system" visualisation tool, through the publication of Vero global customer success stories and a marketing push via our strong network of distributors. Over the six month period, Vicon shipped over 1100 Vero cameras, up 57% over the previous mid-market product, Vicon Bonita, for the same period last year.

Secondly, we launched Shōgun, our all new software for Entertainment customers. This is Vicon's first new software launch in this important vertical market since 2007. It offers users a new level of efficiency and quality, necessary to meet the growing demands of game, film and Virtual Reality production, and keeps our products in leadership positions within those markets. The new software has been received well by the market and has been instrumental in the decision making process for a number of customers, including Mimic Performance Capture, a new customer in Vancouver, Canada.

These focused efforts to broaden the capability of our solutions and strengthen our market position are key to Vicon's growth within the five-year plan.

Turning next to Yotta, the biggest news of the first half was the launch of Alloy, Yotta's new asset management platform. Alloy is an enterprise-level cloud application which makes it simpler for highways and other asset owners to manage vast volumes of data. Customers can explore and leverage data in real-time and harness the resulting insight to make smarter, better decisions. This SaaS-based software delivers on both of Yotta's key strategic drivers. Firstly it will broaden the capability of Yotta's software to solve more problems for customers in more integrated ways. And secondly it will underpin our international expansion as it has been written to appeal to an international audience. For example, it offers multi-language support and flexibility for the different workflows international customers use to manage their infrastructure assets.

Following the launch, Alloy has been received very positively by users, prospects and partners, and will be available to customers during the summer. Key to Alloy making further progress is the acceleration in its development. This is being achieved through the accelerated investment in Yotta's development team. This team is now up to full strength and focussed on ensuring Alloy reaches its potential for its target users worldwide.

The second important step in the strategic plan has been our development across international markets. This half we struck agreements with three international distributors. We also added staff in sales, partner management and delivery, to manage and develop those relationships as well as build upon our existing presence in Australia. This will help drive the sales of the existing products and will be in place as Alloy rolls out in these territories.

Lastly, we have made good progress against the key financial metric of tripling recurring revenues through strong software sales at Yotta, which in turn increased support and hosting revenues. Hosted software has become the standard way for Yotta's customers to access our solutions. In fact, the last on-premise licence we sold to an entirely new customer was over three years ago.

Overall, we have made a pleasing start to our five-year growth plan and we look forward to updating the market as we continue to progress in the months and years ahead.

Financial Performance

During the first half, Group revenue increased year-on-year by 17% to £12.9m (H1 FY16: £11.0m). The Group reported an adjusted profit of £1.6m (H1 FY16: £1.8m). Group cash position as at 31 March 2017 stood at £11.1m (H1 FY16: £5.8m), reflecting good collections arising from a more favourable profile of revenues in the first half, accordingly Accounts Receivable included in Trade and Other receivables are lower on the Balance Sheet at £8.2m (H1 FY16: £11.7m). The Group remains debt-free.

Vicon

Revenue momentum achieved by Vicon last financial year continued into the first half of FY17 with headline revenues of £9.6m (H1 FY16: £8.3m), improving 15% year-on-year due to a strong US and Asia Pacific performance; on a constant currency basis, underlying revenue growth was still a healthy 7%. Regionally, Americas posted a strong performance growing revenues 38% to £5.2m (H1 FY16: £3.7m) with a particularly strong performance in Canada, with wins at Mawashi Health, Mimic Performance Studios and start-up Squeeze/MOOV. Vicon reported an adjusted profit before tax of £2.1m (H1 FY16: £2.3m) and an unadjusted profit before tax of £1.4m (H1 FY16: £1.6m), which reflects lower Grant Income in FY17 of £0.0m (H1 FY16: £0.5m) following the completion of the Real-time Digital Acting (RTDA) project in October 2016.

Vicon reported slightly improved product gross margins at 72.5% (H1 FY16: 72.1%) in the first half, assisted by the introduction of the new Vero product and more effective supply chain management.

Vicon also reported an increase in working capital largely due to an increase in inventory to £4.1m (H1 FY16: £2.4m). This increase was necessary to mitigate disruption in the supply chain of certain key components. This inventory is now expected to fulfil second half demand for Vicon's products.

