

COMPANY REGISTRATION NO 6324278

PERFORM GROUP LIMITED

QUARTERLY FINANCIAL REPORT

FOR THE THREE MONTHS ENDED 31 MARCH 2016

**PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT**

CONTENTS

Disclaimer	1
Introduction	2
Management's discussion and analysis of the financial condition and results of operations of the Restricted Group for the three months ended 31 March 2016	3
Condensed consolidated financial statements of the Total Group for the three months ended 31 March 2016 (unaudited)	9

**PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT**

DISCLAIMER

This document is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities in Perform Group Limited or any of its subsidiaries (collectively the "Group"). Furthermore it does not constitute a recommendation by Perform Group Limited or any other party to sell or buy securities in any member of the Group or any other securities. All forward-looking statements attributable to Perform Group Limited or persons acting on their behalf are qualified in their entirety by these cautionary statements.

PERFORM GROUP LIMITED

QUARTERLY FINANCIAL REPORT

INTRODUCTION

On 16 November 2015, Perform Group Financing plc (the “Issuer”), a wholly-owned subsidiary of Perform Group Limited (the “Parent” and, together with its subsidiaries, “Perform” or the “Group”), issued £175.0 million aggregate principal amount of 8.5% senior secured notes due 2020 (the “Notes”). On the same date, certain members of the Group entered into a new £50.0 million multi-currency senior secured revolving credit facility (the “RCF”) (together with the issuance of the Notes, the “Refinancing Transactions”).

The purpose of the Refinancing Transactions was to, amongst other things, fund the launch of its OTT Business (as defined in the Group’s offering memorandum dated 11 November 2015 (the “Offering Memorandum”)) (the “OTT Business Cash Investment”), repay the amounts drawn under, and terminate, the Group’s Existing Revolving Credit Facility (as defined in the Offering Memorandum) (the “Old RCF”) and to fund contractual commitments to pay contingent consideration in respect of certain of the Group’s acquisitions.

The Notes and the RCF are or will be (a) guaranteed on a senior secured basis by the Parent and certain of its subsidiaries (the “Guarantors”) and (b) secured on the first-ranking basis by security interests granted over certain assets of the Parent and the Guarantors, each as further described in the Offering Memorandum.

All of the Group’s subsidiaries with the exception of the OTT Business constitute the “Restricted Group”, which is subject to the covenants and restrictions contained in the indenture governing the Notes (the “Indenture”). The OTT Business constitutes the “Unrestricted Group”, which is not directly subject to the covenants under the Indenture. The amount of the OTT Business Cash Investment, and certain other activities in relation to the OTT Business are, therefore, outside of the Restricted Group for the purposes of the Indenture, but is reflected in the balance sheet of the Group.

The Parent is required under the Indenture to provide to holders of the Notes quarterly and annual financial statements covering its consolidated financial condition, and results of operations accompanied by a discussion and analysis of those results.

The condensed consolidated financial statements contained within this report set out the financial condition and results of the Group, which comprises both the Restricted and Unrestricted Groups. A dis-aggregation of the Group between the Restricted and Unrestricted Groups is set out in note 16. Management’s discussion and analysis of the financial condition and results of operations of the Restricted Group is set out below.

**PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND
RESULTS OF OPERATIONS OF THE RESTRICTED GROUP
FOR THE THREE MONTHS ENDED 31 MARCH 2016**

PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE RESTRICTED GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2016

Overview

Perform Group Limited is pleased to announce its results for the quarter ended 31 March 2016.

Perform is a global market leader in the commercialisation of multimedia sports content across multiple Internet-enabled digital platforms. Perform uses proprietary content collection, production and distribution capabilities, alongside industry-leading digital products, to generate revenue through a mix of licensing content, media (display and video based advertising and sponsorship), subscription and, to a lesser extent, technology and production service fees. Perform's portfolio of digital sports media rights serves as the basis for its content business and parts of its media business. Perform seeks to leverage long-standing relationships with rights owners to acquire rights to a broad portfolio of sporting leagues, tournaments and events with differing schedules to drive its business.

Commentary on results

The following discussion of the Restricted Group's financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes, in particular the disaggregation of the Group's total financial condition and results between the Restricted and Unrestricted Group set out in note 16.

Income Statement

	3 month period ended			LTM
	31 March 2016 £m	31 March 2015 £m	Movement £m	31 March 2016 £m
Revenue	66.6	62.3	4.3	265.4
Cost of sales	(39.9)	(36.3)	(3.6)	(143.2)
Gross profit	26.7	26.0	0.7	122.2
Administrative expenses	(29.6)	(22.8)	(6.8)	(115.2)
Group operating (loss)/profit	(2.9)	3.2	(6.1)	7.0
Analysed as:				
Adjusted EBITDA	6.7	7.8	(1.1)	43.4
Exceptional items	(2.9)	1.3	(4.2)	(9.3)
Share-based payments	(1.2)	(0.8)	(0.4)	(4.6)
EBITDA	2.6	8.3	(5.7)	29.5
Amortisation and depreciation	(3.8)	(3.6)	(0.2)	(16.3)
Acquisition-related amortisation	(1.7)	(1.5)	(0.2)	(6.2)
Group operating (loss)/profit	(2.9)	3.2	(6.1)	7.0
Net finance costs	(2.3)	(2.2)	(0.1)	(9.4)
Group (loss)/profit before tax	(5.2)	1.0	(6.2)	(2.4)
Tax credit	0.1	0.6	(0.5)	0.3
Group (loss)/profit after tax	(5.1)	1.6	(6.7)	(2.1)

PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE RESTRICTED GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2016

Revenue

	3 month period ended			LTM
	31 March 2016 £m	31 March 2015 £m	Movement £m	31 March 2016 £m
Content	46.4	40.4	6.0	176.5
Media	13.1	15.3	(2.2)	64.9
Other	7.1	6.6	0.5	24.0
	66.6	62.3	4.3	265.4

Revenue increased by £4.3 million to £66.6 million for the three month period ended 31 March 2016 ("Q1 2016") from £62.3 million for the three month period ended 31 March 2015 ("Q1 2015").

