

**For Immediate Release**

**14 September 2009**

**International Brand Licensing plc**  
**("IBL" or "the Company" or "the Group")**  
**Interim Results**

**CHAIRMAN'S STATEMENT**

I am pleased to report the Group's interim results for the 6 month period ended 30 June 2009. The Group's performance should be considered against the backdrop of a very depressed sporting goods industry, both in the UK and internationally. Several of the key global sports brands have reported record decreases in both top line sales and profitability, whilst the majority of sports retailers have seen their sales and margins eroded by the well documented economic crisis.

Highlights: -

- During the period the Group reported a loss before taxation of £170,000 (2008: profit of £248,000). There were two main reasons for the reduction in earnings compared with last year:
  - The prior year interim results included an exceptional profit of £317,000, being the profit generated in June 2008 on the sale of the Admiral trademarks in Turkey;
  - Reduced royalty income due to the successful Admiral trademark sale in certain territories during the past two years, including both Japan and South Africa during the latter half of 2008.
  
- Since the period end, the Group disposed of its Australian and New Zealand Admiral trademarks for a cash sum of £117,000. These are territories from which the Group had received no royalty payments in recent years.
  
- The Group continues to negotiate with a number of its licensees in relation to the disposal of further trademarks. If successful, this will further strengthen the Group's cash resources and balance sheet in the coming months.

- The Group continues to explore new territories where Admiral is not yet represented.
- Reduced operating expenses following further cost reductions within the Group.

Although it is disappointing to report a loss for the period, the Board continues to exploit every opportunity in an effort to strengthen the Group's balance sheet.

Adam Reynolds  
Chairman

For further information, please contact:

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Ross Andrews

## INTERNATIONAL BRAND LICENSING PLC

### CONSOLIDATED INCOME STATEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2009

	Notes	Unaudited 6 months ended 30 June 2009 £'000	Unaudited 6 months ended 30 June 2008 £'000	Audited Year ended 31 December 2008 £'000
Group revenue		143	306	465
Operating expenses		(335)	(90)	(1,474)
<b>Operating (loss) / profit</b>		<b>(192)</b>	216	(1,009)

<b>Operating (loss ) / profit analysed as:</b>				
Group revenue		<b>143</b>	306	465
Operating expenses		<b>(305)</b>	(377)	(947)
Operating loss before exceptional items		<b>(162)</b>	(71)	(482)
Exceptional profit on sale of intangible assets		-	317	834
Exceptional impairment of intangible assets		-	-	(1,300)
Share based payments		<b>(30)</b>	(30)	(61)
<b>Operating (loss)/profit after exceptional items</b>		<b>(192)</b>	216	(1,009)
Finance income		<b>23</b>	32	86
Finance costs		<b>(1)</b>	-	-
<b>(Loss)/profit before taxation</b>		<b>(170)</b>	248	(923)
Taxation		-	(36)	(146)
<b>(Loss)/profit from continuing operations</b>		<b>(170)</b>	212	(1,069)
(Loss)/profit from discontinued operations		-	(100)	(238)
<b>(Loss)/profit for the period</b>		<b>(170)</b>	112	(1,307)
(Loss)/earnings per share (basic)	<b>5</b>	<b>(0.51)p</b>	0.34p	(3.9)p
(Loss)/earnings per share (diluted)	<b>5</b>	<b>(0.47)p</b>	0.31p	(3.6)p

## INTERNATIONAL BRAND LICENSING PLC

### CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

	Notes	Unaudited as at 30 June 2009 £'000	Unaudited as at 30 June 2008 £'000	Audited as at 31 December 2008 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		<b>2</b>	6	3
Intangibles	<b>2</b>	<b>2,335</b>	3,498	2,621
Deferred tax assets		<b>62</b>	50	62
Available-for-sale financial assets		<b>271</b>	70	21
<b>Total non-current assets</b>		<b>2,670</b>	3,624	2,707
<b>Current Assets</b>				
Inventories		-	90	-
Trade and other receivables		<b>285</b>	619	530
Cash and cash equivalents		<b>2,183</b>	1,341	2,501

<b>Total current assets</b>	<b>2,468</b>	2,050	3,031
<b>Total assets</b>	<b>5,138</b>	5,674	5,738
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	<b>(328)</b>	(356)	(457)
Current tax liabilities	<b>(202)</b>	(98)	(211)
<b>Total current liabilities</b>	<b>(530)</b>	(454)	(668)
<b>Net assets</b>	<b>4,608</b>	5,220	5,070
<b>Equity</b>			
Issued share capital	<b>336</b>	336	336
Share premium account	<b>3,090</b>	3,090	3,090
Other reserve	<b>244</b>	244	244
Foreign currency reserves	<b>1,176</b>	195	1,483
Retained Earnings	<b>(238)</b>	1,355	(83)
<b>Total Shareholders' Equity</b>	<b>4,608</b>	5,220	5,070

The financial statements were approved by the Board of Directors on 14 September 2009.

