Perform Group plc

Full year results for the 12 months ended 31 December 2013

Plans underway to address challenges and deliver on the Group's potential

Key Financial Metrics	**FY 2013**	FY 2012	*Change*
Statutory measures:			
Revenue (£'000)	**208,135**	151,607	*+37%*
Statutory profit before tax (£'000)	**4,058**	16,290	*-75%*
Adjusted measures:			
Adjusted EBITDA (£'000)*	**36,402**	37,502	*-3%*
Adjusted profit before tax (£'000)*	**26,030**	30,284	*-14%*
Adjusted basic earnings per share (pence)*	**10.4**	11.2	*-7%*

Key Operational Metrics	**FY 2013**	**FY 2012**	*Change*
Watch&Bet licencees	**46**	**40**	*+6*
Watch&Bet events streamed	**16,543**	**14,729**	*+12%*
RunningBall customers	**53**	**46**	*+7*
RunningBall events delivered	**78,012**	**49,866**	*+56%*
Average annual unique users (own portals) (millions)	**90**	**54**	*+66%*
ePlayer total video on demand streams viewed (millions)	**5,043**	**4,483**	*+13%*
ePlayer average sell-through-rate (%)	**48**	**39**	*+9pp*

- Good progress on execution of strategy
    - Enhanced the digital rights portfolio – over 16,000 live W&B events contracted for 2014
    - Acquired Opta and Perform Sporting News
    - Expanded geographically – ePlayer rolled out in two new countries
    - Grew the audience – investment in Goal and other consumer facing products
    - Launched Group's products on new digital platforms
- Intense period of organic and acquisition led growth has led to a substantial increase in cost base
- Sequential Q3 to Q4 like for like** growth in Display Advertising & Sponsorship lower than experienced historically
- Watch&Bet renewal process limited upsells and new licencees in Q4
- Full review and plans underway to address challenges
    - Re-structuring plans now being implemented
    - Integration of Opta accelerated
    - Roll-out of new revenue and booking system underway
- Search to identify a new Chief Financial Officer underway and an announcement will be made in due course

- Clear focus on delivering on the change plans; on track to achieve FY2014 revenue and Adjusted EBITDA growth in line with the Board's expectations as revised in December 2013

Oliver Slipper, joint Chief Executive Officer of Perform Group plc commented:

"Notwithstanding strong growth in revenues our financial performance in 2013 was disappointing. We made good progress on executing against our strategy notably with the acquisition of Opta, which significantly enhances our existing sports data offering, and the launch of Perform Sporting News, a top seven US digital sports media property. However, the performance in the second half, notably in Display Advertising & Sponsorship in Q4, was significantly below our expectations.

The Group's rapid expansion has also led to a significant increase in our cost base. We are now taking the opportunity to address this and have already put in place a series of plans and initiatives. Our focus in 2014 is to ensure that these plans are well executed and, in turn, deliver on the significant potential inherent within the Group."

Analyst presentation

A presentation for analysts will be held at 8.30 a.m. today at UBS (1 Finsbury Avenue, EC2M 2PP), which will be webcast live via www.performgroup.co.uk/Investors.

Enquiries

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About Perform

Perform is a global market leader in the commercialisation of multimedia sports content across multiple platforms. Perform owns one of the largest portfolios of digital sports rights in the world, through contracts relating to more than 200 sports leagues, tournaments and events. The management is focused on driving earnings growth through leveraging its content across new digital platforms, new products and across new geographies, taking advantage of favourable technology trends such as growth in digital media consumption and video viewership. The Group will look to supplement this organic growth with strategic acquisitions.

Notes

* Adjusted EBITDA is Group operating profit excluding amortisation (including acquisition intangibles), depreciation, exceptional items and share-based payments. Adjusted Profit Before Tax is Group Profit Before Tax excluding exceptional items (including exceptional finance charges), share based payments, amortisation of acquisition intangibles and the accretion of acquisition-related deferred consideration. Adjusted Earnings Per Share is Group Earnings Per Share excluding exceptional items (including exceptional finance charges), share based payments, amortisation of acquisition intangibles and the accretion of acquisition-related deferred consideration.

** Excludes the quarterly growth in SportingNews and Voetbalzone acquired during 2013.

Introduction and overview

Notwithstanding revenues increasing by 37% (26% excluding the contribution from Opta and Sporting News), the Group's financial performance in 2013 was disappointing and below the Board's expectations. Adjusted EBITDA decreased to £36.4 million from £37.5 million, impacted by a significant increase in the underlying cost base to £171.7 million, up 50%, and a lower than anticipated Q4 performance by Display Advertising & Sponsorship and, to a lesser extent, Content Distribution.

Despite the strong year-on-year growth and the positive sequential revenue growth, Q4, which is the Group's most important quarter, was below expectations in particular across Display Advertising & Sponsorship and Content Distribution. Like for like** Display Advertising & Sponsorship Q3 to Q4 growth of 16% was significantly lower than the 27% in 2012.