Content revenue increased by £6.0 million to £46.4 million (Q1 2015: £40.4 million) due to a combination of tier 1 upsells to Watch&Bet customers and the effect of new Watch&Bet customers acquired during the quarter. In addition, the number of RunningBall events increased and new Opta customers were added in the period.

Media revenue decreased by £2.2 million to £13.1 million (Q1 2015: £15.3 million), predominantly in video, and due to the evolving digital advertising landscape continuing to present challenges, particularly in the US around viewability and pricing in addition to the continued concentration of advertising spend towards global media platforms.

Other revenues increased £0.5 million to £7.1 million (Q1 2015: £6.6 million) driven by an increase in revenue generated from the Group's new "Sports Cloud" product.

Gross profit

Gross profit increased £0.7 million to £26.7 million (Q1 2015: £26.0 million) due to the £4.3 million increase in revenues offset by a £3.6 million increase in cost of sales primarily due to increased content and production costs to support the growth in Content revenues.

Administrative expenses

Administrative expenses increased £6.8 million to £29.6 million (Q1 2015: £22.8 million) of which £1.6 million related to underlying administrative expenses. The remaining £5.2 million relates to increases in exceptional items (£4.2 million), share based payments (£0.5 million) and amortisation and depreciation (£0.5 million).

PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE RESTRICTED GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2016

Underlying administrative expenses grew primarily due to increased staff costs.

Exceptional items increased £4.2 million to £2.9 million (charge) (Q1 2015: £1.3 million (credit)) due to the following:

- costs in relation to acquisition, corporate and restructuring activities of £1.0 million (Q1 2015: £0.9 million);
- re-measurement of deferred consideration (due in respect of Mackolik following a better than expected performance during Q1 2016) of £0.2 million (Q1 2015: £nil); and
- foreign exchange revaluation of deferred consideration of £1.8 million due to Mackolik following the strengthening of the Turkish Lira (Q1 2015: £2.1 million (credit)).

Operating profit

Operating profit decreased £6.1 million to £2.9 million (loss) (Q1 2015: £3.2 million (profit)) due to the increase in gross profit (£0.7 million) offset by the increase in administration expenses (£6.8 million).

Net finance costs

Net finance costs increased £0.1 million to £2.3 million (Q1 2015: £2.2 million) due to the following:

- interest and related costs in respect of the Refinancing Transactions (£4.2 million increase to £4.5 million (Q1 2015: £0.3 million relating to the Group's old RCF)); and
- accretion of deferred consideration (£0.1 million increase to £0.9 million (Q1 2015: £0.8 million)).

All the above were offset by the following:

- increase in interest receivable (£2.2 million increase to £2.3 million (credit) (Q1 2015: £0.1 million (credit))) primarily from the Unrestricted Group; and
- revaluation charge for the Group's foreign exchange hedge due to the strengthening of the Turkish Lira (£1.5 million decrease to £0.9 million (credit) (Q1 2015: £0.6 million (charge))).

In addition in Q1 2015 there was a £0.5 million loss on the Group's foreign denominated debt facility.

Taxation

The tax credit for the period is £0.1 million (Q1 2015: £0.6 million). This comprises a current tax credit of £2.2 million (Q1 2015: £0.5 million (charge)) and a deferred tax charge of £2.1 million (Q1 2015: £1.1 million (credit)).

Further to the Refinancing Transactions the Group has undertaken a review of the countries in which it expects to generate a taxable profit in future years and accordingly has written off a portion of its historical deferred tax asset relating to historical UK trading losses.

Profit after tax

Profit after tax decreased by £6.7 million to £5.1 million (loss) (Q1 2015: £1.6 million (profit)) due to the decrease in operating profit (£6.1 million), the increase in net finance costs (£0.1 million) and the increase in taxation (£0.5 million) for the reasons set out above.

PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE RESTRICTED GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2016

Cashflow

	3 month period ended			LTM
	31 March 2016 £m	31 March 2015 £m	Movement £m	31 March 2016 £m
Adjusted EBITDA	6.7	7.8	(1.1)	43.4
Movements in working capital	15.3	(5.3)	20.6	2.0
Corporation tax payments	(2.3)	(0.8)	(1.5)	(5.7)
Cash inflow from operating activities (pre exceptional items)	19.7	1.7	18.0	39.7
Exceptional items	(0.4)	(2.6)	2.2	(2.2)
Cash inflow/(outflow) from operating activities (post exceptional items)	19.3	(0.9)	20.2	37.5
Capital expenditure	(5.3)	(5.2)	(0.1)	(21.6)
Acquisition of subsidiaries	-	-	-	(7.8)
Investment income	0.1	-	0.1	0.3
Cash outflow from investing activities	(5.2)	(5.2)	-	(29.1)
Dividends paid to non-controlling interests	-	-	-	(1.4)
Acquisitions of non-controlling interests	-	(30.9)	30.9	-
Borrowings and drawdowns	-	47.5	(47.5)	117.8
Loan to Unrestricted Group	-	-	-	(94.0)
Exceptional finance exchange loss on existing debt facility	-	(0.4)	0.4	0.4
Interest and fees	(0.7)	(0.1)	(0.6)	(2.3)
Cash (outflow)/inflow from financing activities	(0.7)	16.1	(16.8)	20.5
Net increase in cash	13.4	10.0	3.4	28.9
Cash at start of period	61.1	36.2	24.9	45.9
Effect of foreign currency exchange rates	1.0	(0.3)	1.3	0.7
Cash at end of period	75.5	45.9	29.6	75.5

PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE RESTRICTED GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2016

Cash inflow from operating activities (after exceptional items)

Cash inflows from operating activities increased £20.2 million to £19.3 million (Q1 2015: £0.9 million (outflow)) primarily due to a £20.6 million higher movement in working capital of £15.3 million (Q1 2015: £5.3 million (credit)) and £2.2 million lower exceptional payments of £0.4 million (Q1 2015: £2.6 million). This is offset by a £1.1 million decrease in Adjusted EBITDA of £6.7 million (Q1 2015: £7.8 million) and a £1.5 million increase in corporation tax payments of £2.3 million (Q1 2015: £0.8 million).

