

Boomerang Plus plc

Interim Results

Boomerang Plus plc (AIM: BOOM.L), a profitable and vertically integrated, multi-genre, independent television production group based in Cardiff, Wales, today announces its inaugural set of unaudited interim results for the six months ended 30 November 2007 since its listing on AIM.

Financial Highlights

- Turnover increased 112 per cent. to £10.75m (2006: £5.08m)
- Operating profit before exceptional items increased 167 per cent. to £1.01m (2006: £0.38m)
- Profit before tax and exceptional items increased 159 per cent. to £0.94m (2006: £0.36m)

Operational Highlights

- Successful admission to AIM following a £3 million placing
- Significant recommissions won from Channel 4 and S4C in drama and extreme sports, expected to contribute over £4 million in revenues over the next two financial years
- Production commenced of “Planed Plant”, the two year children’s television series for S4C also worth £4 million over the next two financial years. The contract was won in open tender against strong competition which included two of the UK’s largest television production companies.
- Continuing investment in production and post-production facilities, new media opportunities and creative development

Huw Davies, Chief Executive Officer of Boomerang Plus, commented:

“The six months to November 2007 has been transformational for the Group following its successful listing on AIM last year. These strong interim results reflect the organic growth and development of the Group.”

“We believe that we are well placed to build a substantial independent television production company with quality earnings while adding key acquisitions that consolidate our position in the market.”

- Ends -

For further information, please contact:

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Notes to Editors:

- The Group, founded in 1994, has extensive experience in producing content in a variety of genres, including youth programming, lifestyle, music, entertainment, children's programming, extreme sports and drama
- The Group has good revenue visibility as a high proportion of its budgeted revenue is contracted with broadcasters
- The market for independent television production companies in the Nations and Regions has grown following quotas from the regulator Ofcom, which require that, depending on the broadcaster, between 10 per cent. and 50 per cent. of qualifying programming hours must be sourced from outside the M25 boundary
- Boomerang is ranked in the top five independent television production companies, by revenue, in the Nations and Regions according to the Broadcast Survey (Nations and Regions) 2007
- The Board's strategy is both to achieve strong organic growth by leveraging the Group's existing customer base coupled with strategic acquisitions, with a view to becoming a major supplier to UK networks looking to satisfy their Nations and Regions quotas
- Boomerang is well placed to participate in the consolidation of independent production companies across the UK. Target companies which meet the acquisition criteria will have a strong track record, which will assist the Group to grow further, outside Wales

Chairman's Statement

I am pleased to present the Group's interim results for the six months ended 30 November 2007.

These are Boomerang's maiden results since the flotation on AIM in November 2007 and the first period of trading for the enlarged Group, following the acquisitions of Mwnci and Apollo in 2006 and 2007. The Group has grown substantially over the period both organically and as a result of the recent acquisitions.

Our continuing investment in production and post production facilities ensures we have the latest technology and infrastructure to support the rapid expansion of the Group, enabling us to provide real value for money to our customers. In addition, operational synergies within the Group provide significant development benefits to our customers and career progression for our staff.

As a creative business, our staff are key to our success and we will continue to invest substantially in their training and development rather than relying on simply buying in talent. We believe that this continuing investment will improve the industry's skills base, particularly in Wales, and provide for the long term success of Boomerang.

Organic growth and the acquisitions made to date have created a well diversified Group, which is amongst the largest Nations and Regions television production companies in the UK, producing across a wide variety of genres including entertainment, drama, lifestyle, children's, sports and factual programming for television.

We will continue to invest in new markets such as talent management, through our Boom Talent subsidiary and new media opportunities such as our "fso4.com" website which accompanies our Royal Television Society award winning "Freesports on 4" extreme sports show for Channel 4 which has just been recommissioned for a seventh series.

Financial Review

Following the acquisitions and investment in development in 2006 and 2007, the six months to 30 November 2007 was a period of high growth with turnover increasing 112 per cent to £10.75m (2006: £5.08m) and operating profits before exceptional items increasing 167 per cent to £1.01m (2006: £0.38m). Exceptional items of £0.59m relate to the costs associated with listing on AIM in November 2007.

