

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 2009.

Financial Highlights

- FY 2010 second half weighted compared to FY 09
- Turnover of £8.87 million (2008: £11.76 million)
- Gross profit margin increased to 19.1% (2008: 16.7%)
- Operating profit of £0.49 million (2008: £1.10 million)
- Cash and cash equivalents of £2.82 million (2008: £3.98 million)

Operational Highlights

- Good progress on diversification strategy:
 - Acquisition of Indus Films Limited in October 2009
 - Investment in winter sports live event joint venture, Big Freeze Limited
 - Acquisition of multi-media producer Method
- £12 million three year S4C Children's contract
- 482 hours of programming for calendar year 2009
- Continued critical acclaim for the Group's programmes

Outlook

- Full year revenues will be second half weighted due to timing of larger projects
- Strong visibility over future revenues and commissions with pipeline in excess of £50 million
- Increasing network productions
- Current trading in line with the Board's expectations
- Continuing to examine acquisition opportunities

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

“Through this transformational six month period, we have made successful efforts to diversify our broadcast customer base, genre portfolio, IP and international reach whilst continuing to win significant commissions.

“In tune with our strategy, we have made considerable progress with acquisitive and organic growth. We continue to enjoy good revenue visibility and are delighted to have improved margins in such a difficult period.

“I would like to take this opportunity to thank our exceptional team of creative and talented people who continue to produce high quality, market leading content.”

- Ends -

For further information, please contact:

Boomerang Plus plc

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Boomerang Plus

- Boomerang, founded in 1994, has extensive experience in producing content in a variety of genres, including extreme sports, youth programming, music, entertainment, children's programming, and drama
- 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 three independent television production companies, by revenue, in the Nations and Regions according to the Broadcast Survey (Nations and Regions) 2009
- Boomerang'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

Chief Executive's Statement

I am pleased to present the Group's results for the six months ended 30 November 2009.

This has been a transformational six months for the Group. We have advanced our strategy of building on a strong platform of visible revenues in our local market by diversifying the Group's operations and, in particular, investing in IP strong businesses with global footprints and significant organic inroads into Network broadcasters.

We were delighted in July 2009 to be awarded, in open tender, a three-year £12 million contract from S4C for the provision of programming and links for their older children schedule. This is a great endorsement of the creative talent within the Group and confirms our position as one of the UK's largest producers of children's content, a position that we are seeking to exploit internationally through co-productions and sales.

On 18 August 2009, we announced the acquisition of 25% of Big Freeze Limited as part of a joint venture with broadcaster Channel 4 and events organiser Sports Vision. Big Freeze Limited is a production company created to organise and produce the Freesports on 4 Freeze live event franchise, the UK's biggest winter sports and music festival, as well as other broadcast related and advertiser funded events.

On 14 September 2009, our newly incorporated 75% subsidiary, Boom Extreme Publishing Limited, announced the acquisition of the intellectual property and certain assets of Method, a multimedia publisher offering snowboarding news and action across print, motion, audio and interactive platforms.

On 20 October 2009, we announced the acquisition of Indus Films Limited, a Welsh based, network focussed independent television production company. Indus will significantly diversify the Group's broadcast customer base and genre portfolio to include adventure, environmental, living history, natural history and arts. Steve Robinson and Paul Islwyn Thomas, founders of Indus, offer extensive creativity and experience to add to Boomerang's talented team of programme makers.

We continue to be among the market leaders in advertiser funded programming (AFP) and this division continues to see growth and opportunities with a broad range of UK and global clients such as Red Bull, Nissan, McCain, 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.

The economic difficulties facing all UK broadcasters continued to have a knock on effect on the television production sector, leading to increased pressure on tariffs and margins. However, investment in people, technology and new working practices means that we have managed to improve our margins in this difficult period and at the same time have continued to invest significant resources into programme development and into growing our existing and new businesses.