The improvement in working capital is due to a combination of improved collection of trade debtors, advance receipts from customers in respect of the 2017 WTA contract and the effect of the 2014 catch up of creditor payments in January 2015.

Investing activities

Cash outflow from investing activities remained consistent at £5.2 million (Q1 2015: £5.2 million) due to a £0.1 million increase in capital expenditure of £5.3 million (Q1 2015: £5.2 million) offset by a £0.1 million decrease in investment income of £0.1 million (Q1 2015: £0.2 million).

Financing activities

Cash from financing activities decreased £16.8 million to an outflow of £0.7 million (Q1 2015: £16.1 million inflow) as in Q1 2015 the Group drew down £47.5 million from the old RCF and used £30.9 million to acquire the non-controlling interest of Perform Sporting News. There was also a £0.5 million loss on the Group's foreign denominated debt facility. Interest and fees increased by £0.6 million to £0.7 million (Q1 2015: £0.1 million).

Debt and liquidity

As at 31 March 2016 the Restricted Group held cash of £75.5 million (31 December 2015: £61.1 million) and had net debt of £72.7 million (31 December 2015: £70.7 million) (representing net borrowings and accrued interest of £170.1 million (31 December 2015: £165.8 million) offset by borrowings provided to the Unrestricted Group of £94.0 million (31 December 2015: £94.0 million) and accrued interest payable by the Unrestricted Group of £3.4 million (£1.1 million)).

**PERFORM GROUP LIMITED
QUARTERLY FINANCIAL REPORT**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE TOTAL GROUP
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

PERFORM GROUP LIMITED

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

	Notes	31 March 2016 £'000	31 March 2015 £'000
All results relate to continuing operations			
Revenue		64,139	62,304
Cost of sales		(40,701)	(36,263)
Gross profit		23,438	26,041
Administrative expenses		(32,638)	(23,064)
Group operating (loss)/profit		(9,200)	2,977
Investment income		113	44
Finance costs	4	(4,615)	(2,226)
Group (loss)/profit before tax		(13,702)	795
Taxation (charge)/credit	5	83	590
Group (loss)/profit for the year		(13,619)	1,385
<i>Group (loss)/profit attributable to:</i>			
Owners of the Parent		(14,497)	450
Non-controlling interests		878	935
		(13,619)	1,385

PERFORM GROUP LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

	31 March 2016 £'000	31 March 2015 £'000
Group (loss)/profit for the year	(13,619)	1,385
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations, goodwill and intangible assets held in foreign currencies	7,270	(6,959)
Total comprehensive loss for the year	(6,349)	(5,574)
<i>Total comprehensive (loss)/income for the year attributable to:</i>		
Owners of the Parent	(7,227)	(6,509)
Non-controlling interests	878	935
	(6,349)	(5,574)

PERFORM GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2016 (UNAUDITED)

	Issued share capital £'000	Share premium £'000	Merger relief reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	FX reserve £'000	Other reserve £'000	Total to owners of the Parent £'000	Non- controlling interests £'000	Total equity £'000
At 1 January 2015	7,356	68,323	93,533	38,342	41,348	(8,594)	49,993	290,301	4,230	294,531
Profit for the year	-	-	-	-	450	-	-	450	935	1,385
FX on translating foreign operations, goodwill and intangible assets	-	-	-	-	-	(6,959)	-	(6,959)	-	(6,959)
Total comprehensive profit/(loss) for the year	-	-	-	-	450	(6,959)	-	(6,509)	935	(5,574)
Adjustment arising from change in non-controlling interest	-	-	-	-	(19,492)	-	(7,222)	(26,714)	(2,085)	(28,799)
At 31 March 2015	7,356	68,323	93,533	38,342	22,306	(15,553)	42,771	257,078	3,080	260,158
At 1 January 2015	7,356	68,323	93,533	38,342	41,348	(8,594)	49,993	290,301	4,230	294,531
(Loss)/profit for the year	-	-	-	-	(3,841)	-	-	(3,841)	2,107	(1,734)
FX on translating foreign operations, goodwill and intangible assets	-	-	-	-	-	(11,443)	-	(11,443)	-	(11,443)
Total comprehensive (loss)/profit for the year	-	-	-	-	(3,841)	(11,443)	-	(15,284)	2,107	(13,177)
Payment of dividends to non-controlling interests	-	-	-	-	-	-	1,394	1,394	(1,394)	-
Adjustment arising from change in non-controlling interest	-	-	-	-	(19,494)	-	(7,222)	(26,716)	(2,085)	(28,801)
At 31 December 2015	7,356	68,323	93,533	38,342	18,013	(20,037)	44,165	249,695	2,858	252,553
At 1 January 2016	7,356	68,323	93,533	38,342	18,013	(20,037)	44,165	249,695	2,858	252,553
(Loss)/profit for the year	-	-	-	-	(14,497)	-	-	(14,497)	878	(13,961)
FX on translating foreign operations, goodwill and intangible assets	-	-	-	-	-	7,270	-	7,270	-	7,270
Total comprehensive (loss)/profit for the year	-	-	-	-	(14,497)	7,270	-	(7,227)	878	(6,349)
At 31 March 2016	7,356	68,323	93,533	38,342	3,516	(12,767)	44,165	242,468	3,736	246,204

PERFORM GROUP LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016 (UNAUDITED)**

