

Date: 24 February 2011
On behalf of: Boomerang Plus plc ('Boomerang', 'the Company', or 'the Group')
Embargoed until: 0700hrs

Boomerang Plus plc

Interim Results

Boomerang Plus plc (AIM: BOOM.L), a profitable and vertically integrated, multi-genre, independent television production group, today announces its unaudited results for the six months ended 30 November 2010.

Financial Highlights

- Turnover increased by 84% to £16.29 million (2009: £8.87 million)
- Gross profit margin of 15.2% (year to May 2010: 16.3%)
- Operating profit increased 74% to £0.86 million (2009: £0.49 million)
- Cash and cash equivalents of £3.76 million (2009: £2.82 million)
- Basic earnings per share increased by 69% to 6.21p (2009:3.67p)

Operational Highlights

- Good progress on diversification strategy:
 - Successful integration of Indus Films (acquired October 2009)
 - Organic Network success
 - Continued growth in advertiser funded programming ('AFP')
- 659 hours of programming for calendar year 2010 (2009: 428 hours)
- Continued critical acclaim for the Group's programmes

Outlook

- Full year revenues and profits expected to be considerably first half weighted
- Strong visibility over future revenues and commissions
- Increase in Network productions
- Current trading in line with the Board's expectations
- Continue to examine acquisition opportunities

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

"These interim results demonstrate the Group's continued progress in diversifying its operations. We have made successful inroads with Network broadcasters and seen further strong growth in our AFP business. With good visibility over future revenues and commissions, together with a strong balance sheet, the Group is very well placed to exploit the considerable opportunities presented by a fast-changing media marketplace"

- Ends -

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Boomerang Plus

- Boomerang, founded in 1994, has extensive experience in producing content in a variety of genres, including entertainment, factual, sport, music, drama, and children's programming for television, radio and the web.
- The Group operates across the whole spectrum of creative industry activities including content production, post-production services, television facilities, and talent management.
- Boomerang aims to be independent television production company of choice to the Network broadcasters looking to fill their Ofcom quotas from the 'Nations and Regions' (broadcasters must source between 10% and 50% of qualifying programme hours 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 2010.
- Boomerang's strategy is to continue to produce high quality content across a breadth of genres and to become a leading producer of AFP and digital content and services. The Group also aims to achieve strong organic growth by leveraging its existing customer base and making strategic acquisitions, with a view to becoming a major supplier to UK networks looking to satisfy their Nations and Regions quotas.

Chief Executive's Statement

I am pleased to present the Group's results for the six months ended 30 November 2010 (the 'period').

Overview

This has been a period of continued progress by the Group. Our strategy of diversifying the Group's operations and, in particular, investing in IP strong businesses with global footprints, has contributed to a period of strong growth in revenue and profitability. The period under review has also benefited from a number of the Group's projects being delayed in the previous year.

The period includes a full six months trading from Indus Films (acquired in October 2009) and the other businesses we acquired in the first half of last year. The addition of Indus to the Group has brought the world renowned and award winning expertise of the producers of "Amazon" and "Arctic" (with Bruce Parry), "Living with Monkeys", "Coal House" and "Snowdonia 1890".

We also experienced strong growth in our Advertiser Funded Programming ('AFP') business and made significant organic inroads into Network broadcasters. We are among the market leaders in AFP and continue to see growth and opportunities with a broad range of UK and global clients such as Red Bull, Nissan, Sony Playstation, Sony Ericsson and Quiksilver. Changes to product placement rules, pressure on programming budgets and widening distribution platforms are providing a strong base for growth, which our talented team are well placed to exploit.

Financial Review

As highlighted above, the impact of acquisitions and delayed commissions from 2009/10 has helped revenues for the period increase by 83.8 per cent to £16.29 million (2009: £8.87 million). Overall gross profit margins in the period reduced to 15.2 per cent (six months to 30 November 2009: 19.1 per cent; 12 months to 31 May 2010 16.3 per cent) due to a higher proportion of lower margin drama and children's production.

As a result, operating profit was up 74 per cent to £0.86 million (2009: £0.49 million) and profit before tax was up 67.7 per cent to £0.79 million (2009: £0.47 million).

Basic earnings per share for the period were up 69.2 per cent to 6.21 pence (2009: 3.67 pence).

As at 30 November 2010, the Group had cash and cash equivalents of £3.76 million (2009: £2.82 million) after outflows for acquisitions, including deferred consideration payments in respect of acquisitions in prior periods, of £0.21 million (2009: £1.22 million), the purchase of fixed assets of £0.39 million (2009: £0.58 million), and debt repayments of £0.29 million (2009: £0.16 million) during the period. Net assets at 30 November 2010 were £9.5 million (2009: £8.9 million).