Vicon will also be relocating its UK operations in the second half. After more than 30 years at the current site, the business will be moving to a more suitable building located just outside Oxford. The new site will feature improved customer facing and demonstration areas together with production facilities, storage and offices. The fit out of the building is expected to cost £1m and will be depreciated over the next 10 years.

Vicon's sales pipeline for the second remains promising and, in line with previous years, as is normally the case, revenue is expected to be second half weighted giving us confidence the business will deliver on expectations for the full year.

Yotta

Yotta's Surveying activities are treated as an asset held for sale following the decision to divest of the business and focus on Yotta's accelerating software business. Thus, the numbers presented here relate solely to Yotta's software business.

Yotta reported software revenues up 20% compared to the same period last year at £3.3m (H1 FY16: £2.7m). This increase has been achieved through the growth in both software and consulting services. In particular, the annual value of recurring revenues improved by 13% to £4.3m (H1 FY16: £3.8m). Customer retention of the growing SaaS contract base remains high. 98% compared to the start of the year.

Yotta reported an adjusted profit before tax of £0.6m (H1 FY16: £0.7m) and an unadjusted loss before tax of £0.2m (H1 FY16: £0.0m), the effect of strategic investments previously announced being largely mitigated by improved revenues.

Yotta continues to make progress through its focus on software activities, evidenced by further growth in its recurring revenues. The outlook for the second half is encouraging for Yotta and the division remains on track to deliver on expectations.

Outlook

Looking forward to the second half, the Board is encouraged by the strong pipeline of sales opportunities in both Vicon and Yotta, which include the first commercial sales of Alloy. The implementation of our organic growth strategy is underway and we continue to be excited by its potential to develop and transform our business. Focused strategic investments to drive growth include the development of further Alloy software modules, investment in our international sales channels and recruitment of distributors in our target markets. Complementing our organic growth strategy, the Group will continue to explore value enhancing acquisition opportunities as they arise.

Notwithstanding macro-economic uncertainty, the Board is confident that, with the expected performance across the business, the Group is on track to meet current market expectations for the year as a whole.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**Six months ended 31 March 2017 (unaudited) £'000**	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000
Revenue	**2**	**12,852**	11,030	26,327
Cost of sales		**(3,692)**	(3,134)	(7,651)
Gross profit		**9,160**	7,896	18,676
Sales, support and marketing costs		**(3,160)**	(2,248)	(5,136)
Research and development		**(1,477)**	(1,735)	(3,776)
Administrative expenses		**(3,266)**	(2,776)	(5,948)
Other operating income		**244**	502	990
Operating profit		**1,501**	1,639	4,806
Finance income		**11**	13	45
Share of post-tax loss of equity accounted associate		**(39)**	-	-
Profit before taxation	**2,3**	**1,473**	1,652	4,851
Taxation	**4**	**67**	(365)	(649)
Profit from continuing operations		**1,540**	1,287	4,202
Loss from discontinued operations, net of tax		**(726)**	(1,064)	(1,931)
Profit for the period attributable to owners of the parent during the period		**814**	223	2,271
Earnings per share for profit on continuing operations attributable to owners of the parent during the year				
Basic earnings per share (pence)	**5**	**1.26p**	1.08p	3.48p
Diluted earnings per share (pence)	**5**	**1.24p**	1.05p	3.43p
Earnings per share for profit on total operations attributable to owners of the parent during the year				
Basic earnings per share (pence)	**5**	**0.67p**	0.19p	1.89p
Diluted earnings per share (pence)	**5**	**0.65p**	0.18p	1.86p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 31 March 2017 (unaudited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000
Net profit for the period	**814**	223	2,271
Other comprehensive income			
Items that will or may be reclassified to profit or loss			
Exchange differences on retranslation of overseas subsidiaries	**30**	95	224
Loss on hedging instrument	**-**	-	(158)
Tax recognised directly in equity	**59**	35	121
Total other comprehensive income	**89**	130	187
Total comprehensive income for the period attributable to the owners of the parent	**903**	353	2,458