		31 March 2016 £'000	31 December 2015 £'000	31 March 2015 £'000
	Notes			
Non-current assets				
Goodwill		190,605	189,073	189,412
Acquisition intangibles		53,558	54,288	60,360
Other intangible assets		26,903	24,588	20,186
Property, plant and equipment		18,982	14,827	10,892
Deferred tax asset		8,860	11,223	8,176
		298,908	293,999	289,026
Current assets				
Trade and other receivables		122,566	99,160	76,223
Cash and cash equivalents	7	112,888	129,549	45,945
		235,454	228,709	122,168
Total assets		534,362	522,708	411,194
Current liabilities				
Trade and other payables		(70,852)	(55,819)	(51,840)
Current acquisition-related financial liabilities	9	(34,458)	(31,547)	(10,056)
Current borrowings	7	(5,578)	(1,859)	-
Current tax liabilities		(1,322)	(5,758)	(4,562)
		(112,210)	(94,983)	(66,458)
Net current assets		123,244	133,726	55,710
Non-current liabilities				
Non-current acquisition-related financial liabilities	9	-	-	(23,253)
Non-current borrowings	7	(164,552)	(163,987)	(46,167)
Deferred tax liability		(11,396)	(11,185)	(15,158)
		(175,948)	(175,172)	(84,578)
Total liabilities		(288,158)	(270,155)	(151,036)
Net assets		246,204	252,553	260,158
Equity				
Called-up share capital	8	7,356	7,356	7,356
Share premium		68,323	68,323	68,323
Merger relief reserve		93,533	93,533	93,533
Capital redemption reserve		38,342	38,342	38,342
Retained earnings		3,516	18,013	22,306
Foreign exchange reserve		(12,767)	(20,037)	(15,553)
Other reserve		44,165	44,165	42,771
Equity attributable to owners of the Parent		242,468	249,695	257,078
Non-controlling interests		3,736	2,858	3,080
Total equity		246,204	252,553	260,158

PERFORM GROUP LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

	31 March 2016 £'000	31 March 2015 £'000
Operating activities		
Group operating (loss)/profit	(9,200)	2,977
Increase in trade and other receivables	(21,977)	(3,429)
Increase/(decrease) in trade and other payables	17,211	(1,710)
Depreciation and amortisation (including acquisition intangible amortisation)	5,650	5,141
Employee share-based payment	1,333	825
Exceptional items	2,896	(1,293)
Corporation tax payments	(2,266)	(813)
Cash flow (used in)/from operating activities (prior to exceptional items)	(6,353)	1,698
Payments in respect of exceptional items	(422)	(2,584)
Cash flow used in operating activities (after exceptional items)	(6,775)	(886)
Investing activities		
Purchases of property, plant and equipment	(6,830)	(1,217)
Purchase of intangible assets	(3,510)	(4,023)
Investment income	113	44
Cash flow used in investing activities	(10,227)	(5,196)
Financing activities		
Acquisition of non-controlling interests	-	(30,876)
Interest and fees relating to debt facilities	-	(179)
Revolving credit facility drawdown	-	47,663
Exceptional finance exchange loss on existing debt facility	-	(460)
Interest and finance lease charges paid	(653)	(65)
Cash flow (used in)/from financing activities	(653)	16,083
Net (decrease)/increase in cash and cash equivalents in the year (all continuing operations)		
	(17,655)	10,001
Cash and cash equivalents at start of year	129,549	36,246
Effect of foreign currency exchange rates	994	(302)
Cash and cash equivalents at end of year	112,888	45,945

PERFORM GROUP LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

1. General Information

These condensed consolidated financial statements for the three months ended 31 March 2016 do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year to 31 December 2015 has been delivered to the Registrar of Companies. The auditor reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2. Accounting policies

Basis of preparation

The annual financial statements of Perform Group Limited are prepared in accordance with IFRS as adopted by the European Union and as issued by the International Accounting Standards Board (IASB) and the Group's accounting policies. The condensed set of consolidated financial statements included in this financial report contain financial information and selected notes prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

Significant accounting policies

The accounting policies applied by the Group in this condensed set of consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

New and Revised IFRSs in issue but not yet effective

At the date of authorisation of the financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have also not yet been adopted by the EU.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the EU:

IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
IAS 16	<i>Leases</i>

The directors do not expect that the adoptions of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments, IFRS 15 may have an impact on revenue recognition and related disclosures and IAS 16 will also have an impact as operating leases will be recorded on the balance sheet. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS9, IFRS 15 and IAS 16 until a detailed review has been completed.

PERFORM GROUP LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

2. Accounting policies (continued)

Going concern

This condensed set of consolidated financial statements includes a summary of the Group's financial position and its cash flow. The Directors believe the Group is well placed to manage its business risks successfully and the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Directors continue to adopt the going concern basis in preparing this condensed set of consolidated financial statements.

3. Exceptional items

	3 months ended	
	31 March 2016 £'000	31 March 2015 £'000
Costs in relation to acquisitions, corporate and restructuring activities	976	851
Re-measurement of acquisition-related financial liability	154	-
FX revaluation of acquisition-related financial liability	1,766	(2,144)
	2,896	(1,293)

Exceptional items of £2.9 million were recognised in the period (Q1 2015: £1.3 million (credit)) relating to the following:

- costs in relation to acquisitions, corporate and restructuring activities of £1.0 million (Q1 2015: £0.9 million);
- re-measurement of deferred consideration (due in respect of Mackolik following a better than expected performance during 2015) of £0.2 million (Q1 2015: £nil); and
- foreign exchange revaluation of deferred consideration of £1.8 million (Q1 2015: £2.1 million (credit)) primarily due to Mackolik and the strengthening of the Turkish Lira.