Profit before tax and the exceptional items was £0.94m compared with £0.36m for the same period last year, representing an increase of 159 per cent. Profit before tax for the period after exceptional items was £0.34m (2006: £0.36m).

The Group had net cash of £4.42m at 30 November 2007 (2006: £2.48m) reflecting proceeds of £2.3m from the IPO, net of expenses. Deferred consideration payments in respect of acquisitions in prior periods of £0.64m and debt repayments of £0.43m were also made during the period. In addition, the Group has incurred capital expenditure of £0.26m over the six months to 30 November 2007 principally on new studios and office space to service the tender won from S4C to produce "Planned Plant", the daily children's continuity links.

Programming

All of our operating subsidiaries (Boomerang, Fflic, Alfresco and Apollo) have contributed towards a strong portfolio of programmes for our broadcast customers during the period across many genres. Highlights include:

Drama

The first series of both “Teulu”, a 10 part 60 minute drama set around a doctors surgery in Aberaeron and “2 Dy a Ni” a 13 part 30 minute teen drama set in a foster home in the Welsh valleys have both been filmed in the period for S4C and both have been subsequently recommissioned. Apollo have filmed a 90 minute film for S4C entitled “Martha, Jac a Sianco” and are currently entering the production phase of the third series of their Rose d’Or award winning drama, “Con Passionate” which follows a Welsh male voice choir.

Boomerang is also in production on a major slate of 12 one-off dramas for S4C the first of which, “Gari Tryfan” was transmitted recently.

Comedy and Entertainment

Alfresco produced “PC Leslie Wynne Show” and “Eleri Sion Show” for S4C during the period and is in production for the second series of “Codi Canu” which follows a number of Rugby supporter’s choirs and a major travel quiz show for S4C.

For E4, Boomerang produced “Mayhem Makers” which was part of E4’s comedy strand, “Funny Cuts”. Showcasing new on-screen talents plus a first time director the project is currently in series development with E4/Channel 4.

Lifestyle

Fflic are currently producing another season of their high end, lifestyle programming for S4C; “04 Wal” which looks at contemporary and period architecture and design, “Ty Cymreig” which investigates historical and vernacular house building and “Cwpwrdd Dillad” which looks at an individual’s life through their wardrobe.

Alfresco have delivered another series of “Stories from the Street” for ITV Wales which looks at communal and community buildings and this production has been recommissioned for a further series.

Sports

Boomerang’s Extreme Sports department completed the sixth series of the Royal Television Society’s award winning “Freesports on 4” for Channel 4 and has been recommissioned for a seventh series. The department is also currently in production of a third series of “Freeride” for ITV Wales and is producing an extreme sports series for S4C.

A second series of “Rasus ar Garlam” which follows the Welsh point to point season is also in production for S4C.

Music

Boomerang is currently in production for another series of its award winning late-night youth music show “Bandit” and the new spin off series, “Nodyn”.

Boomerang is also currently in production of a second series of “Unsigned” which showcases unsigned local bands for ITV Wales.

Childrens

On 29 October 2007, Boomerang commenced production of the two year, £4m contract, for S4C's "Planed Plant" children's continuity links. This contract was won in open tender against strong competition which included two of the UK's largest production companies.

This commission has strengthened further the reputation of the Group, principally through Fflic and Apollo, in children's programming. Series currently in production include "Stwffio", "Hip New Sgip?" and "Dawnstastig". These along with a number of new series commissioned for 2008 make the Group one of the largest children's producers in the UK.

Events

In July 2007 Boomerang produced the live broadcast of the "Royal Welsh Agricultural Show" for the second year of a four year contract with S4C which included over 60 hours of live TV broadcast, live web streaming and interactive coverage.

