



## **MILESTONE GROUP PLC**

### **RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009**

AIM listed Milestone Group PLC ("Milestone" or the "Group") announces its results for the six months ended 31 March 2009.

#### **HIGHLIGHTS**

- Group operating loss of £0.17 million (six months ended 31 March 2008 operating loss: £0.33 million)
- Current liabilities reduced to £0.51 million (year ended 30 September 2008 current liabilities: £0.60 million)
- SixTV in Oxford was closed in April 2009 (year ended 30 September 2008 operating loss: £75,336)
- Board exploring further fundraising and new business opportunities in line with previous statements

Milestone Chairman, John Sanderson, said:

"We have tightened our rein on costs which will be helped as we go forward by the decision to close our loss-making local TV business, and we are pleased with our progress in seeking attractive exposures for our shareholders to new media opportunities"

#### **For further information**

##### **Milestone**

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Deborah White, Chief Executive

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# MILESTONE GROUP PLC

## RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

### CHAIRMAN'S STATEMENT

Less than three months have elapsed since we reported the Group's full year results. I am glad to report that in that time the slow but steady improvement of our overall position has continued.

On the financial front, Group operating losses have narrowed further to £0.17 million (six months ended 31 March 2008 operating loss: £0.33 million) as we minimise costs while seeking to begin our programme of securing exposures to robust future-facing new media and new media technology business models. It should be noted that the first half figures included continuing losses from our local television business which we have now closed (see below).

We have continued with new small fundraisings and our balance sheet has been further strengthened through ongoing management efforts to secure terms with creditors, a number of whom have demonstrated their support for the future of the business by converting part of their dues into shares. Current liabilities have reduced as a consequence to £0.51 million (year ended 30 September 2008 current liabilities: £0.60 million) and negotiations remain ongoing.

We have been pleased to see some improvement in the share price as investors gain in confidence about the Group's future and perhaps start to anticipate the arrival of the first new exposures that we have said we are seeking.

On the trading front, we have continued to work on the Nexstar project previously discussed and we have now completed our review of our position in local TV. The latter resulted in the decision to close SixTV in Oxford, which has now been effected.

My last statement indicated that no satisfactory policy conclusions about local TV were appearing from the Government to give us any encouragement. Together with the backdrop of weakening local advertising, our own lack of success in seeking a profitable formula for local TV operation and the similar lack of success of others who have held these licences, it did not seem likely to us that any worthwhile improvement in trading could be achieved. The end of continuing losses in Oxford would also be a relief. In the full year to September 2008 the operation of SixTV in Oxford resulted in operating losses of £75,336. From April 2009 this drain on the company will have ceased. We will continue to hold our four local TV licences in dormant trading mode.

On the investment front, we continue to seek interesting worthwhile exposures and hope soon to be in a position to report some tangible progress. I am sure that I hardly need to explain to shareholders that progress cannot be expected to be other than on the slow side given our starting position, but we believe that in seeking deals, we have a good deal to offer to the right parties

**John Sanderson**  
Chairman

# MILESTONE GROUP PLC

## RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

### CONSOLIDATED INCOME STATEMENT

|  | Note | Unaudited<br>Six months<br>Ended<br>31st March<br>2009 | Unaudited<br>Six months<br>Ended<br>31st March<br>2008 | Audited<br>Year<br>ended<br>30th September<br>2008 |
|--|------|--|--|--|
|  |      | £  | £  | £  |
| <b>Revenue</b>   |      | 15,443   | 6,784  | 34,300   |
| Cost of Sales  |      | (26,281)   | (25,402)   | (51,296)   |
| <b>Gross (loss) / profit</b>                             |      | (10,838)   | (18,618)   | (16,996)   |
| Other operating income                                   |      | 16,115   | 21,861   | 38,736   |
| Administrative expenses                                  |      | (170,292)  | (328,538)  | (822,237)  |
|  |      | (170,292)  | (328,538)  | (822,237)  |
| <b>Loss from operations</b>                              |      | (165,014)  | (325,295)  | (800,497)  |
| Finance Expense  |      | (2,073)  | (12)   | (407)  |
| Finance income   |      | 18   | 2,595  | 3,433  |
| <b>Loss before taxation</b>                              |      | (167,070)  | (322,712)  | (797,471)  |
| Taxation Expense   |      | -  | -  | -  |
| <b>Loss from continuing Operations</b>                   |      | (167,070)  | (322,712)  | (797,471)  |
| Profit/(loss) on discontinued operations                 |      | -  | -  | -  |
| Minority Interest  |      | -  | -  | -  |
| <b>Loss for Period</b>                                   |      | (167,070)  | (322,712)  | (797,471)  |
| <b>Attributable to equity shareholders of the parent</b> |      | (167,070)  | (320,995)  | (797,471)  |
| Attributable to minority interest                        |      | -  | (1,717)  | -  |

