

Apace Media ^{3,4,5}

Media & Entertainment

Speculative reminder, but limited significance

- Today's announcement from Apace Media should be seen as little more than a reminder of the speculative nature of its investment in the country.
- The Albanian National Council for Radio and Television (NCRT), the regulatory body for the broadcasting sector in that country, has issued a preliminary decision to suspend the national broadcasting licence of TV Alberia (TVA). This followed an attempt by the NCRT to shorten the licence by one year (to 3 January 2008), due to alleged non-compliance by TVA with its licence requirements. This attempt was blocked by the Tirana District Court on grounds of a lack of evidence.
- While the announcement contains further detail and there will undoubtedly be more manoeuvrings over the months ahead both in and out of the courts, we see limited downside implications for the valuation of Apace.
- It has, to date, invested approximately £2m in TVA, mostly by way of loans. The decision to take up the option for 40% of the equity in TVA has been effected at minimal cost. We had anticipated some further cash spend in Albania but had not attributed any value to the investment.
- The current market capitalisation of Apace is more than underwritten by its investment in its JV, BMGL, which leaves the nearly £10m revenue Content Creation business in for nothing.

Year end December	Sales (£m)	Norm. PBT (£m)	EPS (p)	PER (x)	Dividend (p)	Div yield (%)
2006	10.6	-0.25	-0.49	-22.1	0.0	0.0
2007e	10.4	-1.79	-1.80	-6.0	0.0	0.0
2008e	10.8	-0.33	-0.37	-29.1	0.0	0.0
2009e	12.0	0.95	0.90	12.0	0.0	0.0

Source: Seymour Pierce Limited full year forecasts

^{3,4,5} Please see regulatory disclosure notes at the end of this document

BUY

10.75p

AIM APA.L

Share price as at 9:30

No of shares (m)	89.0
Market cap (£m)	9.6
Net cash (£m)	0.7
Enterprise value (£m)	8.9

(%)	1m	3m	12m
FTA relative	-4.1	-29.3	-44.0

12 month high/low (p) 19.75/9.88

Next news

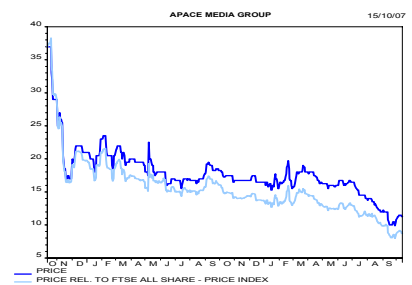
Full year results – June 2008

Business

TV content creation, compilation music production and broadcasting in Eastern Europe

www.apacemedia.com

Price & price rel (-2y)



Source: Datastream

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