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**31 March 2017 (unaudited) £'000**	31 March 2016 (unaudited) £'000	30 September 2016 (audited) £'000
Non-current assets				
Goodwill and intangible assets		**11,106**	12,823	11,086
Property, plant and equipment		**662**	982	787
Financial asset – investments		**280**	69	69
Deferred consideration receivable		**117**	213	113
Deferred tax asset		**191**	503	311
		12,356	14,590	12,366
Current assets				
Inventories		**4,062**	2,424	2,704
Trade and other receivables		**8,248**	11,715	13,919
Current tax debtor		**-**	-	453
Cash and cash equivalents		**11,130**	5,808	8,273
		23,440	19,947	25,349
Assets classified as held for sale		**1,081**	-	-
Current liabilities				
Trade and other payables		**(6,898)**	(7,385)	(8,582)
Derivative financial liability		**-**	-	(158)
Current tax liabilities		**(588)**	(358)	-
		(7,486)	(7,743)	(8,740)
Liabilities directly associated with assets classified as held for sale		**(454)**	-	-
Net current assets		**16,581**	12,204	16,609
Total assets less current liabilities		**28,937**	26,794	28,975
Non-current liabilities				
Other liabilities		**(441)**	-	(321)
Provisions		**(185)**	-	(185)
Deferred tax liability		**(1,295)**	(2,218)	(1,640)
Net assets		**27,016**	24,576	26,829
Capital and reserves attributable to the owners of the parent				
Share capital	**6**	**308**	302	303
Shares to be issued		**65**	65	65
Share premium account		**17,302**	16,732	16,834
Cash flow hedge reserve		**-**	-	(158)
Retained earnings		**9,032**	7,327	9,506
Foreign currency translation reserve		**309**	150	279
Total equity shareholders' funds		**27,016**	24,576	26,829

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

	Six months ended 31 March 2017 (unaudited)	Six months ended 31 March 2016 (unaudited)	Year ended 30 September 2016 (audited)
	£'000	£'000	£'000
Cash flows from operating activities			
Operating profit from continuing operations	**1,501**	1,639	4,806
Operating loss from discontinued operations	**(308)**	(1,070)	(2,478)
Group operating profit	**1,193**	569	2,328
Depreciation and amortisation	**1,001**	982	2,016
Impairment of intangibles	**-**	-	1,634
(Profit)/loss on sale of property, plant and equipment	**(36)**	(2)	9
Share based payments	**35**	58	103
Exchange adjustments	**(63)**	124	(147)
Share of post-tax loss of equity accounted associate	**(39)**	-	-
Increase in inventories	**(1,357)**	(527)	(674)
Decrease/(increase) in receivables	**5,025**	(297)	(1,950)
(Decrease)/increase in payables	**(1,571)**	(677)	1,088
Cash generated from operating activities	**4,188**	230	4,407
Tax received/(paid)	**529**	(354)	(1,301)
Net cash from operating activities	**4,717**	(124)	3,106
Cash flows from investing activities			
Purchase of property, plant and equipment	**(187)**	(252)	(526)
Purchase of intangible assets	**(973)**	(722)	(1,425)
Proceeds on disposal of property, plant and equipment	**40**	45	122
Interest received	**11**	13	45
Net cash used in investing activities	**(1,109)**	(916)	(1,784)
Cash flows from financing activities			
Issue of ordinary shares	**473**	414	517
Equity dividends paid	**(1,224)**	(5,304)	(5,304)
Net cash used in financing activities	**(751)**	(4,890)	(4,787)
Net increase/(decrease) in cash and cash equivalents	**2,857**	(5,930)	(3,465)
Cash and cash equivalents at beginning of the period	**8,273**	11,738	11,738
Cash and cash equivalents at end of the period	**11,130**	5,808	8,273