Financial Review

As anticipated, the Group's full year revenues for 2010 will be second half weighted due to the timing of certain dramas and other larger commissions. As a consequence, during the period under review, turnover was £8.87 million (2008: £11.76 million). Gross profit margins were significantly improved to 19.1 per cent from 16.7 per cent in the prior period partly due to the mix of genre as well as improved working practices.

Operating profit was £0.49 million (2008: £1.10 million) and profit before tax was £0.47 million (2008: £1.08 million).

The Group had cash and cash equivalents of £2.82 million at 30 November 2009 (2008: £3.98 million) after outflows for acquisitions, including deferred consideration payments in respect of acquisitions in prior periods, of £1.22 million (2008: £0.1 million), £0.48 million (2008: 0.1 million) due to the acquisition of publishing rights, and debt repayments of £0.2 million (2008: £0.1 million) during the period.

Programming

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

We have had noted success in increasing our Network presence in a number of key genre during the period. In comedy drama we had our first network commission for BBC4/BBC2 for 'Child's Christmases in Wales'; in children's we have won our first commission for CBBC 'My Dad in Prison' building on our position as one of the largest children's producers in the UK and in factual we are in production of 'Too Poor for Posh School?' for Channel 4's Cutting Edge strand.

Complementing this success, the addition of Indus to the Group brings the world renowned and award winning expertise of the producers of 'Amazon' (Bruce Parry), 'Living with Monkeys', 'Coalhouse', 'Everest ER' and 'Venom Hunter'. Indus is currently in the middle of a strong slate of productions, including 'Arctic' (with Bruce Parry) and 'Snowdonia 1890'.

Over the last few years we have received critical acclaim for a wide number of our programmes, including RTS awards for 'ABC' and 'Freesports on 4'; a Golden Rose D'Or for 'Con Passionate'; Welsh BAFTA 2009 wins for 'Con Passionate', 'Y Saith Magnifico' a Matthew Rhys and six for 'Martha, Jac a Sianco'. Boomerang's success has continued during the period with 'Rhestr Nadolig Wil' winning a Bafta Children's award for best drama as well as a nomination at the inaugural KidScreen in New York.

Post-production and Facilities

The Group is in the process of further expanding its post production department (in-house and Mwnci) by the addition of six further AVID editing suites, an ISIS central storage system and a further dubbing suite.

In readiness for the launch of our new £12 million three year Children's contract with S4C, we are planning to upgrade our studio gallery to HD and add an outside broadcast SNG truck to our in-house technical facilities.

Investment in HD tapeless cameras is also being made through both our in-house Children's department and the Group's camera facilities joint venture, Zoom, ensuring we are employing the latest technologies and work flow practices.

Radio

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

Talent management

Boom Talent, a management company representing singers, actors and presenters in film, television, theatre, radio, corporate and voice-over work, continues to increase its profile and client base.

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 creation for the 'Royal Welsh' and 'Planed Plant' and multi-platform distribution is at the forefront of most of our AFP content.

Freeze

October saw the second year of the Freeze snow sports and music festival. With our partners Channel 4 and Sportsvision, we managed to build significantly on the success of the event's first year with large increases in both visitor numbers and infrastructure, providing a good platform to profitably grow the brand in future years.

Boom Extreme Publishing

In the first period of trading which, as expected, was set against a backdrop of a very challenging advertising market, Method magazine has been restructured, relocated to Biarritz and integrated into the Group. Synergy with our AFP division and its large global, digital platform provides exciting potential for its future within the Group.

Outlook

Our position as a multi-genre independent television production company based in the Nations and Regions means that we are well placed to benefit from the regulatory framework operating within our markets.

We have strong visibility of revenue. Our current pipeline of commissions, boosted by the recent acquisition of Indus, including the current year to date, is in excess of £50 million.

Increasing network commissions, a growing AFP department supplemented by Freeze and Method and the Indus acquisition are providing a good platform for increased growth and diversification.

The Group continues to trade in line with the Board's expectations and remains active in exploring further acquisition opportunities.