4. Finance costs

	3 months ended	
	31 March 2016 £'000	31 March 2015 £'000
Interest, bank fees and related charges	4,493	344
Accretion of deferred consideration	991	843
Exceptional finance costs:		
Revaluation of foreign exchange hedge	(869)	579
Foreign exchange loss on debt facility	-	460
Total finance costs	4,615	2,226

Finance costs of £4.6 million were recognised in the period (Q1 2015: £2.2 million) relating to the following:

- interest, bank fees and related charges (including the amortisation of arrangement fees) due on the Group's senior secured notes and revolving credit facility of £4.5 million (Q1 2015: £0.3 million relating to the Group's previous debt facilities); and
- accretion of deferred consideration of £1.0 million (Q1 2015: £0.8 million);

PERFORM GROUP LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

The above were offset by the revaluation of the Group's foreign exchange hedge to part fund the acquisition of the remaining 49% of Mackolik in 2016 of £0.9 million (credit) (Q1 2015: £0.6 million (charge)) due to the strengthening of the Turkish Lira in Q1 2016.

In addition in Q1 2015 there was a loss on the US dollar denominated portion of the Group's previous debt facilities of £0.5 million.

5. Taxation

The rate applied in these condensed consolidated financial statements differs from the expected full year rate due to the different split of profits and losses between different jurisdictions in the first quarter of the year. The expected tax rate incorporates a write off of a portion of the Group's deferred tax asset following a review of the geographical mix of the Group's profits following the Refinancing Transactions.

6. Acquisitions

Perform Sporting News

On 20 March 2015, the Group acquired the remaining 35% interest in Perform Sporting News Limited, taking its holding to 100%. The consideration paid for this 35% interest was \$40 million plus \$6 million primarily in relation to dividends and repayment of the original shareholder loan. The consideration for the remaining 35% has been accounted for directly within the profit and loss reserve. In addition, the remaining balances associated with Perform Sporting News contained within the non-controlling interest and other reserves have been re-cycled to the profit and loss reserve.

7. Net (debt)/funds

	31 March 2016 £'000	31 December 2015 £'000	31 March 2015 £'000
Cash and cash equivalents	112,888	129,549	45,945
Borrowings	(170,130)	(165,846)	(46,167)
Net (debt)/funds	(57,242)	(36,297)	(222)

On 16 November 2015, Perform Group Financing plc, a wholly-owned subsidiary of Perform Group Limited, issued £175.0 million aggregate principal amount of 8.5% senior secured notes due 2020. On the same date, certain members of the Group entered into a new multi-currency revolving credit facility of £50.0 million (the "RCF") (and together with the Issuance of the Notes, the "Refinancing Transactions").

The purpose of the Refinancing Transactions was to, amongst other things, fund the launch of the OTT Business (as defined in the Group's Offering Memorandum dated 11 November 2015 (the "Offering Memorandum")), repay the amounts drawn under, and terminate, the Old RCF and to fund contractual commitments to pay contingent consideration in respect of certain of the Group's historic acquisitions.

The senior secured notes were issued at a discount of £3.5 million and were subject to directly attributable arrangement fees of £7.8 million. The carrying value of the discount and fees at 31 March 2016 is £10.5 million (31 December 2015: £11.0 million). Interest of £5.6 million has also accrued but not been paid at 31 December 2015 (31 December 2015: £1.9 million). The carrying value of borrowings is presented net of the carrying value of fees and discount but includes accrued interest.

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

8. Share capital

	31 March 2016 £'000	31 December 2015 £'000	31 March 2015 £'000
Issued, allotted and fully paid			
A Ordinary shares of 2 and 7/9ths pence each	6,423	6,423	6,423
M Ordinary shares of 2 and 7/9ths pence each	933	933	933
I Ordinary shares of 2 and 7/9ths pence each	-	-	-
	7,356	7,356	7,356
	31 March 2016 '000	31 December 2015 '000	31 March 2015 '000
Issued, allotted and fully paid			
A Ordinary shares of 2 and 7/9ths pence each	231,221	231,221	231,221
M Ordinary shares of 2 and 7/9ths pence each	33,592	33,592	33,592
I Ordinary shares of 2 and 7/9ths pence each	5	5	-
	264,818	264,818	264,813

The Company's share capital consists of three classes of equity shares – 'A' shares, 'M' shares and 'I' shares.

AI Perform Holdings LLP, a portfolio company of Access Industries, holds all of the 'A' shares, which represent 87% of the equity share capital of the Company.

'M' shares are held by members of management, its employees and public shareholders that did not participate in the offer for the Company's shares by an affiliate of Access Industries in November 2014.

'A' and 'M' shareholders have equal voting rights and are entitled to dividends on a pro rata basis and *pari passu*.

The Group also has a class of currently non-voting 'I' shares held by certain members of its senior management that comprise a *de minimis* amount of our total share capital.

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

9. Deferred consideration and associated acquisition-related liabilities

The following table summarises and reconciles acquisition-related deferred consideration recorded in the financial statements (and includes the Group's estimated future dividend payments to the owners of the non-controlling interest in Mackolik):

	At 1 January 2016 £'000	Recognised on acquisition or re-measured £'000	Unwind of discount applied to FV initial liability £'000	Service related charge £'000	Payment £'000	FX £'000	At 31 March 2016 £'000	Due in < 1 year £'000	Due after > 1 year £'000
Mackolik	28,461	154	894	-	-	1,568	31,077	31,077	-
Voetbalzone	3,086	-	97	-	-	198	3,381	3,381	-
	31,547	154	991	-	-	1,766	34,458	34,458	-

Comparative information:

	At 1 January 2015 £'000	Recognised on acquisition or re-measured £'000	Unwind of discount applied to FV initial liability £'000	Service related charge £'000	Payment £'000	FX £'000	At 31 December 2015 £'000	Due in < 1 year £'000	Due after > 1 year £'000
Mackolik	22,614	7,772	2,824	29	(1,394)	(3,384)	28,461	28,461	-
Spox	1,158	(498)	-	-	(690)	30	-	-	-
Voetbalzone	7,108	(296)	440	-	(3,646)	(520)	3,086	3,086	-
Activaweb	3,739	-	119	-	(3,482)	(376)	-	-	-
	34,619	6,978	3,383	29	(9,212)	(4,250)	31,547	31,547	-