Programming

The Group's content production businesses: Boomerang, Indus, Fflic, Alfresco and Apollo, contributed towards a strong, multi-genre portfolio of programmes for our broadcast customers during the period.

We have had noted success in increasing our organic Network presence during the period. For Channel 4, we are currently in production of “The Secret Supper Club”, a ten part food and wine series with Olly Smith, and the second series of “That Paralympic Show”, a multi-platform magazine series introducing the London 2012 Paralympics.

In AFP, highlights included our first 3D commission to produce a Skateboard Documentary with legendary American Skateboarder, Tony Hawk. Filming for Quiksilver’s Tony Hawk’s European Tour wrapped in July 2010 following a three-week tour across Berlin, Rome, Barcelona and Brighton. Other AFP productions during the period included Roxy Jam Biarritz, the annual Women’s World Longboard Championships; the third series of Sony Ericsson World B-boy Championships, the global search for the best breakdancing crew in the world, filmed on location in New York, Japan, Korea, Europe and concluding in Brixton for the competition final; and Sony Playstation GT Academy, the virtual-to-reality motor racing competition once again hosted by F1 luminaries Eddie Jordan and Johnny Herbert and filmed across Australia, New Zealand, Europe and the UK. This organic growth has been complemented through continued investment into the “Freeze” winter sports and music festival and the acquisition last year of “Method”, the multimedia snowboarding publisher.

Complementing this organic success, Indus has been extremely busy during the period on a raft of commissions including “Arctic” (with Bruce Parry) and “Snowdonia 1890”.

We have again produced a range of multi-genre programming for S4C during the period. These include the “Stwnsh” and “Cyw” children’s services; drama series “Teulu” and “Alys”; factual entertainment series “3 Lle”, “Gwlad Beirdd”, “Cartrefi Cefn Gwlad Cymru” and “Cyfnewid”; music series “Bandit” and “Nodyn”; youth series “Gofod,” and sports series “Chwa”, “Rasus” and “Ras i Lundain” amongst others.

Post-production and Facilities

The Group continued to invest during the period in expanding its post-production, camera, studio and outside broadcast facilities. The Group currently operates approximately 70 edit suites, four pro-tools dub suites and four studios together with an outside broadcast truck. Our editing facilities now include a Baselight grading system, two DS Nitris systems and two Symphony Nitris systems.

Digital media

With our digital media partner, Cube Interactive, we continue to explore and develop opportunities in digital media, including websites, web streaming and interactive media. This includes content creation for the “Royal Welsh”, “Stwnsh” and “Cyw” contracts whilst multi-platform distribution is also at the forefront of most of our AFP content.

Radio

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

Talent management

Boom Talent, a management company representing singers, actors and presenters in film, television, theatre, radio, corporate and voice-over work, continues to establish itself.

Outlook

As previously highlighted, following the Government's Comprehensive Spending Review in October 2010, S4C will have a reduced programming budget in the future and this will inevitably impact production companies based in Wales. However, the Board believes that the Group's position as one of the largest multi-genre Nations and Regions production companies in the UK and accelerating diversification will allow it to mitigate the impact of S4C's changed circumstances and will bring considerable benefits to the Company over the coming years as the increased Ofcom quota requirements for broadcasters come in to force.

Organic Network growth, the acquisition of Indus and growth in AFP programming have all contributed to diversifying the Group's customer base and widening its intellectual product base. This will continue to drive further growth in an increasingly global market and provide us with opportunities to increase our profit margins.

Our success in securing new contracts and our track record on recommissions provide the Group with good visibility over revenues for the second half of the current financial year and the first half of 2011/12. Full year results are expected to be considerably first half weighted and current trading is in line with the Board's expectations.

We will also continue to look for further acquisitions that can add value for shareholders in a fast-changing media marketplace.

Huw Eurig Davies
Chief Executive
23 February 2011

Condensed Consolidated Income Statement
Six months ended 30 November 2010 (unaudited)