Huw Eurig Davies

Chief Executive
25 February 2010

Condensed Consolidated Income Statement
Six months ended 30 November 2009 (unaudited)

	Note	Six months ended 30 November 2009 £'000	Six months ended 30 November 2008 £'000	Year ended 31 May 2009 £'000
Revenue		8,866	11,759	19,759
Cost of sales		(7,176)	(9,793)	(16,882)
Gross profit		1,690	1,966	2,877
Administrative expenses				
Other administrative expenses		(1,320)	(946)	(1,862)
Professional fees in relation to unsuccessful corporate transactions		-	-	(66)
Amortisation of intangibles arising on business acquisitions		(6)	(10)	(21)
Equity settled share based payments		(4)	(11)	(23)
Total administrative expenses		(1,330)	(967)	(1,972)
Other operating income		112	37	232
(Loss)/profit on disposal of fixed assets		(3)	37	-
Share of results of joint ventures and associates		24	25	3
Operating profit		493	1,098	1,140
Investment income		-	15	25
Finance costs		(23)	(35)	(71)
Profit before tax		470	1,078	1,094
Tax on profit on ordinary activities	2	(143)	(324)	(207)
Profit for the period		327	754	887
Earnings per share	3			
Basic		3.67p	8.47p	9.96p
Diluted		3.60p	8.09p	9.70p
Adjusted ó basic		3.78p	8.70p	11.20p
Adjusted ó diluted		3.71p	8.31p	10.91p

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 2009 (unaudited)

	30	30	31
	November	November	May
	2009	2008	2009
	£'000	£'000	£'000
NON-CURRENT ASSETS			
Goodwill	2,102	2,108	2,131
Other intangible assets	3,802	1,201	1,161
Property, plant and equipment	1,613	1,841	1,686
Investments	496	175	147
	<u>8,013</u>	<u>5,325</u>	<u>5,125</u>
CURRENT ASSETS			
Inventories	-	3	-
Trade and other receivables	3,423	3,766	3,625
Current tax assets	-	-	219
Cash and cash equivalents	2,818	3,983	3,027
	<u>6,241</u>	<u>7,752</u>	<u>6,871</u>
TOTAL ASSETS	<u><u>14,254</u></u>	<u><u>13,077</u></u>	<u><u>11,996</u></u>
CURRENT LIABILITIES			
Trade and other payables	2,945	2,829	2,106
Current tax liabilities	376	505	407
Interest-bearing loans and borrowings	250	410	307
Deferred consideration	268	194	209
	<u>3,839</u>	<u>3,938</u>	<u>3,029</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	90	327	175
Other payables	14	52	17
Deferred tax liabilities	109	167	116
Deferred consideration	1,212	81	-
	<u>1,425</u>	<u>627</u>	<u>308</u>
TOTAL LIABILITIES	<u><u>5,264</u></u>	<u><u>4,565</u></u>	<u><u>3,337</u></u>
NET ASSETS	<u><u>8,990</u></u>	<u><u>8,512</u></u>	<u><u>8,659</u></u>

**Condensed Consolidated Balance Sheet
As at 30 November 2009 (unaudited)**

	30 November 2009 £'000	30 November 2008 £'000	31 May 2009 £'000
EQUITY			
Share capital	89	89	89
Share premium account	3,933	3,931	3,933
Merger reserve	1,217	1,217	1,217
Retained earnings	3,751	3,275	3,420
	<hr/>	<hr/>	<hr/>
Equity attributable to equity holders of the parent	8,990	8,512	8,659
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These financial statements were approved by the Board of Directors on 25 February 2010
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 2009 (unaudited)