**Paul Foulger**  
Director

## **INTERNATIONAL BRAND LICENSING PLC**

### **CONSOLIDATED CASH FLOW STATEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2009**

	<b>Unaudited 6 months ended 30 June 2009 £'000</b>	<b>Unaudited 6 months ended 30 June 2008 £'000</b>	<b>Audited Year to 31 December 2008 £'000</b>
<b>Operating activities</b>			
Operating (loss)/profit after exceptional items	<b>(192)</b>	216	(1,009)
Loss from discontinued operations	-	(100)	(238)
Depreciation	<b>1</b>	-	3

Exceptional impairment of intangible assets	-	-	1,300
Exceptional profit on sale of intangible asset	-	(317)	(834)
(Increase)/decrease in receivables	<b>242</b>	(92)	(3)
Increase/(decrease) in payables	<b>(146)</b>	(136)	(65)
(Increase)/decrease in inventories	-	20	110
Foreign currency translation	<b>(25)</b>	-	73
Share-based payment	<b>30</b>	30	61
Taxes paid	-	(66)	(45)
<b>Net cash (used in) / generated by operating activities</b>	<b>(90)</b>	(445)	(647)
<b>Investing Activities</b>			
Interest received	<b>23</b>	32	86
Net proceeds on sale of intangible asset	-	317	1,625
Purchase of listed investments	<b>(250)</b>	-	-
<b>Net cash generated by investing activities</b>	<b>(227)</b>	349	1,711
<b>Financing Activities</b>			
Interest paid	<b>(1)</b>	-	-
<b>Net cash used in financing activities</b>	<b>(1)</b>	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(318)</b>	(96)	1,064
<b>Cash and cash equivalents at beginning of period</b>	<b>2,501</b>	1,437	1,437
<b>Cash and cash equivalents at end of period</b>	<b>2,183</b>	1,341	2,501

## INTERNATIONAL BRAND LICENSING PLC

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2009

	Share Capital £'000	Share Premium £'000	Other Reserve £'000	Foreign Currency Reserve £'000	Retained earnings £'000	Total equity £'000
<b>At 1 January 2008</b>	<b>336</b>	<b>3,090</b>	<b>244</b>	<b>63</b>	<b>1,243</b>	<b>4,976</b>
Profit for the period	-	-	-	-	112	<b>112</b>
Exchange difference	-	-	-	132	-	<b>132</b>
<b>At 30 June 2008</b>	<b>336</b>	<b>3,090</b>	<b>244</b>	<b>195</b>	<b>1,355</b>	<b>5,220</b>
Loss for the period	-	-	-	-	(1,419)	<b>(1,419)</b>

Fair value adjustment in respect of available-for-sale financial assets	-	-	-	-	(49)	<b>(49)</b>
Share based payment	-	-	-	-	30	<b>30</b>
Exchange Difference	-	-	-	1,288	-	<b>1,288</b>
<b>At 1 January 2009</b>	<b>336</b>	<b>3,090</b>	<b>244</b>	<b>1,483</b>	<b>(83)</b>	<b>5,070</b>
Loss for the period	-	-	-	-	(170)	<b>(170)</b>
Share based payment	-	-	-	-	15	<b>15</b>
Exchange Difference	-	-	-	(307)	-	<b>(307)</b>
<b>At 30 June 2009</b>	<b>336</b>	<b>3,090</b>	<b>244</b>	<b>1,176</b>	<b>(238)</b>	<b>4,608</b>

## **INTERNATIONAL BRAND LICENSING PLC**

### **NOTES FORMING PART OF THE INTERIM FINANCIAL STATEMENTS**

#### **1. General Information**

International Brand Licensing plc is a public limited company incorporated in the United Kingdom (Registration Number 04347937). The address of the registered office is 14 Kinnerton Place South, London SW1X 8EH. The principal activity of the Company is that of developing and exploiting a portfolio of sports and lifestyle brands, trademarks and logos.

The comparative figures included in this report for the six months ended 30 June 2008 are unaudited. The twelve months to 31 December 2008 are audited.

The financial information in this statement does not constitute statutory accounts under Section 434 of Companies Act 2006 and was not subject to a formal review by the auditors. The financial information in respect of the year ended 31 December 2008 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under Section 498 (2) or 3 of the Companies Act 2006.