Historically the Group has seen advertising revenue peak in Q4, driven by seasonal advertising spend. However, the historical trends were based on significantly smaller overall advertising revenues for the Group. As a result our forecasting for Q4 was too optimistic and the situation was exacerbated by limited visibility over advertising revenues and a more sophisticated buying market resulting in less seasonal spend on specialist sports sites. As the majority of the Group's Display Advertising & Sponsorship runs on the Group's own portals, the reduced revenue almost entirely impacted Adjusted EBITDA. In addition, the Group were not able to upsell as much in Q4 as expected due to Watch&Bet customers being focussed on the 2014 renewal process.

The increase in the cost base is broadly split across rights, staff and production costs and is in part due to the significant number of acquisitions which have not been integrated as quickly as anticipated and operational synergies not yet being achieved. As a result there has been unnecessary duplication in certain areas and efficiencies have not yet been realised.

Whilst the financial performance was disappointing, there were a number of important strategic and operational developments during the year which have better positioned the business for the future: the Group continued to execute against its strategy, securing key rights content: including the NBA, Italian Serie A and French Ligue 1; the Group also significantly expanded its content and product capability in the sports data field following the successful acquisition of Opta and the Group continued its international expansion, in particular developing its presence in the US, following the acquisition of Perform Sporting News thereby creating a top seven digital sports player in the US market.

Change programme

The Group has conducted a comprehensive review of the effectiveness and efficiency of its underlying operations. This has led to a number of initiatives, many of which are already underway, that will improve the way the Group operates as well as reduce cost in a number of areas including management, technology and operations. The initiatives include:

- Completing the consolidation of the Group's various software development teams;

- Integration and consolidation of all the Group's portals onto one common core platform;

- Consolidation of the Group's data brands and methods of data collection;

- Rationalisation of the Group's regional offices and management;

- Performance review of all content produced which has resulted in the decommissioning of certain content that does not generate a positive margin;

- Creation of a central procurement function for all technical suppliers, facilities and operating costs; and

- Acceleration of the integration of Opta from Q4 2014 to Q2.

It is anticipated that the changes will be completed by Q4 2014 and will reduce run rate costs, excluding content and publisher shares, by c.15% compared to year-end 2013. The effect of this reduction throughout the year will mean that total costs in 2014, excluding content and publisher shares, are forecast to be only 5% ahead of 2013. The total cost base, including content and publisher shares, is forecast to be c. £200 million. The changes to the cost base will have no impact on the Group's revenue expectations or products.

In addition the Group has started to roll-out a new revenue booking and reporting system, which will significantly reduce and simplify the Group's month-end close process. The new system will initially report on advertising revenues and is already live in UK, North America, Asia and Southern Europe and by the end of Q1 will be live in Germany and Australia. The rest of the World will be live by the end of Q2. All other revenue streams will also be incorporated by the end of the year. The new system is part of a wider finance systems plan which will also involve the consolidation of all finance systems onto the Group's core finance system in 2014 and 2015.

Prospects and outlook

Whilst the Group's market positioning was substantially strengthened during 2013, notably in terms of geographic expansion and the consumer facing offer, the financial performance was disappointing. A number of plans and initiatives to tackle these challenges have been put in place, which will drive acquisition synergies and cost savings. The Group's focus in 2014 is to ensure that these plans are well executed and, in turn, that the significant potential inherent within the Group is delivered on. Whilst, the Group will continue to assess complementary acquisitions, this will be on a highly selective basis and will not distract from management's focus to execute the core strategy and grow revenues whilst keeping tight control of costs.

In terms of current trading the Group has made a positive start to 2014, with January and February showing strong year-on-year growth in revenues, EBITDA and operational metrics. The Group is on track to deliver full year revenue and EBITDA growth in line with the Board's expectations as revised in December 2013.

BUSINESS REVIEW

Content distribution

The Group provides live sports events, sports news, sports data and sports statistics to customers including online bookmakers, global media companies, mobile operators, telecommunications companies and broadcasters.

Content distribution had a good year with revenues increasing by 43% to £132.9 million (2012: £93.0 million). The majority of this growth has been driven by increased licence fees from sales of the Watch&Bet service, reflecting new licencees and additional content, the full year of RunningBall results and £11.0 million from the inclusion of six months of Opta.

During the year six new licencees acquired the Watch&Bet service increasing the total number of licencees to 46 (2012: 40).

In July the Group acquired Opta, a leading provider of rich sports data to the media sector, sports clubs, leagues and federations. Opta complements the Group's existing content distribution business by catering to the significant opportunity of rich data within the wider media sector and allows the Group to exploit the significant consumer opportunity of rich data, whilst also strengthening the Group's presence in key European markets. Between the date of acquisition and year-end there were 458 customers who took an Opta product or service compared to 332 in the comparative six month period in 2012. In 2014, GSM, the Group's existing sports data business will be integrated into Opta. GSM, which had 205 customers at 31 December 2013 (2012: 208), will be retired as a brand with all customers becoming part of Opta's customer base.