CONDENSED CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

	Share Capital £'000	Shares to be issued £'000	Share premium account £'000	Cash flow hedging reserve £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Total £'000
Balance as at 1 October 2016	303	65	16,834	(158)	9,506	279	26,829
Net profit for the period	**-**	**-**	**-**	**-**	**814**	**-**	**814**
Exchange difference on retranslation of overseas subsidiaries	**-**	**-**	**-**	**-**	**-**	**30**	**30**
Transfer between reserves	**-**	**-**	**-**	**158**	**(158)**	**-**	**-**
Tax recognised directly in equity	**-**	**-**	**-**	**-**	**59**	**-**	**59**
Transactions with owners:							
Dividends	**-**	**-**	**-**	**-**	**(1,224)**	**-**	**(1,224)**
Issue of share capital	**5**	**-**	**468**	**-**	**-**	**-**	**473**
Movement in relation to share based payments	**-**	**-**	**-**	**-**	**35**	**-**	**35**
Balance as at 31 March 2017	**308**	**65**	**17,302**	**-**	**9,032**	**309**	**27,016**
Balance as at 1 October 2015	294	65	16,326	-	12,315	55	29,055
Net profit for the period	-	-	-	-	223	-	223
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	-	95	95
Tax recognised directly in equity	-	-	-	-	35	-	35
Transactions with owners:							
Dividends	-	-	-	-	(5,304)	-	(5,304)
Issue of share capital	8	-	406	-	-	-	414
Movement in relation to share options	-	-	-	-	58	-	58
Balance as at 31 March 2016	302	65	16,732	-	7,327	150	24,576
Balance as at 1 October 2015	294	65	16,326	-	12,315	55	29,055
Net profit for the year	-	-	-	-	2,271	-	2,271
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	-	224	224
Loss on hedging instrument	-	-	-	(158)	-	-	(158)
Tax recognised directly in equity	-	-	-	-	121	-	121
Transactions with owners:							
Dividends	-	-	-	-	(5,304)	-	(5,304)
Issue of share capital	9	-	508	-	-	-	517
Movement in relation to share options	-	-	-	-	103	-	103
Balance as at 30 September 2016	303	65	16,834	(158)	9,506	279	26,829

The accompanying notes are an integral part of this interim financial information

NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS

1. Basis of preparation

Oxford Metrics Plc, formerly OMG plc (the "Company") is a company domiciled in England. The condensed consolidated interim financial statements of the Company for the six months ended 31 March 2017 comprise the Company and its subsidiaries (together referred to as the "Group").

At the date of authorisation of these financial statements the following standards, amendments to standards and interpretations, which have not been adopted early in these financial statements, were issued by the IASB, but not yet effective:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 16 'Leases'
- Amendments to IFRS 2 'Share-based Payment'
- Amendments to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- Amendments to IAS 1 'Presentation of Financial Statements'
- Amendments to IAS 16 'Property, Plant and Equipment'
- Amendments to IAS 38 'Intangible Assets'

At the date of authorisation of these financial statements, the directors have considered the standards and interpretations which have not been applied in these financial statements, that were in issue but not yet effective (and in some cases had not yet been adopted by the EU) and only IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 'Leases' were considered to be relevant. The directors are assessing whether the application of IFRS 15 and IFRS 16, once effective, will have a material impact on the results of the company. Adoption of the other standards and interpretations referred to above is not expected to have a material impact on the results of the company. Application of these standards may result in some changes in presentation of information within the financial statements.

Otherwise, the condensed consolidated interim financial statements have been prepared using accounting policies consistent with those of the annual financial statements for the year ended 30 September 2016. They are in accordance with IAS 34.

The interim financial statements have not been audited or reviewed and the financial information contained in this report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative figures for the year ended 30 September 2016 are not the statutory accounts but have been extracted from the Group's 2016 financial statements which have been delivered to the Registrar of Companies. The auditors' report on those financial statements was unqualified did not contain references to any matters to which the auditors drew attention without qualifying the report and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

2. Segmental reporting

Segment information is presented in the condensed consolidated interim financial statements in respect of the Group's business segments, which are reported to the Chief Operating Decision Maker (CODM). The Group has identified the Board of Directors of Oxford Metrics plc, formerly OMG plc ("the Board") as the CODM. The business segment reporting reflects the Group's management and internal reporting structure. The Group comprises the following business segments:

Vicon Group: This is the development, production and sale of computer software and equipment for the entertainment, engineering and life science markets;

Yotta Group: This is services for the management of infrastructure, highway surveying and associated software development;

OMG Life: This was the development and sale of software and hardware solutions for the consumer electronics market.