	Note	Six months ended 30 November 2010	Six months ended 30 November 2009	Year ended 31 May 2010
		£'000	£'000	£'000
Revenue		16,295	8,866	21,409
Cost of sales		(13,811)	(7,176)	(17,912)
Gross profit		<u>2,484</u>	<u>1,690</u>	<u>3,497</u>
Administrative expenses				
Other administrative expenses		(1,631)	(1,320)	(2,928)
Professional fees in relation to unsuccessful corporate transactions		(10)	-	(73)
Provision for impairment of investments		-	-	(70)
Amortisation of intangibles arising on business acquisitions		(10)	(6)	(20)
Equity settled share based payments		-	(4)	(7)
Total administrative expenses		<u>(1,651)</u>	<u>(1,330)</u>	<u>(3,098)</u>
Other operating income		37	112	227
Loss on disposal of fixed assets		-	(3)	-
Share of results of joint ventures and associates		(12)	24	(18)
Operating profit		<u>858</u>	<u>493</u>	<u>608</u>
Investment income		3	-	3
Finance costs		(73)	(23)	(76)
Profit before tax		<u>788</u>	<u>470</u>	<u>535</u>
Tax on profit on ordinary activities	2	<u>(234)</u>	<u>(143)</u>	<u>(218)</u>
Profit for the period		<u><u>554</u></u>	<u><u>327</u></u>	<u><u>317</u></u>
Earnings per share	3			
Basic		<u>6.21p</u>	<u>3.67p</u>	<u>3.56p</u>
Diluted		<u>6.13p</u>	<u>3.60p</u>	<u>3.50p</u>
Adjusted – basic		<u>6.44p</u>	<u>3.78p</u>	<u>5.47p</u>
Adjusted – diluted		<u>6.35p</u>	<u>3.71p</u>	<u>5.38p</u>

All activities derive from continuing operations.

The Group has no other items of comprehensive income and as such has not presented a separate condensed consolidated statement of comprehensive income.

**Condensed Consolidated Balance Sheet
As at 30 November 2010 (unaudited)**

	30 November 2010 £'000	30 November 2009 £'000	31 May 2010 £'000
NON-CURRENT ASSETS			
Goodwill	3,039	2,102	3,049
Other intangible assets	2,430	3,802	2,444
Property, plant and equipment	3,401	1,613	2,931
Investments	360	496	371
	<u>9,230</u>	<u>8,013</u>	<u>8,795</u>
CURRENT ASSETS			
Inventories	-	-	9
Trade and other receivables	3,461	3,423	4,158
Current tax assets	219	219	219
Cash and cash equivalents	3,761	2,818	3,070
	<u>7,441</u>	<u>6,460</u>	<u>7,456</u>
TOTAL ASSETS	<u><u>16,671</u></u>	<u><u>14,473</u></u>	<u><u>16,251</u></u>
CURRENT LIABILITIES			
Trade and other payables	4,256	2,945	4,615
Current tax liabilities	374	595	84
Interest-bearing loans and borrowings	735	250	492
Deferred consideration	109	268	333
	<u>5,474</u>	<u>4,058</u>	<u>5,524</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	634	90	742
Other payables	76	14	47
Deferred tax liabilities	219	109	232
Deferred consideration	734	1,212	722
	<u>1,663</u>	<u>1,425</u>	<u>1,743</u>
TOTAL LIABILITIES	<u><u>7,137</u></u>	<u><u>5,483</u></u>	<u><u>7,267</u></u>
NET ASSETS	<u><u>9,534</u></u>	<u><u>8,990</u></u>	<u><u>8,984</u></u>

Condensed Consolidated Balance Sheet
As at 30 November 2010 (unaudited)

	30	30	31
	November	November	May
	2010	2009	2010
	£'000	£'000	£'000
EQUITY			
Share capital	89	89	89
Share premium account	3,934	3,933	3,934
Merger reserve	1,217	1,217	1,217
Retained earnings	4,294	3,751	3,744
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Equity attributable to equity holders of the parent	9,534	8,990	8,984
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These condensed consolidated interim statements were approved by the Board of Directors on 23 February 2011.
Signed on behalf of the Board of Directors

H E Davies
Director

M W Fenwick
Director

Condensed Consolidated Cash Flow Statement
Six months ended 30 November 2010 (unaudited)

	Note	Six months ended 30 November 2010	Six months ended 30 November 2009	Year ended 31 May 2010
NET CASH INFLOW FROM OPERATING ACTIVITIES	4	1,473	1,745	2,615
INVESTING ACTIVITIES				
Interest received		3	-	3
Purchase of property, plant and equipment		(393)	(97)	(544)
Acquisition of subsidiaries - net cash outflow arising on acquisition		-	(768)	(768)
Acquisition of subsidiaries - deferred consideration payments		(211)	(128)	(326)
Acquisition of associates		-	(326)	(209)
Acquisition of intangible fixed assets		-	(480)	(458)
Proceeds on disposal of property, plant and equipment		7	-	1
NET CASH USED IN INVESTING ACTIVITIES		(594)	(1,799)	(2,301)
FINANCING ACTIVITIES				
Repayments of obligations under finance leases		(288)	(155)	(372)
Proceeds on issue of shares		-	-	1
Grants received		100	-	100
NET CASH USED IN FINANCING ACTIVITIES		(188)	(155)	(271)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		691	(209)	43
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		3,070	3,027	3,027
CASH AND CASH EQUIVALENTS AT END OF PERIOD		3,761	2,818	3,070