	At 1 January 2015 £'000	Recognised on acquisition or re-measured £'000	Unwind of discount applied to FV initial liability £'000	Service related charge £'000	Payment £'000	FX £'000	At 31 March 2015 £'000	Due in < 1 year £'000	Due after > 1 year £'000
Mackolik	22,614	-	541	-	-	(1,355)	21,800	1,512	20,288
Spox	1,158	-	-	-	-	(76)	1,082	1,082	-
Voetbalzone	7,108	-	222	-	-	(475)	6,855	3,890	2,965
Activaweb	3,739	-	80	-	-	(247)	3,572	3,572	-
	34,619	-	843	-	-	(2,153)	33,309	10,056	23,253

PERFORM GROUP LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

10. Financial instruments fair value disclosure

Financial instruments that are measured at fair value in the consolidated financial statements require disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair values of financial assets and liabilities are based on quoted market prices where available. Where the market value is not available, the Group has estimated relevant fair values on the basis of publicly available information from outside sources or on the basis of discounted cash flow models where appropriate.

The Group holds senior secured notes and RCF (refer to note 8 for further details) categorised as Level 1 and a foreign exchange hedge (forward purchasing 48 million Turkish Lira to part fund the acquisition of the remaining 49% of Mackolik in 2016) categorised as Level 2. All other financial instruments of the Group are categorised as Level 3. There have been no transfers of assets or liabilities between levels of the fair value hierarchy during the period.

As at 31 March 2016 the senior secured notes have a carrying value of £170.1 million (31 December 2015: £16.8 million) and a fair value of £158.2 million (31 December 2015: £166.9 million).

With the exception of the senior secured notes, the directors consider that the carrying values of financial assets and liabilities recorded at amortised cost in the consolidated financial statements are appropriately equal to their fair value.

The only Level 3 financial instruments held by the Group during the period are for acquisition-related financial liabilities. Fair values have been derived by discounting estimated future cash flows. The table below is a reconciliation of the Level 3 fair value measurements for the period ended 31 March 2016:

	Acquisition-related financial liabilities £'000
1 January 2015	34,619
Unwind of discount	843
Foreign exchange	(2,153)
31 March 2015	33,309
1 January 2015	34,619
Re-measured	6,978
Unwind of discount	3,383
Service related charge	29
Payment	(9,212)
Foreign exchange	(4,250)
31 December 2015	31,547

PERFORM GROUP LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

10. Financial instruments fair value disclosure (continued)

	Acquisition-related financial liabilities £'000
1 January 2016	31,547
Re-measured	154
Unwind of discount	991
Foreign exchange	1,766
31 March 2016	34,458

11. Share-based payments

A total charge of £1.3 million (Q1 2015: £0.8 million) relating to the Group's share-based payment schemes has been included in the income statement.

In order to ensure appropriate retention arrangements are in place following the takeover in October 2014 by Access Industries it was agreed, with regards to the 2013 and 2014 performance share plans, that the Group will make cash payments equal to the difference between the Award holders received on vesting of their awards (with reference to the £2.60 price paid per share by Access), and what they would have received on full vesting of their awards (also calculated at £2.60 per share). Accordingly, after accounting for leavers, 50% of the April 2013 awards and 83% of the 2014 awards were converted into replacement cash awards. These cash awards will be paid, subject to the participants continued employment and the meeting of financial performance criteria, on or around, the same date that the unvested portions of the PSP awards would otherwise have come to maturity, being April 2016 for the 2013 awards and April 2017 for the 2014 awards.

The amount of the cash awards will be determined by the level of business performance against revenue and Adjusted EBITDA targets. The total value of these awards was calculated as £7.3 million and this is being spread over the vesting period. As such charges of £0.8 million have been recognised in respect of these cash replacement schemes for the 3 months ended 31 March 2016 (Q1 2015: £0.8 million).

Furthermore, the Group has put in place a long-term cash-based scheme in April 2015 that will vest in April 2018. The amount of the payment will be determined by the level of business performance against revenue and EBITDA targets over the three years and the cost of the scheme will be spread over the vesting period. As such charges of £0.5 million have been recognised in respect of this scheme in the 3 months ended to 31 March 2016 (Q1 2015: £nil).

12. Contingent liabilities

There were no contingent liabilities at 31 March 2016 (31 March 2015: nil).

13. Related parties

There have been no material changes in the related party transactions described in the last annual report aside from those disclosed elsewhere in this interim statement.

14. Post balance sheet events

In April 2016 the Group made the final payment of €4.0 million in respect of the acquisition of Voetbalzone B.V.

There have been no other material post balance sheet events to disclose.

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

15. Disaggregation of the restricted and unrestricted groups

A disaggregation of the Group's results and financial condition between the Restricted and Unrestricted Group for the three months ended 31 March 2016 is set out in the following tables.

Income Statement	Three months ended 31 March 2016			
	Restricted Group £'000	Unrestricted Group £'000	Elimination £'000	Total Group £'000
Revenue	66,639	-	(2,500)	64,139
Cost of sales	(39,919)	(3,282)	2,500	(40,701)
Gross profit/(loss)	26,720	(3,282)	-	23,438
Administrative expenses	(29,634)	(3,004)	-	(32,638)
Group operating loss	(2,914)	(6,286)	-	(9,200)
Investment income	2,315	31	(2,233)	113
Finance costs	(4,612)	(2,236)	2,233	(4,615)
Group loss before tax	(5,211)	(8,491)	-	(13,702)
Taxation credit	83	-	-	83
Group loss after tax	(5,128)	(8,491)	-	(13,619)
Adjusted EBITDA	6,683	(6,004)	-	679
Exceptional items	(2,896)	-	-	(2,896)
Share-based payments	(1,195)	(138)	-	(1,333)
EBITDA	2,592	(6,142)	-	(3,550)
Amortisation and depreciation	(3,836)	(144)	-	(3,980)
Acquisition-related amortisation	(1,670)	-	-	(1,670)
Group operating loss	(2,914)	(6,286)	-	(9,200)