Other unallocated costs represent head office expenses not recharged to subsidiary companies.

Business segments are analysed below:

	Revenue		
	Six months ended 31 March 2017 (unaudited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000
Vicon UK	**4,366**	4,397	9,607
Vicon USA	**5,210**	3,909	10,802
Vicon Group	**9,576**	8,306	20,409
Yotta UK	**1,247**	1,215	2,724
Yotta Mayrise	**2,029**	1,509	3,194
Yotta Group	**3,276**	2,724	5,918
Continuing operations	**12,852**	11,030	26,327
OMG Life Group	**-**	7	87
Yotta Surveying	**973**	1,180	3,165
Discontinued operations	**973**	1,187	3,252
Oxford Metrics Group	**13,825**	12,217	29,579

	Six months ended 31 March 2017 (unaudited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000
Vicon revenue by market			
Engineering	**1,995**	1,991	4,490
Entertainment	**1,999**	2,099	5,635
Life sciences	**5,582**	4,216	10,284
Vicon Group*	**9,576**	8,306	20,409
Group revenue by type			
Sale of hardware	**8,429**	7,783	19,359
Sale of software	**1,884**	964	2,081
Rendering of services	**2,539**	2,283	4,887
Continuing operations	**12,852**	11,030	26,327
Sale of hardware	**-**	-	-
Sale of software	**-**	-	-
Rendering of services	**973**	1,187	3,252
Discontinued operations	**973**	1,187	3,252
Oxford Metrics Group	**13,825**	12,217	29,579
Yotta revenue by type			
Software and related services	**3,276**	2,724	5,775
Surveying services	**-**	-	143
Yotta Group - Continuing	**3,276**	2,724	5,918
Surveying services	**973**	1,180	3,165
Yotta Group - Discontinued	**973**	1,180	3,165
Yotta Group - Total	**4,249**	3,904	9,083

*This additional information is provided to the Chief Operating Decision Maker. Further analysis by market is not available.

	Revenue		
	Six months ended 31 March 2017 (unaudited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000
By destination			
UK	**3,996**	3,642	8,094
Europe	**1,001**	1,602	2,973
North America	**5,161**	3,740	10,246
Asia Pacific	**2,258**	1,805	4,049
Other	**436**	241	965
Continuing operations	**12,852**	11,030	26,327
UK	**932**	1,153	3,125
Europe	**41**	34	41
North America	**-**	-	86
Discontinued operations	**973**	1,187	3,252
Oxford Metrics Group	**13,825**	12,217	29,579
By origin			
UK	**7,576**	7,121	15,505
North America	**5,210**	3,909	10,802
Asia Pacific	**66**	-	20
Continuing operations	**12,852**	11,030	26,327
UK	**973**	1,182	3,247
North America	**-**	5	5
Discontinued operations	**973**	1,187	3,252
Oxford Metrics Group	**13,825**	12,217	29,579

	Six months ended 31 March 2017 (unaudited)				Six months ended 31 March 2016 (unaudited)				Year ended 30 September 2016 (audited)			
	Adjusted profit/(loss) before tax £'000	**Adjusting items £'000**	**Group recharges £'000**	**Profit/(loss) before tax £'000**	Adjusted profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000	Adjusted profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000
Vicon UK	**296**	**-**	**679**	**975**	879	(1)	288	1,166	1,544	-	2,360	3,904
Vicon USA	**1,835**	**-**	**(1,417)**	**418**	1,383	-	(905)	478	4,375	-	(3,774)	601
Vicon Group	**2,131**	**-**	**(738)**	**1,393**	2,262	(1)	(617)	1,644	5,919	-	(1,414)	4,505
Yotta UK	**(574)**	**-**	**(201)**	**(775)**	(331)	-	(92)	(423)	(527)	(29)	(505)	(1,061)
Yotta Mayrise	**1,150**	**(221)**	**(326)**	**603**	984	(212)	(346)	426	1,949	(424)	(347)	1,178
Yotta Group	**576**	**(221)**	**(527)**	**(172)**	653	(212)	(438)	3	1,422	(453)	(852)	117
Unallocated	**(1,136)**	**123**	**1,265**	**252**	(1,157)	(32)	1,194	5	(2,237)	(64)	2,530	229
Continuing operations	**1,571**	**(98)**	**-**	**1,473**	1,758	(245)	139	1,652	5,104	(517)	264	4,851
OMG Life Group	**(102)**	**(44)**	**-**	**(146)**	(798)	(25)	(139)	(962)	(1,079)	(1,673)	(264)	(3,016)
Yotta surveying	**(162)**	**-**	**-**	**(162)**	(108)	-	-	(108)	538	-	-	538
Discontinued operations	**(264)**	**(44)**	**-**	**(308)**	(906)	(25)	(139)	(1,070)	(541)	(1,673)	(264)	(2,478)
Oxford Metrics Group	**1,307**	**(142)**	**-**	**1,165**	852	(270)	-	582	4,563	(2,190)	-	2,373

