

Boomerang Plus plc

Interim Results

Boomerang Plus plc (AIM: BOOM.L), a profitable and vertically integrated, multi-genre, independent television production group operating within the Nations and Regions, today announces its unaudited results for the six months ended 30 November 2008.

Financial Highlights

- Turnover increased 9.4 per cent. to £11.76 million (2007: £10.75 million)
- Operating profit before exceptional items increased 8.5 per cent. to £1.10 million (2007: £1.01 million)
- Profit before tax and exceptional items increased 15.2 per cent. to £1.08 million (2007: £0.94 million)
- Cash and cash equivalents of £3.98 million (2007: £4.42 million)

Operational Highlights

- Continuing integration of existing businesses
- Expansion of advertiser funded programming (“AFP”) division with major commissions including the “Sony Ericsson B-boy Championships” and “Sony Playstation GT Academy”
- Continuing investment and increased capacity of post production facilities by 18%

Outlook

- Well placed to benefit from Nations and Regions regulations
- Good visibility over future revenues and commissions
- Current trading in line with the Board’s expectations

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

“Through the six months to November 2008, the Group has consolidated its position as a leading Nations and Regions player in the UK.”

“We have a proven management team, a strong balance sheet and a good visibility of earnings and recommissions for the next financial year. This provides us with an excellent platform to exploit the significant opportunities that exist within a changing media marketplace.”

- Ends -

For further information, please contact:

Boomerang Plus plc

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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. The Group aims to become a major supplier to UK television networks looking to satisfy their Nations and Regions quotas
- The Board's strategy is both to achieve organic growth by leveraging the Group's existing customer base coupled with strategic acquisitions, both in digital media and traditional independent television production.

Chairman's Statement

I am pleased to present the Group's results for the six months ended 30 November 2008.

Following a year of substantial growth in 2008, the Group has concentrated on integrating its existing businesses, growing its branded content division and developing a strong pipeline of projects for our key customers to provide for long-term visibility.

We 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.

We will continue to invest in new markets such as advertiser funded programming ("AFP"), digital media and talent management as we look to take advantage of a changing media landscape.

As a creative business, our staff members are key to our success and we will continue to invest in training and development that will benefit the Group long-term.

Financial Review

During the period under review, turnover increased by 9.4 per cent to £11.76 million (2007: £10.75 million) and operating profit (before exceptional items) increased by 8.5 per cent to £1.10 million (2007: £1.01 million). Exceptional items of £0.59 million in 2007 related to the costs associated with on the Company's admission to AIM in November 2007.

Profit before tax and the exceptional items was £1.08 million compared with £0.94 million for the same period last year, representing an increase of 15.2 per cent. Profit before tax after exceptional items was £1.08 million (2007: £0.34 million).

The Group had cash and cash equivalents of £3.98 million at 30 November 2008 (2007: £4.42 million), following deferred consideration payments in respect of acquisitions in prior periods of £0.06 million and debt repayments of £0.09 million during the period. In addition, the Group incurred capital expenditure of £0.39 million over the period (2007: £0.71 million) principally on the expansion of post production facilities.

Programming

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

Sports and AFP

Boomerang's Sports department completed the seventh series of the Royal Television Society's award winning "Freesports on 4" for Channel 4 and is currently in production of an eighth series. We have long and trusted relationships with major brands such as Red Bull, Quiksilver, Billabong, Xbox and Sony. The department is also producing an extreme sports series, "Chwa", for S4C.

The AFP division won major commissions during the period, including the “Sony Ericsson B-boy Championships” and “Sony Playstation GT Academy”. Both commissions were won in competitive tender and feature events from around the world.

Drama

The second series of both “Teulu”, a 10-part 60-minute drama set around a doctor’s surgery in Aberaeron, and “Dau dy a Ni”, a 10-part 30-minute teen drama set in a foster home in the Welsh valleys, were both filmed in the period for S4C. Apollo has produced a 90-minute film for S4C entitled “Martha, Jac a Sianco” and completed production and transmission of the third series of their Rose d’Or award winning drama, “Con Passionate” which follows a Welsh male voice choir.

Comedy, Entertainment and Music

For S4C, the Group produced a Christmas special of the “PC Leslie Wynne Show” and a 10-part travel quiz show “0 ond 1” and is currently in production of an eight-part chat show “Tudur Owen o’r Doc”.

A three part celebrity ranching reality show “Saith Magnifico and Matthew Rhys” was filmed in Arizona as part of a substantial Christmas schedule from the Group for S4C.

Boomerang continued production for another series of its late-night youth music show “Bandit” together with the second block of the music series, “Nodyn”.

Lifestyle

Fflic is currently producing another season of its high-end, lifestyle programming for S4C. As extensions of existing successful strands, “04 Wal Gwestai” looks at the architecture and design of hotels around the world; “Y Dref Gymreig” investigates historical and vernacular house building in Welsh towns; and “Cwprdd Dillad” considers an individual’s life through their wardrobe.