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

16. Disaggregation of the restricted and unrestricted groups (continued)

Income Statement	Three months ended 31 March 2015			Total Group £'000
	Restricted Group £'000	Unrestricted Group £'000	Elimination £'000	
Revenue	62,304	-	-	62,304
Cost of sales	(36,263)	-	-	(36,263)
Gross profit	26,041	-	-	26,041
Administrative expenses	(22,894)	(170)	-	(23,064)
Group operating profit/(loss)	3,147	(170)	-	2,977
Investment income	44	-	-	44
Finance costs	(2,226)	-	-	(2,226)
Group profit/(loss) before tax	965	(170)	-	795
Taxation (charge)/credit	590	-	-	590
Group profit/(loss) after tax	1,555	(170)	-	1,385
Adjusted EBITDA	7,820	(170)	-	7,650
Exceptional items	1,293	-	-	1,293
Share-based payments	(825)	-	-	(825)
EBITDA	8,288	(170)	-	8,118
Amortisation and depreciation	(3,599)	-	-	(3,599)
Acquisition-related amortisation	(1,542)	-	-	(1,542)
Group operating profit/(loss)	3,147	(170)	-	2,977

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

16. Disaggregation of the restricted and unrestricted groups (continued)

Balance Sheet	As at 31 March 2016			Total Group £'000
	Restricted Group £'000	Unrestricted Group £'000	Elimination £'000	
Non-current assets				
Goodwill	190,605	-	-	190,605
Acquisition intangibles	53,558	-	-	53,558
Other intangible assets	22,184	5,469	(750)	26,903
Property, plant and equipment	15,152	3,830	-	18,982
Loan to Unrestricted Group	97,349	-	(97,349)	-
Deferred tax asset	7,592	1,268	-	8,860
	386,440	10,567	(98,099)	298,908
Current assets				
Trade and other receivables	84,171	38,395	-	122,566
Cash and cash equivalents	75,539	37,349	-	112,888
	159,710	75,744	-	235,454
Total assets	546,150	86,311	(98,099)	534,362
Current liabilities				
Trade and other payables	(67,832)	(3,020)	-	(70,852)
Current acquisition-related financial liabilities	(34,458)	-	-	(34,458)
Current borrowings	(5,578)	-	-	(5,578)
Current tax liabilities	(1,322)	-	-	(1,322)
	(109,190)	(3,020)	-	(112,210)
Net current assets	50,520	72,724	-	123,244
Non-current liabilities				
Non-current borrowings	(164,552)	-	-	(164,552)
Non-current borrowings from Restricted Group	-	(97,349)	97,349	-
Deferred tax liability	(11,396)	-	-	(11,396)
	(175,948)	(97,349)	97,349	(175,948)
Total liabilities	(285,138)	(100,369)	97,349	(288,158)
Net assets/(liabilities)	261,012	(14,058)	(750)	246,204
Equity				
Called up share capital	7,356	-	-	7,356
Share premium	68,323	-	-	68,323
Merger relief reserve	93,533	-	-	93,533
Capital redemption reserve	38,342	-	-	38,342
Retained earnings	18,324	(14,058)	(750)	3,516
Foreign exchange reserve	(12,767)	-	-	(12,767)
Other reserve	44,165	-	-	44,165
Equity attributable to owners of the Parent	257,276	(14,058)	(750)	242,468
Non-controlling interest	3,736	-	-	3,736
Total equity	261,012	(14,058)	(750)	246,204

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

16. Disaggregation of the restricted and unrestricted groups (continued)

Balance Sheet	As at 31 December 2015			Total Group £'000
	Restricted Group £'000	Unrestricted Group £'000	Elimination £'000	
Non-current assets				
Goodwill	189,073	-	-	189,073
Acquisition intangibles	54,288	-	-	54,288
Other intangible assets	21,145	4,193	(750)	24,588
Property, plant and equipment	13,722	1,105	-	14,827
Loan to Unrestricted Group	95,116	-	(95,116)	-
Deferred tax asset	9,955	1,268	-	11,223
	383,299	6,566	(95,866)	293,999
Current assets				
Trade and other receivables	82,402	17,176	(418)	99,160
Cash and cash equivalents	61,080	68,469	-	129,549
	143,482	85,645	(418)	228,709
Total assets	526,781	92,211	(96,284)	522,708
Current liabilities				
Trade and other payables	(53,574)	(2,663)	418	(55,819)
Current acquisition-related financial liabilities	(31,547)	-	-	(31,547)
Current borrowings	(1,859)	-	-	(1,859)
Current tax liabilities	(5,758)	-	-	(5,758)
	(92,738)	(2,663)	418	(94,983)
Net current assets	50,744	82,982	-	133,726
Non-current liabilities				
Non-current acquisition-related financial liabilities	-	-	-	-
Non-current borrowings	(163,987)	-	-	(163,987)
Non-current borrowings from Restricted Group	-	(95,116)	95,116	-
Deferred tax liability	(11,185)	-	-	(11,185)
	(175,172)	(95,116)	95,116	(175,172)
Total liabilities	(267,910)	(97,779)	95,534	(270,155)
Net assets/(liabilities)	258,871	(5,568)	(750)	252,553
Equity				
Called up share capital	7,356	-	-	7,356
Share premium	68,323	-	-	68,323
Merger relief reserve	93,533	-	-	93,533
Capital redemption reserve	38,342	-	-	38,342
Retained earnings	24,331	(5,568)	(750)	18,013
Foreign exchange reserve	(20,037)	-	-	(20,037)
Other reserve	44,165	-	-	44,165
Equity attributable to owners of the Parent	256,013	(5,568)	(750)	249,695
Non-controlling interest	2,858	-	-	2,858
Total equity	258,871	(5,568)	(750)	252,553