Post Production

The acquisition last year of Mwnci, an editing services company based in Cardiff, almost doubled the capacity of Boomerang's post production department. In addition a second, high end, dubbing suite has been added this year. These cutting edge facilities provide a quality finish to many of the productions across the Group and for external clients such as the BBC. Significant investment in post production services has enabled us to accelerate our training of new technical staff, improve the quality of our programmes and provide real value for money for our clients.

Radio

The Group continues to supply a diverse range of radio programmes for BBC Radio Wales and Radio Cymru and content to Radio 2 and 4.

Talent management

Boom Talent was established in March 2007 as a management company representing actors and presenters in film, television, theatre, radio, corporate and voice over work. Boom Talent has continued to build its presence during the period and is gaining a national reputation.

New media

With our new media partner, Cube Interactive, we continue to explore and develop opportunities in new media including websites, web streaming and interactive media. Significant interactive contracts include content for the Royal Welsh, Urdd Eisteddfod and Planed Plant.

In addition, during the period we launched the first stage of our "fso4.com" freesports website associated with our "Freesports on 4" extreme sports series for Channel 4.

Outlook

Our position as a multi-genre independent television production company based in the Nations & Regions makes us well placed to take advantage of the regulated market in which we operate.

Historically, a high proportion of the Group's programmes are recommissioned by the Broadcasters and this trend is continuing, providing the Group with visibility not often experienced elsewhere in the industry. We have good visibility over revenues for both the second half of the current financial year and for the next financial year.

Consolidation is continuing in the sector and we believe is unlikely to stop in the near future. In addition to growing our business organically, we intend to continue to look for acquisition opportunities, in key genres and new media that can add value for shareholders.

Roger Moore

Non-Executive Chairman

• February 2008

Condensed Consolidated Income Statement
Six months ended 30 November 2007 (unaudited)

	Six months ended 30 November 2007	Six months ended 30 November 2006	Year ended 31 May 2007
Note	£'000	£'000	£'000
Revenue	10,748	5,080	10,459
Cost of sales	(8,921)	(4,112)	(8,343)
Gross profit	<u>1,827</u>	<u>968</u>	<u>2,116</u>
Administrative expenses			
Other administrative expenses	(838)	(596)	(1,311)
Costs associated with AIM listing	(592)	-	-
Goodwill and other intangibles amortisation	(19)	(18)	(56)
Equity settled share based payments	(13)	-	(15)
Total administrative expenses	<u>(1,462)</u>	<u>(614)</u>	<u>(1,382)</u>
Other operating income	36	25	72
Share of results of joint ventures	19	-	20
Provision for impairment of investment in associate	-	-	(102)
Operating profit	<u>420</u>	<u>379</u>	<u>724</u>
Investment income	6	15	38
Finance costs	(82)	(33)	(82)
Profit before tax	<u>344</u>	<u>361</u>	<u>680</u>
Tax on profit on ordinary activities	2 (296)	(125)	(301)
Profit for the period	<u><u>48</u></u>	<u><u>236</u></u>	<u><u>379</u></u>
Attributable to:			
Equity holders of the parent	48	216	345
Minority interests	-	20	34
	<u><u>48</u></u>	<u><u>236</u></u>	<u><u>379</u></u>
Earnings per share	3		
Basic	<u><u>0.71p</u></u>	<u><u>3.54p</u></u>	<u><u>5.65p</u></u>
Diluted	<u><u>0.67p</u></u>	<u><u>3.40p</u></u>	<u><u>5.31p</u></u>

All activities derive from continuing operations.

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the income statement and, accordingly, no separate statement of total recognised income and expense is presented.