# MILESTONE GROUP PLC

## RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

### CONSOLIDATED BALANCE SHEET

|   | Note | Unaudited<br>Six months<br>Ended<br>31st March<br>2009 | Unaudited<br>Six months<br>Ended<br>31st March<br>2008 | Audited<br>Year<br>ended<br>30th September<br>2008 |
|---|------|--|--|--|
|   |      | £  | £  | £  |
| <b>Non-current Assets</b>   |      |  |  |  |
| Goodwill  |      | -  | -  | -  |
| Property, plant & equipment   |      | -  | 32,352   | -  |
|   |      |  | <u>32,352</u>  |  |
| <b>Current Assets</b>   |      |  |  |  |
| Trade and Other receivables   |      | 75,837   | 101,190  | 71,152   |
| Cash and cash equivalents   |      | 1,792  | 21,644   | 18,141   |
|   |      |  | <u>122,834</u>   | <u>89,293</u>                                      |
|   |      | 77,628   | 122,834  | 89,293   |
| <b>Current Liabilities</b>  |      |  |  |  |
| Bank overdrafts   |      | -  | -  | (3,260)  |
| Trade and Other payables  |      | (513,755)  | (432,397)  | (596,687)  |
|   |      | <u>(513,755)</u>                                       | <u>(432,397)</u>                                       | <u>(599,947)</u>                                   |
|   |      | (436,127)  | (277,211)  | (510,654)  |
| <b>Net Assets</b>   |      |  |  |  |
|   |      | <u>(436,127)</u>                                       | <u>(277,211)</u>                                       | <u>(510,654)</u>                                   |
| <b>Capital and reserves attributable to equity holders of the company</b> |      |  |  |  |
| Share capital   | 5    | 2,808,252  | 2,760,510  | 2,790,795  |
| Share premium account   |      | 8,247,152  | 7,692,985  | 8,023,012  |
| Merger reserve  |      | 11,119,585   | 11,432,467   | 11,119,585   |
| Retained losses   |      | (22,611,116)   | (22,163,173)   | (22,444,046)                                       |
|   |      | <u>(436,127)</u>                                       | <u>(277,211)</u>                                       | <u>(510,654)</u>                                   |
| <b>Total Equity</b>   |      | <u>(436,127)</u>                                       | <u>(277,211)</u>                                       | <u>(510,654)</u>                                   |

# MILESTONE GROUP PLC

## RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

| CONSOLIDATED CASH FLOW STATEMENT  | Note | Unaudited<br>Six<br>months<br>Ended<br>31st March<br>2009 | Unaudited<br>Six months<br>ended<br>31 <sup>st</sup> March<br>2008 | Audited<br>Year<br>ended<br>30th September<br>2008 |
|---|------|---|--|--|
|   |      | £   | £  | £  |
| <b>Loss for the period</b>  |      | (167,070)   | (325,294)  | (797,471)  |
| Adjustments for   |      |   |  |  |
| Depreciation of tangible assets   |      | -   | 2,287  | 8,834  |
| Profit on disposal of property, plant and equipment                           |      | -   | -  | -  |
| Net Bank and other interest charges   |      | 2,056   | -  | (3,026)  |
| Profit on sale of discontinued operations net of tax                          |      | -   | -  | (36,408)   |
| Recognition of negative goodwill  |      | -   | -  | (24,212)   |
| <b>Net loss before changes in working capital</b>                             |      | (165,014)   | (323,007)  | (852,283)  |
| Decrease/(increase) in trade and other receivables                            |      | 19,690  | (19,249)   | 4,875  |
| (Decrease)/increase in trade and other payables                               |      | (122,364)   | 166,853  | 341,639  |
| <b>Cash from operations</b>   |      | (267,688)   | (175,403)  | (505,769)  |
| Interest received   |      | 18  | (12)   | 3,433  |
| Interest paid   |      | (2,073)   | 2,595  | (407)  |
| <b>Net cash flows from operating activities</b>                               |      | (269,743)   | (172,820)  | (502,743)  |
| <b>Investing Activities</b>   |      |   |  |  |
| Acquisitions of subsidiary undertakings<br>net of cash and overdraft acquired |      | -   | 93,191   | 56,314   |
| Sale of subsidiary undertakings   |      | -   | -  | (3,539)  |
| Purchase of property, plant and equipment                                     |      | -   | (1,170)  | (1,170)  |
| Sales proceeds of property plant and equipment                                |      | -   | -  | -  |
| <b>Net cash flows used in investing activities</b>                            |      | -   | 92,021   | 51,605   |
| <b>Financing Activities</b>   |      |   |  |  |
| Issue of ordinary share capital   |      | 241,596   | -  | 322,816  |
| Repayment of loan   |      | -   | -  | -  |
| New loans raised  |      | 8,375   | -  | 37,500   |
| <b>Net cash flows from financing activities</b>                               |      | 249,971   |  | 360,316  |
| Net decrease in cash  |      | (19,772)  | (80,799)   | (90,822)   |
| Cash and cash equivalents at beginning of period                              |      | 11,621  | 102,443  | 102,443  |
| <b>Cash and cash equivalents at end of period</b>                             |      | (8,151)   | 21,644   | 11,621   |