	30	30	31	
	November	November	May	
	2009	2008	2009	
Note	£'000	£'000	£'000	
NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES	4	1,745	(2,106)	(2,828)
INVESTING ACTIVITIES				
Interest received		-	15	25
Purchase of property, plant and equipment		(97)	(134)	(183)
Acquisition of subsidiaries - net cash outflow arising on acquisition		(768)	-	-
Acquisition of subsidiaries - deferred consideration payments		(128)	(58)	(146)
Acquisition of associates		(326)	(27)	(33)
Acquisition of intangible fixed assets		(480)	-	-
Proceeds on disposal of property, plant and equipment		-	54	54
NET CASH USED IN INVESTING ACTIVITIES		<u>(1,799)</u>	<u>(150)</u>	<u>(283)</u>
FINANCING ACTIVITIES				
Repayments of obligations under finance leases		(155)	(86)	(340)
Proceeds on issue of shares		-	-	3
Grants received		-	-	150
NET CASH USED IN FINANCING ACTIVITIES		<u>(155)</u>	<u>(86)</u>	<u>(187)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(209)	(2,342)	(3,298)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		3,027	6,325	6,325
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u><u>2,818</u></u>	<u><u>3,983</u></u>	<u><u>3,027</u></u>

Condensed Consolidated Statement of Changes in Equity
Six months ended 30 November 2009 (unaudited)

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 June 2008	89	3,931	1,217	2,510	7,747
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>
Profit for the financial period	-	-	-	133	133
New shares issued	-	2	-	-	2
Equity-settled share-based payments	-	-	-	12	12
Balance at 31 May 2009	<u>89</u>	<u>3,933</u>	<u>1,217</u>	<u>3,420</u>	<u>8,659</u>
Profit for the financial period	-	-	-	327	327
Equity-settled share-based payments	-	-	-	4	4
Balance at 30 November 2009	<u>89</u>	<u>3,933</u>	<u>1,217</u>	<u>3,751</u>	<u>8,990</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 435 of the Companies Act 2006. The figures for the year ended 31 May 2009 have been extracted from the Group 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 2009 and 30 November 2008 have 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 2009.

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 2009 £'000	30 November 2008 £'000	31 May 2009 £'000
UK taxation at standard rate	155	260	194
Deferred taxation	(12)	64	13
	<u>143</u>	<u>324</u>	<u>207</u>

3. EARNINGS PER SHARE

	30 November 2009 £'000	30 November 2008 £'000	31 May 2009 £'000
Earnings			
Profit for the period	327	754	887
Professional fees in relation to unsuccessful corporate transactions	-	-	66
Amortisation of intangibles arising on business acquisitions	6	10	21
Equity settled share based payments	4	11	23
Adjusted profit	<u>337</u>	<u>775</u>	<u>997</u>
Number of shares	No.	No.	No.
Weighted average number of ordinary shares	8,911,231	8,901,231	8,903,478
Dilutive weighted average number of shares	9,079,154	9,317,125	9,141,655
Earnings per ordinary share ó basic	3.67p	8.47p	9.96p
Earnings per ordinary share ó diluted	3.60p	8.09p	9.70p
Adjusted earnings per share ó basic	3.78p	8.70p	11.20p
Adjusted earnings per share ó diluted	3.71p	8.31p	10.91p

4. NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30	30	31
	November	November	May
	2009	2008	2009
	£'000	£'000	£'000
Profit from operations	493	1,098	1,140
Adjustment for:			
Amortisation of intangible fixed assets	27	27	68
Depreciation of property, plant and equipment	207	193	396
(Loss)/profit on property, plant and equipment disposals	4	(37)	(37)
Government grants	(60)	(31)	(165)
Results of joint ventures and associates	(24)	(25)	5
Equity-settled share-based payments	4	11	23
	<hr/>	<hr/>	<hr/>
Operating cash flows before movement in working capital	651	1,236	1,430
Decrease/ (increase) in receivables	640	(915)	(775)
Increase/ (decrease) in payables	457	(2,048)	(2,823)
Decrease in inventory	-	-	3
	<hr/>	<hr/>	<hr/>
Cash generated from/ (used by) operations	1,748	(1,727)	(2,165)
Income taxes received/ (paid)	20	(344)	(592)
Interest paid	(23)	(35)	(71)
	<hr/>	<hr/>	<hr/>
Net cash inflow/ (outflow) from operating activities	<u>1,745</u>	<u>(2,106)</u>	<u>(2,828)</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.