Condensed Consolidated Statement of Changes in Equity
Six months ended 30 November 2010 (unaudited)

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 June 2009	89	3,933	1,217	3,420	8,659
Profit for the financial period	-	-	-	327	327
Equity-settled share-based payments	-	-	-	4	4
	<u>89</u>	<u>3,933</u>	<u>1,217</u>	<u>3,751</u>	<u>8,990</u>
Balance at 30 November 2009	<u>89</u>	<u>3,933</u>	<u>1,217</u>	<u>3,751</u>	<u>8,990</u>
Loss for the financial period	-	-	-	(10)	(10)
New shares issued	-	1	-	-	1
Equity-settled share-based payments	-	-	-	3	3
	<u>89</u>	<u>3,934</u>	<u>1,217</u>	<u>3,744</u>	<u>8,984</u>
Balance at 31 May 2010	<u>89</u>	<u>3,934</u>	<u>1,217</u>	<u>3,744</u>	<u>8,984</u>
Profit for the financial period	-	-	-	554	554
Foreign exchange	-	-	-	(4)	(4)
	<u>89</u>	<u>3,934</u>	<u>1,217</u>	<u>4,294</u>	<u>9,534</u>
Balance at 30 November 2010	<u>89</u>	<u>3,934</u>	<u>1,217</u>	<u>4,294</u>	<u>9,534</u>

The Group has taken advantage of section 612 of the Companies Act 2006 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 interim financial information does not constitute statutory accounts for the purpose of section 434 of the Companies Act 2006. The figures for the year ended 31 May 2010 have been extracted from the Group's audited accounts for that year. Those accounts have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information for the six months ended 30 November 2010 and 30 November 2009 has not been audited or reviewed by the auditors. The interim results have been prepared using the same accounting policies and estimation techniques that are expected to apply at the year-end and is consistent with the accounting policies disclosed in the Group's annual report for the year ended 31 May 2010.

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 2010 £'000	30 November 2009 £'000	31 May 2010 £'000
UK taxation at standard rate	275	155	103
Deferred taxation	(41)	(12)	115
	<u>234</u>	<u>143</u>	<u>218</u>

3. EARNINGS PER SHARE

	30 November 2010 £'000	30 November 2009 £'000	31 May 2010 £'000
Earnings			
Profit for the period	554	327	317
Professional fees in relation to unsuccessful corporate transactions	10	-	73
Amortisation of intangibles arising on business acquisitions	10	6	20
Provision for impairment of investments	-	-	70
Equity settled share based payments	-	4	7
	<u>574</u>	<u>337</u>	<u>487</u>
Adjusted profit	<u>574</u>	<u>337</u>	<u>487</u>
Number of shares	No.	No.	No.
Weighted average number of ordinary shares	8,914,731	8,911,231	8,911,902
Dilutive weighted average number of shares	9,036,676	9,079,154	9,065,700
Earnings per ordinary share – basic	6.21p	3.67p	3.56p
Earnings per ordinary share – diluted	6.13p	3.60p	3.50p
Adjusted earnings per share – basic	6.44p	3.78p	5.47p
Adjusted earnings per share – diluted	6.35p	3.71p	5.38p

4. NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30	30	31
	November	November	May
	2010	2009	2010
	£'000	£'000	£'000
Profit from operations	858	493	608
Adjustment for:			
Amortisation of intangible fixed assets	29	27	61
Depreciation of property, plant and equipment	339	207	446
Profit on property, plant and equipment disposals	-	4	2
Government grants	(33)	(60)	(117)
Results of joint ventures and associates	12	(24)	20
Provision for impairment of investment	-	-	70
Foreign exchange	(9)	-	-
Equity-settled share-based payments	-	4	7
	<hr/>	<hr/>	<hr/>
Operating cash flows before movement in working capital	1,196	651	1,097
Decrease/(increase) in receivables	724	640	(79)
(Decrease)/increase in payables	(397)	457	2,109
Increase/(decrease) in inventory	9	-	(9)
	<hr/>	<hr/>	<hr/>
Cash generated from operations	1,532	1,748	3,118
Income taxes received/(paid)	14	20	(451)
Interest paid	(73)	(23)	(52)
	<hr/>	<hr/>	<hr/>
Net cash inflow from operating activities	<u>1,473</u>	<u>1,745</u>	<u>2,615</u>

5. AVAILABILITY OF INTERIM RESULTS

A copy of the interim report will be available for members of the public by application to the Company's Registered Office or on the Company's website at www.boomerang.co.uk.