**Condensed Consolidated Balance Sheet
As at 30 November 2007 (unaudited)**

	30 November 2007 £'000	30 November 2006 £'000	31 May 2007 £'000
NON-CURRENT ASSETS			
Goodwill	2,060	1,309	2,060
Other intangible assets	1,213	659	1,225
Property, plant and equipment	1,649	1,298	1,339
Investments	102	100	83
	<u>5,024</u>	<u>3,366</u>	<u>4,707</u>
CURRENT ASSETS			
Inventories	4	1	5
Trade and other receivables	3,151	1,793	1,817
Cash and cash equivalents	4,416	2,475	3,935
	<u>7,571</u>	<u>4,269</u>	<u>5,757</u>
TOTAL ASSETS	<u><u>12,595</u></u>	<u><u>7,635</u></u>	<u><u>10,464</u></u>
CURRENT LIABILITIES			
Trade and other payables	3,362	2,193	3,934
Interest-bearing loans and borrowings	261	361	421
Deferred consideration	356	501	928
Tax liabilities	643	384	423
	<u>4,622</u>	<u>3,439</u>	<u>5,706</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	450	421	272
Other payables	33	32	44
Deferred tax liabilities	157	123	81
Deferred consideration	234	-	306
	<u>874</u>	<u>576</u>	<u>703</u>
TOTAL LIABILITIES	<u><u>5,496</u></u>	<u><u>4,015</u></u>	<u><u>6,409</u></u>
NET ASSETS	<u><u>7,099</u></u>	<u><u>3,620</u></u>	<u><u>4,055</u></u>

**Condensed Consolidated Balance Sheet
As at 30 November 2007 (unaudited)**

	30 November 2007 £'000	30 November 2006 £'000	31 May 2007 £'000
EQUITY			
Share capital	89	66	68
Share premium account	3,931	969	969
Merger reserve	1,217	744	1,217
Retained earnings	1,862	1,657	1,801
	<hr/>	<hr/>	<hr/>
Equity attributable to equity holders of the parent	7,099	3,436	4,055
	<hr/>	<hr/>	<hr/>
TOTAL EQUITY	7,099	3,436	4,055
	<hr/>	<hr/>	<hr/>
Minority interest	-	184	-
	<hr/>	<hr/>	<hr/>
	<u>7,099</u>	<u>3,620</u>	<u>4,055</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

H E Davies
Director

M W Fenwick
Director

**Condensed Consolidated Cash Flow Statement
As at 30 November 2007 (unaudited)**

	30 November 2007 £'000	30 November 2006 £'000	31 May 2007 £'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(1,342)	378	2,379
INVESTING ACTIVITIES			
Interest received	6	15	38
Purchase of property, plant and equipment	(255)	(19)	(109)
Disposal of subsidiary	-	-	109
Acquisition of subsidiaries - net cash outflow arising on acquisition	(2)	(133)	(106)
Acquisition of subsidiaries - deferred consideration payments	(643)	(132)	(530)
Acquisition of associates - deferred consideration payments	-	-	(34)
Acquisition of intangible fixed assets	-	-	(15)
Purchase of programmes catalogue	(6)	-	(11)
Proceeds on disposal of property, plant and equipment	175	1	2
NET CASH USED IN INVESTING ACTIVITIES	(725)	(268)	(656)
FINANCING ACTIVITIES			
Repayments of obligations under finance leases	(124)	(54)	(193)
Repayment of borrowings	(310)	(5)	(16)
Proceeds on issue of preferred share capital	2,982	-	-
Preferred dividends paid	-	-	(28)
Grants received	-	12	37
NET CASH USED IN FINANCING ACTIVITIES	2,548	(47)	(200)
NET INCREASE IN CASH AND CASH EQUIVALENTS	481	63	1,523
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,935	2,412	2,412
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,416	2,475	3,935

Condensed Consolidated Statement of Changes in Equity
Six months ended 30 November 2007 (unaudited)