	Non-current assets			Additions to non-current assets			Carrying amount of segment assets			Carrying amount of segment liabilities			Segment depreciation and amortisation		
	Six months ended 31 March 2017 (unaudited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000	**Six months ended 31 March 2017 (unaudited) £'000**	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000	**Six months ended 31 March 2017 (unaudited) £'000**	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000	**Six months ended 31 March 2017 (unaudited) £'000**	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000	**Six months ended 31 March 2017 (unaudited) £'000**	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000
Vicon UK	**3,646**	3,707	3,381	**796**	704	1,094	**10,908**	10,945	10,949	**(3,260)**	(3,424)	(3,587)	**526**	483	1,002
Vicon USA	**823**	806	860	**16**	1	17	**6,690**	5,147	6,342	**(1,754)**	(1,543)	(2,042)	**12**	7	27
Vicon Group	**4,469**	4,513	4,241	**812**	705	1,061	**17,598**	16,092	17,291	**(5,014)**	(4,967)	(5,629)	**538**	490	1,029
Yotta UK	**3,436**	3,635	3,365	**227**	181	361	**8,090**	8,016	7,487	**(1,644)**	(922)	(1,667)	**111**	102	198
Yotta Mayrise	**3,968**	4,031	4,094	**118**	54	350	**12,025**	11,226	11,211	**(1,977)**	(1,317)	(1,884)	**245**	224	456
Yotta Group	**7,404**	7,666	7,459	**345**	235	711	**20,115**	19,242	18,698	**(3,621)**	(2,239)	(3,551)	**356**	326	654
Unallocated	**470**	291	254	**3**	34	37	**4,123**	1,943	6,184	**(731)**	(1,068)	(1,114)	**12**	14	28
Continuing operations	**12,343**	12,470	11,954	**1,160**	974	1,809	**41,836**	37,277	42,173	**(9,366)**	(8,274)	(10,294)	**906**	830	1,711
OMG Life Group	**13**	1,537	35	**-**	-	-	**(6,040)**	(4,074)	(5,709)	**(41)**	(443)	(120)	**-**	4	1,642
Yotta surveying	**-**	583	377	**-**	-	-	**1,081**	1,334	1,251	**(454)**	(1,244)	(472)	**95**	148	297
Discontinued operations	**13**	2,120	412	**-**	-	-	**(4,959)**	(2,740)	(4,458)	**(495)**	(1,687)	(592)	**95**	152	1,939
Oxford Metrics Group	**12,356**	14,590	12,366	**1,160**	974	1,809	**36,877**	34,537	37,715	**(9,861)**	(9,961)	(10,886)	**1,001**	982	3,650

3. Reconciliation of adjusted profit/(loss) before tax

	Six months ended 31 March 2017 (unaudited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Year ended 30 September 2016 (audited) £'000
Profit before tax – continuing operations	**1,473**	1,652	4,851
Share based payments – equity settled	**46**	33	64
Amortisation of intangibles arising on acquisition	**212**	212	424
Income from transfer of IP to equity accounted associate	**(208)**	-	-
Share of post-tax loss of equity accounted associate	**39**	-	-
Redundancy costs	**9**	-	-
Reapportion Group overheads	**-**	(139)	(264)
Adjusted profit before tax – continuing operations	**1,571**	1,758	5,075
Loss before tax – discontinued operations	**(308)**	(1,070)	(2,478)
Share based payments – equity settled	**(11)**	25	39
Impairment of intangibles	**-**	-	1,634
Redundancy costs	**55**	-	29
Reapportion Group overheads	**-**	139	264
Adjusted loss before tax – discontinued operations	**(264)**	(906)	(512)
Total adjusted profit before tax – all operations	**1,307**	852	4,563

Redundancy costs in the period ended 31 March 2017 and year ended 30 September 2016 relate to the restructuring of the Yotta and OMG Life business segments.