# MILESTONE GROUP PLC

## RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

### NOTES TO THE INTERIM FINANCIAL INFORMATION

for the six month period ended 31 March 2009

#### 1. General information

The principal activity of Milestone Group PLC and its subsidiaries (the Group) is to hold and operate businesses in the media and technology sectors.

Milestone Group PLC is the Group's ultimate parent company and it is incorporated in the United Kingdom with registration number 4689130. Milestone Group PLC is domiciled in the United Kingdom and has its registered office at 1<sup>st</sup> Floor, 2 Royal Exchange, London EC3V 3DG, and this is its principal place of business.

Milestone Group PLC's shares are listed on the AIM market of the London Stock Exchange.

Milestone Group PLC's consolidated financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent Company.

These consolidated financial statements have been approved for issue by the Board of Directors on 11 June 2009.

#### 2. Basis of preparation

The financial information in the half yearly report has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRSs). The principal accounting policies used in preparing the half yearly report are those the Group expects to apply in its financial statements for the year ending 30 September 2009 and are unchanged from those disclosed in the Group's Director's report and consolidated financial statements for the year ended 30 September 2008. The financial information for the six months ended 31 March 2009 and the six months ended 31 March 2008 is unaudited and does not constitute the group's statutory financial statements for those periods. The comparative financial information for the full year ended 30 September 2008 has, however, been derived from the audited statutory financial statement for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

# MILESTONE GROUP PLC

## RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

### Going concern

As stated in the year end accounts to 30 September 2008, the Board's cash flow projections show a requirement for additional funding to support the Company's working capital and development plans in the coming twelve months in order to meet its liabilities as they fall due. The Company has previously experienced difficulty drawing down on the £0.5m loan facility it had entered into with its former director. The Company has managed to successfully draw down a part of this facility and raise other funds to provide working capital. The Board is also exploring a range of options to enhance the Group's access to supplementary sources of finance to fund its future activities.

The directors have concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt upon the Group's and the Company's ability to continue as a going concern. Nevertheless after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the annual report and accounts.

### 3. Segmental analysis

The Group's primary reporting segments are the following business segments:

|                               | Revenue<br>2009<br>£ | Loss for<br>Period<br>2009<br>£ | Total<br>Assets<br>2009<br>£ | Total<br>Liabilities<br>2009<br>£ | Net<br>Liabilities<br>2009<br>£ |
|-------------------------------|----------------------|---------------------------------|------------------------------|-----------------------------------|---------------------------------|
| Analysis by class of business |                      |                                 |                              |                                   |                                 |
| TV Division                   | 14,823               | (37,745)                        | 29,987                       | (74,856)                          | (44,869)                        |
| Head office                   | 620                  | (166,324)                       | 47,641                       | (475,898)                         | (428,258)                       |
|                               | <u>15,443</u>        | <u>(204,070)</u>                | <u>77,628</u>                | <u>(550,755)</u>                  | <u>(473,127)</u>                |

### 4. Loss per share

Basic loss per share has been calculated in accordance with FRS 22. Basic loss per share has been calculated by dividing the loss on ordinary activities after taxation by the weighted average number of ordinary shares in issue during the year. The weighted average number of equity shares in issue was 91,723,712 and the loss was £167,070. The effect of all potential ordinary shares is antidilutive.