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Retained earnings £'000	Total £'000	Minority interest £'000	Total equity £'000
Balance at 1 June 2006	66	969	744	1,441	3,220	-	3,220
Profit for the financial period	-	-	-	216	216	20	236
Acquisition of minority interest	-	-	-	-	-	164	164
Balance at 30 November 2006	<u>66</u>	<u>969</u>	<u>744</u>	<u>1,657</u>	<u>3,436</u>	<u>184</u>	<u>3,620</u>
Profit for the financial period	-	-	-	129	129	14	143
New shares issued	2	-	473	-	475	-	475
Equity-settled share-based payments	-	-	-	15	15	-	15
Disposal of minority interest	-	-	-	-	-	(198)	(198)
Balance at 31 May 2007	<u>68</u>	<u>969</u>	<u>1,217</u>	<u>1,801</u>	<u>4,055</u>	<u>-</u>	<u>4,055</u>
Profit for the financial period	-	-	-	48	48	-	48
New shares issued	21	2,962	-	-	2,983	-	2,983
Equity-settled share-based payments	-	-	-	13	13	-	13
Balance at 30 November 2007	<u>89</u>	<u>3,931</u>	<u>1,217</u>	<u>1,862</u>	<u>7,099</u>	<u>-</u>	<u>7,099</u>

The Group has taken advantage of section 131 of the Companies Act 1985 and so the excess over the nominal value of shares issued other than for cash has been allocated to the merger reserve.

1. BASIS OF PREPARATION AND ACCOUNTING

The comparative figures for the financial year ended 31 May 2007 are extracted from the Group's statutory financial statements for that financial year. Those financial statements have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

Copies of the Annual Report for 2007 are available from the Company's registered office by applying to the Company Secretary, Mark Fenwick.

The interim results for the six months ended 30 November 2007 and 30 November 2006 have not been audited or reviewed by the auditors. The interim results have been prepared on a basis consistent with the accounting policies disclosed in the Group's annual report for the year ended 31 May 2007. The financial information set out above does not constitute full financial statements as defined by section 240 of the Companies Act 1985.

In the current financial year the Group will adopt International Financial Reporting Standard 7 "Financial instruments: Disclosures" IFRS 7 for the first time. As IFRS 7 is a disclosure standard, there is no impact on the change in accounting policy on the half-yearly financial report. Full details of the change will be disclosed in our annual report for the year ended 31 May 2008.

2. TAX

Taxation for the six month period is charged at the best estimate of the average annual effective income tax rate expected for the full year, applied to the pre-tax income of the six month period.

	30 November 2007 £,000	30 November 2006 £'000	31 May 2007 £'000
UK taxation at standard rate	220	125	343
Deferred taxation	76	-	(42)
	<u>296</u>	<u>125</u>	<u>301</u>

3. EARNINGS PER SHARE

	30 November 2007	30 November 2006	31 May 2007
Profit for the year (£'000)	48	216	345
Weighted average number of ordinary shares	6,763,226	6,093,190	6,104,348
Dilutive weighted average number of shares	7,193,869	6,345,287	6,496,508
Earnings per ordinary share – basic	0.71p	3.54p	5.65p
Earnings per ordinary share – dilutive	0.67p	3.40p	5.31p

4. SHARE CAPITAL

During the period the Group issued 2,389,353 1p ordinary shares for net consideration of £2,983,000.

5. NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30	30	31
	November	November	May
	2007	2006	2007
	£'000	£'000	£'000
Profit from operations	420	379	724
Adjustment for:			
Impairment of non current asset investment	-	-	102
Amortisation of intangible fixed assets	22	22	60
Depreciation of property, plant and equipment	222	161	368
Profit on property, plant and equipment disposals	-	-	(2)
Government grants	(10)	(7)	(16)
Results of joint venture	(19)	-	(14)
Equity-settled share-based payments	13	-	15
	<u>648</u>	<u>555</u>	<u>1,237</u>
Operating cash flows before movement in working capital			
(Increase)/decrease in receivables	(1,335)	(117)	378
(Decrease)/increase in payables	(574)	148	1,251
Decrease/(increase) in inventory	1	-	(4)
	<u>(1,260)</u>	<u>586</u>	<u>2,862</u>
Cash generated by operations			
Income taxes paid	-	(175)	(409)
Interest paid	(82)	(33)	(74)
	<u>(1,342)</u>	<u>378</u>	<u>2,379</u>
Net cash (outflow)/inflow from operating activities			