The interim financial information has been prepared on a basis consistent with the accounting policies set out in the Group's statutory accounts for the year ended 31 December 2008. Fixed annual charges are apportioned to the interim period on the basis of time elapsed. Other expenses are accrued in accordance with the same principles used in the preparation of the annual accounts.

#### **2. Intangible assets**

Intangible assets represent acquired trademarks and are recorded at historic cost. No amortisation is charged as they are regarded as having infinite lives. The annual results reflect the expenditure incurred in the support and development of these brands. In addition, the trademarks are supported by the existence of international licensee

agreements, which establish obligations as to guaranteed minimum licence income and marketing arrangements with the view to maximising long-term growth. The directors believe that the licence agreements will be renewed at the end of their legal expiry dates and that the value of the trademarks will be maintained. The carrying values are reviewed annually and written down to the estimated recoverable amount as necessary.

### 3. Share-based payment

The group operates share incentive and option schemes for directors and employees. For all share awards the fair value as at the date of grant is calculated using an option pricing model and the charge to the income statement is recognised as a staff cost over the vesting period.

### 4. Segmental reporting

The board considers that the Group has a single business segment which generates income by licensing its two brands. The revenue, expenditure and result reported in the income statement and the assets and liabilities reported in the balance sheet all relate to this single segment. An analysis of turnover by geographical destination is given below:

	<b>Unaudited 6 months ended 30 June 2009</b>	<b>Unaudited 6 months ended 30 June 2008</b>	<b>Audited Year ended 31 December 2008</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
United Kingdom	51	142	190
Europe and Scandinavia	25	26	30
North America	45	33	134
Asia	17	89	95
Rest of the World	5	16	16
	143	306	465

## INTERNATIONAL BRAND LICENSING PLC

### NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 5. Earnings per share

Earnings per share has been calculated using the weighted average number of shares in issue during the relevant financial period. The weighted number of equity shares in issue and the earnings, being the (loss)/profit after tax, are as follows:

	<b>Unaudited 6 months ended 30 June 2009</b>	<b>Unaudited 6 months ended 30 June 2008</b>	<b>Audited year ended 31 December 2008</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Weighted average number of shares (ordinary)	33,593,353	33,593,353	33,593,353
Weighted average number of shares (dilutive)	36,218,353	36,218,353	36,218,353

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
(Loss)/Profit for the period/year	(170)	112	(1,307)
(Loss)/earnings per 1p ordinary share (basic)	(0.51)p	0.34p	(3.9)p
(Loss)/earnings per 1p ordinary share (basic)	(0.47)p	0.31p	(3.6)p

## 6. Dividends

There were no dividends provided or paid during the six months.

## 7. International Brand Licensing AG

The results of International Brand Licensing AG are consolidated in the Interim financial statements and are shown below:

### International Brand Licensing AG - Income Statement

	<b>Unaudited 6 months ended 30 June 2009 £'000</b>	<b>Unaudited 6 months ended 30 June 2008 £'000</b>	<b>Audited Year ended 31 December 2008 £'000</b>
Revenue	<b>143</b>	306	465
Operating expenses	<b>(157)</b>	(233)	(268)
<b>Operating (loss)/profit before exceptional items</b>	<b>(14)</b>	73	197
Exceptional profit on sale of intangible asset	-	317	266
Income tax expenses	-	(1)	(121)
<b>(Loss)/profit for the period</b>	<b>(14)</b>	389	342

### INTERNATIONAL BRAND LICENSING PLC NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

### International Brand Licensing AG - Balance Sheet

	<b>Unaudited as at 30 June 2009</b>	<b>Unaudited as at 30 June 2008</b>	<b>Audited as at 31 December 2008</b>
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	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>2</b>	5	3
Intangibles	<b>2,335</b>	3,294	2,621
<b>Total non-current assets</b>	<b>2,337</b>	3,299	2,624
<b>Current Assets</b>			
Trade and other receivables	<b>248</b>	475	467
Cash and cash equivalents	<b>32</b>	214	108
<b>Total current assets</b>	<b>280</b>	689	575
<b>Total assets</b>	<b>2,617</b>	3,988	3,199
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	<b>(601)</b>	(2,341)	(920)
Current tax liabilities	<b>(171)</b>	-	(192)
<b>Total current liabilities</b>	<b>(772)</b>	(2,341)	(1,112)
<b>Net assets</b>	<b>1,845</b>	1,647	2,087
<b>Equity</b>			
Issued share capital	<b>65</b>	65	65
Retained Earnings	<b>1,780</b>	1,582	2,022
<b>Total Shareholders' Equity</b>	<b>1,845</b>	1,647	2,087

## **8. Company website**

A copy of this announcement is available from the Company's website, being [www.iblplc.com](http://www.iblplc.com).

This information is provided by RNS  
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