

## Interim Results for 6 months ended 31 March 2009



## Agenda

- > Highlights
- > 6 months results to 31 March 2009
- > Strategy for current downturn
- > Expectation for 2008/09
- > Prospects for 2009/10
- > Conclusion



## Key Points

- > Demanding economic times
- > 11.5% like for like revenue decline
  - Lower corporate
  - Higher music, entertainment & sport
- > EBITDA £6.1m
- > Balance sheet remains strong
- > Positive cash generation from operating activities
- > No dividend



# Results Overview

	Half Year 2008/09 £m	Half Year 2007/08 £m	Full Year 2007/08 £m
Revenue	47.6	42.0	94.8
Trading (Loss) / Profit	(4.0)	(0.2)	1.6
Interest	(0.6)	(0.3)	(0.9)
Trading (Loss) / Profit after interest	(4.6)	(0.5)	0.7
Negative Goodwill re Charter / Avesco	-	-	7.2
Restructuring costs	(0.2)	-	(1.0)
Intangibles amortisation	(0.1)	-	(0.7)
Other (release of property lease & dilapidations provision)	-	-	0.3
<b>(Loss) / Profit before tax</b>	<b>(4.9)</b>	<b>(0.5)</b>	<b>6.5</b>
Tax	0.9	0.1	0.2
Discontinued (Complete)	-	-	(1.3)
Retained	(4.0)	(0.4)	5.4
<b>Dividend (per share)</b>	<b>0.0p</b>	<b>2.5p</b>	<b>3.5p</b>
<b>Diluted EPS (continuing operations)</b>	<b>(15.9)p</b>	<b>(1.7)p</b>	<b>26.6p</b>

# Results Reconciliation

	Revenue £m	Cost of Sales £m	Gross Profit £m	Operating Expenses £m	Trading Loss £m
First 6 months last year *	42.0	(27.5)	14.5	(14.7)	(0.2)
Restate to current rates #	6.6	(4.5)	2.1	(1.7)	0.4
First 6 months last year restated	48.6	(32.0)	16.6	(16.4)	0.2
<b>2008/09 matters:</b>					
- 11.5% drop in revenue	(5.6)	3.7	(1.9)		(1.9)
- 0.5% drop in margin		(0.2)	(0.2)		(0.2)
- Start ups (note a)	2.0	(1.6)	0.4	(0.7)	(0.3)
- Charter acquisition (note b)	2.6	(2.5)	0.1	(1.0)	(0.9)
- Other one offs (note c)				(0.9)	(0.9)
<b>First 6 months this year</b>	<b>47.6</b>	<b>(32.6)</b>	<b>15.0</b>	<b>(19.0)</b>	<b>(4.0)</b>

Note a: CT China, CT Dubai & Action Barcelona.

\* Average rates 2007/08: \$2.0165, €1.3682

Note b: Charter was acquired on 14.04.08.

# Average rates 2008/09: \$1.5226, €1.1595

Note c: Including bad debts this year and the non reoccurrence of credits last year re insurance claims and currency trades

# Revenue & Trading Profit Summary

	Half Year 2008/09		Half Year 2007/08		Full Year 2007/08	
	Revenue	Tr. Profit	Revenue	Tr. Profit	Revenue	Tr. Profit
	£m	£m	£m	£m	£m	£m
<b>Creative Technology</b>	<b>29.4</b>	<b>(1.2)</b>	27.1	0.7	<b>54.0</b>	<b>0.6</b>
<b>Full Service</b>	<b>10.2</b>	<b>(1.1)</b>	10.0	(0.6)	<b>20.6</b>	<b>(0.8)</b>
<b>Broadcast</b>	<b>8.0</b>	<b>(1.7)</b>	4.9	(0.9)	<b>20.2</b>	<b>1.7</b>
<b>Head Office</b>	-	-	-	0.6	-	<b>0.1</b>
<b>Total</b>	<b>47.6</b>	<b>(4.0)</b>	42.0	(0.2)	<b>94.8</b>	<b>1.6</b>

General – Like for like revenue down in most locations.

Creative Technology – US worst affected with revenue down 26%. CT London & Germany affected later. CT China doing better.

Full Service – UK & Holland down 13%. France affected later. Slow take up in Barcelona.

Broadcast – Presteigne Charter suffered from “odd year” effect. Old Presteigne business fairly stable.