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

16. Disaggregation of the restricted and unrestricted groups (continued)

Balance Sheet	As at 31 March 2015			Total Group £'000
	Restricted Group £'000	Unrestricted Group £'000	Elimination £'000	
Non-current assets				
Goodwill	189,412	-	-	189,412
Acquisition intangibles	60,360	-	-	60,360
Other intangible assets	20,186	-	-	20,186
Property, plant and equipment	10,892	-	-	10,892
Deferred tax asset	8,176	-	-	8,176
	289,026	-	-	289,026
Current assets				
Trade and other receivables	76,223	-	-	76,223
Receivable from Unrestricted Group	170	-	(170)	-
Cash and cash equivalents	45,945	-	-	45,945
	122,338	-	(170)	122,168
Total assets	411,364	-	(170)	411,194
Current liabilities				
Trade and other payables	(51,840)	-	-	(51,840)
Payable to Restricted Group	-	(170)	170	-
Current acquisition-related financial liabilities	(10,056)	-	-	(10,056)
Current tax liabilities	(4,562)	-	-	(4,562)
	(66,458)	(170)	170	(66,458)
Net current assets	55,880	(170)	-	55,710
Non-current liabilities				
Non-current acquisition-related financial liabilities	(23,253)	-	-	(23,253)
Non-current borrowings	(46,167)	-	-	(46,167)
Deferred tax liability	(15,158)	-	-	(15,158)
	(84,578)	-	-	(84,578)
Total liabilities	(151,036)	(170)	170	(151,036)
Net assets/(liabilities)	260,328	(170)	-	260,158
Equity				
Called up share capital	7,356	-	-	7,356
Share premium	68,323	-	-	68,323
Merger relief reserve	93,533	-	-	93,533
Capital redemption reserve	38,342	-	-	38,342
Retained earnings	22,476	(170)	-	22,306
Foreign exchange reserve	(15,553)	-	-	(15,553)
Other reserve	42,771	-	-	42,771
Equity attributable to owners of the Parent	257,248	(170)	-	257,078
Non-controlling interest	3,080	-	-	3,080
Total equity	260,328	(170)	-	260,158

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

16. Disaggregation of the restricted and unrestricted groups (continued)

Cash Flows	Three months ended 31 March 2016			Total Group £'000
	Restricted Group £'000	Unrestricted Group £'000	Elimination £'000	
Operating activities				
Group operating loss	(2,914)	(6,286)	-	(9,200)
Increase in trade and other receivables	(336)	(21,223)	(418)	(21,977)
Increase in trade and other payables	15,637	1,156	418	17,211
Depreciation and amortisation (including acquisition intangible amortisation)	5,506	144	-	5,650
Employee share-based payment	1,195	138	-	1,333
Exceptional items	2,896	-	-	2,896
Corporation tax payments	(2,266)	-	-	(2,266)
Cash inflow/(outflow) from operating activities (prior to exceptional items)	19,718	(26,071)	-	(6,353)
Payments in respect of exceptional items	(422)	-	-	(422)
Cash inflow/(outflow) operating activities (after exceptional items)	19,296	(26,071)	-	(6,775)
Investing activities				
Purchases of property, plant and equipment	(2,559)	(4,271)	-	(6,830)
Purchases of intangible assets	(2,732)	(778)	-	(3,510)
Investment income	113	-	-	113
Cash outflow from investing activities	(5,178)	(5,049)	-	(10,227)
Financing activities				
Interest, bank fees and related charges	(653)	-	-	(653)
Cash outflow from financing activities	(653)	-	-	(653)
Net increase/(decrease) in cash and cash equivalents in the period (all continuing operations)	13,465	(31,120)	-	(17,655)
Cash and cash equivalents at start of period	61,080	68,469	-	129,549
Effect of foreign currency exchange rates	994	-	-	994
Cash and cash equivalents at end of period	75,540	37,349	-	112,888

PERFORM GROUP LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)**

16. Disaggregation of the restricted and unrestricted groups (continued)

Cash Flows	Three months ended 31 March 2015			Total Group £'000
	Restricted Group £'000	Unrestricted Group £'000	Elimination £'000	
Operating activities				
Group operating profit/(loss)	3,147	(170)	-	2,977
Increase in trade and other receivables	(3,429)	-	-	(3,429)
Decrease in trade and other payables	(1,710)	-	-	(1,710)
Increase in receivable from the Unrestricted Group	(170)	-	170	-
Increase in payable to the Restricted Group	-	170	(170)	-
Depreciation and amortisation (including acquisition intangible amortisation)	5,141	-	-	5,141
Employee share-based payment	825	-	-	825
Exceptional items	(1,293)	-	-	(1,293)
Corporation tax payments	(813)	-	-	(813)
Cash inflow from operating activities (prior to exceptional items)	1,698	-	-	1,698
Payments in respect of exceptional items	(2,584)	-	-	(2,584)
Cash outflow from operating activities (after exceptional items)	(886)	-	-	(886)
Investing activities				
Purchases of property, plant and equipment	(1,217)	-	-	(1,217)
Purchases of intangible assets	(4,023)	-	-	(4,023)
Investment income	44	-	-	44
Cash outflow from investing activities	(5,196)	-	-	(5,196)
Financing activities				
Acquisition of non-controlling interests	(30,876)	-	-	(30,876)
Borrowings (net of bank fees and costs)	47,484	-	-	47,484
Exceptional finance exchange loss on existing debt facility	(460)	-	-	(460)
Interest, bank fees and related charges	(65)	-	-	(65)
Cash inflow from financing activities	16,083	-	-	16,083
Net increase in cash and cash equivalents in the period (all continuing operations)	10,001	-	-	10,001
Cash and cash equivalents at start of period	36,246	-	-	36,246
Effect of foreign currency exchange rates	(302)	-	-	(302)
Cash and cash equivalents at end of period	45,945	-	-	45,945