Children’s

In November 2008, Boomerang started the second year of its £4 million contract for S4C’s “Planed Plant” children’s continuity links.

Series produced or in production in the period include “Yn yr Ardd”, “Stwffio”, “Dawnstastig”, “Garej” and “ABC”. The 2008 Broadcast Survey highlighted the Group as one of the largest children’s producers in the UK.

Events

In July 2008, Boomerang produced the live broadcast of the “Royal Welsh Agricultural Show” for the third 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 and Facilities

The Group further expanded its post-production department (in-house and Mwnci) during the period, investing in further high-end suites, expanding High Definition capability and increasing central unity storage. These cutting-edge facilities provide a quality finish to many of the productions across the Group and for external clients.

The Group's in-house studios continued to be highly utilised, mainly to service the "Planed Plant" contract, and the Group's camera facilities joint venture, Zoom, continued to expand in its first full year of operation.

Radio

The Group continues to supply a diverse range of radio programmes particularly for BBC Radio Wales and Radio Cymru, and during the period produced its first content for Radio 5.

Talent management

In its second full year of trading, Boom Talent, a management company representing actors and presenters in film, television, theatre, radio, corporate and voice-over work, continues to establish itself and to increase its profile and client base which has now grown to 29.

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. Significant interactive contracts include content for the "Royal Welsh", "Eisteddfod Genedlaethol yr Urdd" and "Planed Plant".

Outlook

Our position as a multi-genre independent television production company based in the Nations and Regions means we are well placed to take advantage of the regulations within the market in which we operate.

Historically, a high proportion of the Group's programmes have been recommissioned by the broadcasters and with the trend continuing, this provides the Group with good visibility for the next financial year, something that is not often experienced elsewhere in the industry. The Group is continuing to trade in line with the Board's expectations.

In addition to growing our business organically, we continue to look for acquisition opportunities in key genres and digital media that can add value for shareholders in a fast changing media marketplace.

Richard Huntingford
Non-Executive Chairman
26 February 2008

Condensed Consolidated Income Statement
Six months ended 30 November 2008 (unaudited)

	Six months ended 30 November 2008	Six months ended 30 November 2007	Year ended 31 May 2008
Note	£'000	£'000	£'000
Revenue	11,759	10,748	20,931
Cost of sales	(9,793)	(8,921)	(17,034)
Gross profit	1,966	1,827	3,897
Administrative expenses			
Other administrative expenses	(946)	(838)	(1,874)
Exceptional administrative expenses	-	(592)	(739)
Amortisation of intangibles arising on business acquisitions	(10)	(19)	(38)
Equity settled share based payments	(11)	(13)	(23)
Total administrative expenses	(967)	(1,462)	(2,674)
Other operating income	37	36	133
Profit on disposal of fixed assets	37	-	-
Share of results of joint ventures	25	19	48
Operating profit	1,098	420	1,404
Investment income	15	6	32
Finance costs	(35)	(82)	(133)
Profit before tax	1,078	344	1,303
Tax on profit on ordinary activities	2 (324)	(296)	(617)
Profit for the period	754	48	686
Earnings per share	3		
Basic	8.47p	0.71p	8.77p
Diluted	8.09p	0.73p	8.31p
Adjusted – basic	8.70p	9.99p	18.99p
Adjusted – diluted	8.31p	8.98p	17.78p

Condensed Consolidated Balance Sheet
As at 30 November 2008 (unaudited)

	30	30	31
	November	November	May
	2008	2007	2008
	£'000	£'000	£'000
NON-CURRENT ASSETS			
Goodwill	2,108	2,060	2,108
Other intangible assets	1,201	1,213	1,229
Property, plant and equipment	1,841	1,649	1,662
Investments	175	102	124
	<u>5,325</u>	<u>5,024</u>	<u>5,123</u>
CURRENT ASSETS			
Inventories	3	4	3
Trade and other receivables	3,766	3,151	2,851
Cash and cash equivalents	3,983	4,416	6,325
	<u>7,752</u>	<u>7,571</u>	<u>9,179</u>
TOTAL ASSETS	<u><u>13,077</u></u>	<u><u>12,595</u></u>	<u><u>14,302</u></u>
CURRENT LIABILITIES			
Trade and other payables	2,829	3,362	4,894
Current tax liabilities	505	261	589
Interest-bearing loans and borrowings	410	356	278
Deferred consideration	194	643	174
	<u>3,938</u>	<u>4,622</u>	<u>5,935</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	327	450	290
Other payables	52	33	68
Deferred tax liabilities	167	81	103
Deferred consideration	81	310	159
	<u>627</u>	<u>874</u>	<u>620</u>
TOTAL LIABILITIES	<u><u>4,565</u></u>	<u><u>5,496</u></u>	<u><u>6,555</u></u>
NET ASSETS	<u><u>8,512</u></u>	<u><u>7,099</u></u>	<u><u>7,747</u></u>