|  |                      |
|--|----------------------|
| <b>Loss for period after tax and minority interest</b> | (167,070)            |
| No of shares at start of period                        | 80,495,424           |
| No of shares at end of period                          | 102,951,999          |
| Average no of shares in issue in the period.           | 91,723,712           |
| <b>Earnings per share (pence)</b>                      | <u><u>(0.18)</u></u> |

## MILESTONE GROUP PLC

### RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

#### 5. Share Capital

|   | Number        | 2008<br>£ | Number        | 2009<br>£ |
|---|---------------|-----------|---------------|-----------|
| <i>Authorised</i>                         |               |           |               |           |
| Ordinary shares of .01p                   | 2,267,095,595 | 2,267,096 | 2,267,095,595 | 2,267,096 |
| Deferred shares of 9.9p                   | 27,605,095    | 2,732,904 | 27,605,095    | 2,732,904 |
|   | <hr/>         | <hr/>     | <hr/>         | <hr/>     |
|   | 2,294,700,690 | 5,000,000 | 2,294,700,690 | 5,000,000 |
| <i>Allotted, called up and fully paid</i> |               |           |               |           |
| Ordinary shares of .01p                   | 52,890,329    | 57,891    | 75,346,904    | 299,487   |
| Deferred shares of 9.9p                   | 27,605,095    | 2,732,904 | 27,605,095    | 2,732,904 |
|   | <hr/>         | <hr/>     | <hr/>         | <hr/>     |
|   | 80,495,424    | 2,790,795 | 102,951,999   | 3,032,391 |

#### 6. Interim Report

Copies of the interim report are available to shareholders. Additional copies may be obtained from Milestone Group PLCs registered office: 1<sup>st</sup> Floor, 2 Royal Exchange Steps, London EC3V 3DG or on the company's website at [www.milestonegroup.co.uk](http://www.milestonegroup.co.uk).

# MILESTONE GROUP PLC

## RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2009

### COMPANY INFORMATION

|  |   |
|--|---|
| <b>Directors:</b>                        | <b>John Sanderson, Non-Executive Chairman</b><br>appointed Non-Executive Chairman, 1 February 2006<br>served as Acting Finance Director, 7 March 2008 to 31 March 2008  |
|  | <b>Deborah White, Executive Director</b><br>served as Non-Executive Director, 15 January 2008 to 30 March 2008<br>served as Chief Executive Officer, 31 March 2008 to 23 February 2009<br>appointed as Executive Director (combining functions of Chief Executive Officer and Finance Director), 23 February 2009 |
| <b>Company Secretary:</b>                | <b>Graham Urquhart</b><br>appointed 1 February 2009   |
|  | <b>Timothy Eustace</b><br>resigned 31 January 2009  |
| <b>Registered in England company no:</b> | 4689130   |
| <b>Auditors:</b>                         | <b>BDO Stoy Hayward LLP</b><br>Kings Wharf, 20-30 Kings Road, Reading,<br>Berkshire RG1 3EX   |
| <b>Nominated Adviser to the Company:</b> | <b>Arden Partners plc</b><br>Nicholas House, 3 Laurence Pountney Hill,<br>London EC4R 0EU   |
| <b>Broker:</b>                           | <b>Arden Partners plc</b><br>Nicholas House, 3 Laurence Pountney Hill,<br>London EC4R 0EU   |
| <b>Registrars:</b>                       | <b>Capita IRG plc</b><br>Northern House, Woodsome Park, Fenay Bridge,<br>Huddersfield, West Yorkshire HD8 0LA   |
| <b>Solicitors:</b>                       | <b>Lawrence Graham LLP</b><br>4 More London Riverside, London SE1 2AU   |
| <b>Address and registered office:</b>    | <b>Milestone Group PLC</b><br>1st Floor, 2 Royal Exchange Steps,<br>The Royal Exchange, London EC3V 3DG   |
| <b>Telephone:</b>                        | <b>+44 (0)20 7929 7826</b>  |
| <b>Fax:</b>                              | <b>+44 (0)870 891 2914</b>  |
| <b>Email:</b>                            | <b>enquiries@milestonegroup.co.uk</b>   |
| <b>Website:</b>                          | <b>www.milestonegroup.co.uk</b>   |