Broadcast - Fountain flat.

# Funds Flow Overview

	Half Year 2008/09 £m	Half Year 2007/08 £m	Year 2007/08 £m
Trading Profit	(4.0)	(0.2)	1.6
Depreciation & Amortisation	10.1	7.3	16.3
<b>EBITDA</b>	<b>6.1</b>	<b>7.1</b>	<b>17.9</b>
Working Capital etc	(1.0)	(6.6)	(3.5)
Net capex	(9.9)	(10.5)	(23.8)
Interest & Tax	(0.5)	(0.3)	(1.4)
<b>Operating Funds Flow</b>	<b>(5.3)</b>	<b>(10.3)</b>	<b>(10.8)</b>
Complete disposal	3.7	-	4.6
Acquisitions (Charter / Avesco & CT Germany)	-	-	(2.3)
Restructuring costs	-	-	(0.8)
Sale of 2waytraffic shares net of £1m share buy back	-	0.5	0.5
<b>Total funds flow</b>	<b>(1.6)</b>	<b>(9.8)</b>	<b>(8.8)</b>
Dividends	(0.6)	(0.6)	(1.5)
Opening net debt	(19.8)	(8.3)	(8.3)
FX	(3.9)	(1.2)	(1.8)
Net debt acquired	-	-	0.6
<b>Closing net debt</b>	<b>(25.9)</b>	<b>(19.9)</b>	<b>(19.8)</b>
<b>Gearing (excluding intangibles)</b>	<b>55%</b>	<b>44%</b>	<b>39%</b>

## Balance Sheet Overview

	31.03.09 £m	31.03.08 £m	30.09.08 £m
<b>Tangible Fixed Assets</b>	<b>65.6</b>	48.0	<b>64.4</b>
<b>Intangibles &amp; Goodwill</b>	<b>2.1</b>	1.7	<b>2.0</b>
<b>Escrow Funds</b>	-	9.5	<b>3.7</b>
<b>Working Capital &amp; Provisions</b>	<b>7.1</b>	7.6	<b>2.7</b>
<b>Net Debt **</b>	<b>(25.9)</b>	(19.9)	<b>(19.8)</b>
<b>Shareholders Funds</b>	<b>48.9</b>	46.9	<b>53.0</b>
<b>Net Assets per share *</b>	<b>£1.95</b>	£1.88	<b>£2.12</b>
<b>Net Tangible Assets per share *</b>	<b>£1.87</b>	£1.81	<b>£2.04</b>

\*The total number of ordinary shares in issue is 25,985,899, of which 962,500 are held in treasury. Net assets per share is based on the net number of shares in issue (25,023,399)

\*\* Includes HP & leases of £(13.5)m as at 31.03.09. Main debt facility is HSBC £15m term loan to 1<sup>st</sup> October 2012, and £2m overdraft facility.

## Strategy For the Economic Downturn

- > Get the cost structure right
- > Increase cash generation
- > Gain market share



## Strategy For the Economic Downturn

### Get the cost structure right

- > 10% reduction in headcount
- > Remaining staff taken 5% remuneration reduction
- > Elimination of discretionary spend
- > Closure or downsizing of loss making units
- > Focus on margins / downward pressure applied to external costs



# Strategy For the Economic Downturn

## Increased Cash Generation

- > Reduced capital expenditure now feeding through
- > Cash generated by disposal of older equipment
- > Tight control of working capital  
→ strong cash flow



# Strategy For the Economic Downturn

## Market Share Gains

- > Exerting market leadership position (believe competitors revenue down 20-40%)
- > Selling very hard and very competitively
- > Using downturn to broaden customer base
- > Expanding globally



## Expectation for 2008/09

- > Much improved result in second half of year
- > Cash generative
- > No change in economic conditions



## Prospects for 2009/10

Assume:

- > No change in market environment
- > Increased market share
- > Full year benefits of lower cost base
- > Lower depreciation
- > Positive cash flow
- > Reduced debt
- > Benefit of Vancouver Winter Olympics
- > Benefit of FIFA World Cup in South Africa

## Conclusion

- > Remain on course to emerge a strong business
- > Strongly cash generative
- > NAV of £1.95 per share
- > Earnings ability intact for cyclical recovery
- > Well placed to meet challenges and opportunities