Condensed Consolidated Balance Sheet
As at 30 November 2008 (unaudited)

	30	30	31
	November	November	May
	2008	2007	2008
	£'000	£'000	£'000
EQUITY			
Share capital	89	89	89
Share premium account	3,931	3,931	3,931
Merger reserve	1,217	1,217	1,217
Retained earnings	3,275	1,862	2,510
	<hr/>	<hr/>	<hr/>
Equity attributable to equity holders of the parent	8,512	7,099	7,747
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These financial statements were approved by the Board of Directors on 26 February 2008
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 2008 (unaudited)**

	30 November 2008 £'000	30 November 2007 £'000	31 May 2008 £'000	
NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES	4	(2,106)	(1,342)	1,044
INVESTING ACTIVITIES				
Interest received	15	6	32	
Purchase of property, plant and equipment	(134)	(255)	(346)	
Acquisition of subsidiaries - net cash outflow arising on acquisition	-	(2)	(2)	
Acquisition of subsidiaries - deferred consideration payments	(58)	(643)	(837)	
Acquisition of associates	(27)	-	-	
Acquisition of intangible fixed assets	-	(6)	(69)	
Proceeds on disposal of property, plant and equipment	54	175	184	
NET CASH USED IN INVESTING ACTIVITIES	(150)	(725)	(1,038)	
FINANCING ACTIVITIES				
Repayments of obligations under finance leases	(86)	(124)	(329)	
Repayment of borrowings	-	(310)	(350)	
Proceeds on issue of shares	-	2,982	2,983	
Grants received	-	-	80	
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	(86)	2,548	2,384	
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(2,342)	481	2,390	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,325	3,935	3,935	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,983	4,416	6,325	

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
Balance at 1 June 2007	68	969	1,217	1,801	4,055
Profit for the financial period	-	-	-	48	48
New shares issued	21	2,962	-	-	2,983
Equity-settled share-based payments	-	-	-	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>
Profit for the financial period	-	-	-	638	638
Equity-settled share-based payments	-	-	-	10	10
Balance at 31 May 2008	<u>89</u>	<u>3,931</u>	<u>1,217</u>	<u>2,510</u>	<u>7,747</u>
Profit for the financial period	-	-	-	754	754
Equity-settled share-based payments	-	-	-	11	11
Balance at 30 November 2008	<u>89</u>	<u>3,931</u>	<u>1,217</u>	<u>3,275</u>	<u>8,512</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 2008 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 2008 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 2008 and 30 November 2007 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 2008. The financial information set out above does not constitute full financial statements as defined by section 240 of the Companies Act 1985.

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 2008 £'000	30 November 2007 £'000	31 May 2008 £'000
UK taxation at standard rate	260	220	595
Deferred taxation	64	76	22
	<u>324</u>	<u>296</u>	<u>617</u>

3. EARNINGS PER SHARE

	30 November 2008 £'000	30 November 2007 £'000	31 May 2008 £'000
Earnings			
Profit for the period	754	48	686
Preferred share finance cost	-	8	17
	<u>754</u>	<u>56</u>	<u>703</u>
Diluted profit	754	56	703
Exceptional administrative expenses	-	592	739
Amortisation of intangibles arising on business acquisitions	10	19	38
Equity settled share based payments	11	13	23
	<u>775</u>	<u>680</u>	<u>1,503</u>
Number of shares			
Weighted average number of ordinary shares	8,901,231	6,720,959	7,824,974
Dilutive weighted average number of shares	9,317,125	7,568,191	8,456,122
Earnings per ordinary share – basic	8.47p	0.71p	8.77p
Earnings per ordinary share – diluted	8.09p	0.73p	8.31p
Adjusted earnings per share – basic	8.70p	9.99p	18.99p
Adjusted earnings per share – diluted	8.31p	8.98p	17.78p

4. NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 November 2008 £'000	30 November 2007 £'000	31 May 2008 £'000
Profit from operations	1,098	420	1,404
Adjustment for:			
Amortisation of intangible fixed assets	27	22	65
Depreciation of property, plant and equipment	193	222	363
Profit on property, plant and equipment disposals	(37)	-	(7)
Government grants	(31)	(10)	(38)
Results of joint venture	(25)	(19)	(48)
Equity-settled share-based payments	11	13	23
	<hr/>	<hr/>	<hr/>
Operating cash flows before movement in working capital	1,236	648	1,762
Increase in receivables	(915)	(1,335)	(1,034)
(Decrease)/ increase in payables	(2,048)	(574)	870
Decrease in inventory	-	1	2
	<hr/>	<hr/>	<hr/>
Cash (used by)/ generated from operations	(1,727)	(1,260)	1,600
Income taxes paid	(344)	-	(423)
Interest paid	(35)	(82)	(133)
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Net cash (outflow)/ inflow from operating activities	<u>(2,106)</u>	<u>(1,342)</u>	<u>1,044</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.