4. Taxation

The Group's consolidated effective tax rate for the six months ended 31 March 2017 was 29.9% (for the six months ended 31 March 2016: 61.7%; for the year ended 30 September 2016: 4.3%).

In accordance with IAS 34 the tax charge for the half year is calculated on the basis of the estimated full year tax rate.

5. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed conversion of all dilutive options.

	31 March 2017 (unaudited)			31 March 2016 (unaudited)			30 September 2016 (audited)		
	Earnings/(loss) £'000	**Weighted average number of shares '000**	**Per share amount (pence)**	Earnings/(loss) £'000	Weighted average number of shares '000	Per share amount (pence)	Earnings/(loss) £'000	Weighted average number of shares '000	Per share amount (pence)
Continuing operations									
Basic earnings/(loss) per share									
Earnings attributable to ordinary shareholders	**1,540**	**122,354**	**1.26**	1,287	119,511	1.08	4,202	120,354	3.48
Dilutive effect of employee share options	**-**	**2,246**	**(0.02)**	-	2,473	(0.03)	-	1,717	(0.05)
Diluted earnings/(loss) per share	**1,540**	**124,600**	**1.24**	1,287	121,984	1.05	4,202	122,071	3.43
Discontinued operations									
Basic earnings/(loss) per share									
Earnings attributable to ordinary shareholders	**(726)**	**122,354**	**(0.59)**	(1,064)	119,511	(0.89)	(1,931)	120,354	(1.59)
Dilutive effect of employee share options	**-**	**2,246**	**-**	-	2,473	-	-	1,717	-
Diluted earnings/(loss) per share	**(726)**	**124,600**	**(0.59)**	(1,064)	121,984	(0.89)	(1,931)	122,071	(1.59)
Total operations									
Basic earnings/(loss) per share									
Loss attributable to ordinary shareholders	**814**	**122,354**	**0.67**	223	119,511	0.19	2,271	120,354	1.89
Dilutive effect of employee share options	**-**	**2,246**	**(0.02)**	-	2,473	(0.01)	-	1,717	(0.03)
Diluted earnings/(loss) per share	**814**	**124,600**	**0.65**	223	121,984	0.18	2,271	122,071	1.86

6. Share capital

	31 March 2017 (unaudited) £'000	31 March 2016 (unaudited) £'000	30 September 2016 (audited) £'000
Allotted, called up and fully paid			
123,052,402 shares of 0.25p (31 March 2016: 120,951,475 shares of 0.25p and 30 September 2016: 121,327,208 shares of 0.25p)	**308**	302	303

During the six month period ended 31 March 2017 1,676,174 shares were issued relating to share options that were exercised.
There were 3,516,676 shares issued in respect of share options exercised during the six months ended 31 March 2016 (year ended 30 September 2016: 3,892,409).

7. Dividends

The following dividends were recognised as distributions to equity holders in the period:

	31 March 2017 (unaudited) £'000	31 March 2016 (unaudited) £'000	30 September 2016 (audited) £'000
Final dividend for 2016 paid in 2017 - 1.00 pence per share	**1,224**	-	-
Final dividend for 2015 paid in 2016 - 0.65 pence per share	**-**	784	784
Special paid in 2016 - 3.75 pence per share	**-**	4,520	4,520
	1,224	5,304	5,304

The final dividend for 2016 was paid to shareholders on 9 March 2017 at 1.00 pence per share, a total of £1,224,000.

8. Copies of the interim statement

Further copies will be available from the Company's registered office at 14 Minns Business Park, West Way, Oxford OX2 0JB, and from the Company's website: www.oxfordmetrics.com.