Content distribution - Watch&Bet 2014 renewal process

The existing Watch&Bet cycle expired on 31 December 2013 and during 2013 the renewal process for the 2014-2016 licence period was a key focus ensuring the right model for customers with the right breadth of content to ensure the service remains a must have. During 2013, the Group's rights portfolio increased by 12%, delivering 16,543 live events (2012: 14,729). New rights added included the NBA, Serie A and B, Ligue 1, US Open Tennis, WTA Premier and a range of additional ATP and soccer tournaments. The Group currently has over 16,000 events contracted for delivery in 2014 and 13,000 events contracted for delivery in 2015.

The licence model has evolved to offer the bookmakers enhanced benefits whilst, at the same time, enabling further growth opportunities for the Group. The semi-exclusive model has been retained with the number of licencees per territory increasing from six to eight. The core package, of 16,000 video events and 90,000 data events will be offered on a minimum annual fee basis, as opposed to a minimum number of events, providing bookmakers with improved flexibility to select the content that is most relevant for their market and customer base. The new Watch&Bet service combines the Group's live video with the live visualised data provided by RunningBall.

Following completion of the renewal process, over £280m of revenues are contracted, contracting or under a recurring video or data supply agreement from the betting sector (which also includes revenues from RunningBall and WatchandTrade) for 2014-2016. In addition the new model significantly has improved visibility of rights profitability, which will be of real value during future rights renewal processes.

As anticipated the process has consolidated the Group's position as the market leader and main content supplier to the top ten online bookmakers. Watch&Bet is expected to deliver 10% year-on-year growth. Growth will be driven by countries such as the UK, Australia, Spain and Italy where there are well-established regulatory frameworks. Continued uncertainty regarding regulation has led to revenue declines in some other parts of Europe.

Advertising and sponsorship (video)

The Group generates video advertising and sponsorship revenues through sales of pre-roll video advertisements on its video on demand (VOD) broadcast platform the ePlayer. The ePlayer is embedded on over 1,500 websites and includes a range of locally relevant sports video clips in 26 countries.

Advertising and sponsorship (video) had a strong year with full year revenues increasing by 48% to £19.6 million (2012: £13.3 million). Across the ePlayer network full year streams increased to 5.0 billion (2012: 4.5 billion) and full year sold streams to 2.4 billion (2012: 1.8 billion).

The number of live territories increased in the year to 26 with the ePlayer launching in Brazil and Mexico. The sell-through-rate in Q4 2013 of 54% was a considerable improvement both quarter-on-quarter (Q3 2013: 42%) and year-on-year (Q4 2012: 45%). This reflects the Group's improved ability to monetise its traffic and an improvement in the quality of available inventory.

The table below separates the ePlayer business into three territory categories; the United States and the United Kingdom, FIGS (France, Italy, Germany, Spain) and the Rest of the World. The territory of a stream and a unique user is determined by geographic location of the unique user and is based on data from Omniture.

	Quarter ended 31 Dec 2013	**Quarter ended 30 Sept 2013**	**Quarter ended 30 June 2013**	**Quarter ended 31 Mar 2013**	**Quarter ended 31 Dec 2012**
Number of territories	**26**	26	26	24	**24**
Total for all territories					
Total streams (millions)	**1,452**	1,389	1,089	1,113	**1,045**
Total streams sold (millions)	**790**	584	573	474	**472**
Average monthly unique users (millions)	**142**	122	123	118	**118**
Sell-through-rate (%)	**54%**	42%	52%	43%	**45%**
US and UK					
Total streams (millions)	**838**	713	556	615	**562**
Total streams sold (millions)	**657**	416	374	355	**351**
Average monthly unique users (millions)	**91**	71	60	60	**60**
Sell-through-rate (%)	**78%**	58%	67%	58%	**63%**
FIGS					
Total streams (millions)	**108**	158	176	187	**170**
Total streams sold (millions)	**68**	70	107	75	**81**
Average monthly unique users (millions)	**15**	19	23	19	**21**
Sell-through-rate (%)	**63%**	44%	61%	40%	**48%**
Rest of World					
Total streams (millions)	**506**	518	357	310	**313**
Total streams sold (millions)	**66**	98	92	44	**40**
Average monthly unique users (millions)	**36**	32	40	39	**37**
Sell-through-rate (%)	**13%**	19%	26%	14%	**13%**

US and UK streams have increased to 2.7 billion (2012: 2.1 billion) with increased distribution and improved content. In the US the ePlayer is now embedded on over 400 websites and has continued to be ranked number one or two by comScore for Online Sports Video. The Group renewed its domestic clip right deal with the National Football League (NFL) in the US and secured domestic clip rights to the National Hockey League (NHL) in Canada.

The sell-through-rate in the US and UK improved to 66% (2012: 63%) primarily due to the US sales team being brought in-house in the US from the second half of the year and the investment in that team, including the recruitment of a new Chief Revenue Officer.

Streams in FIGS decreased from 1 billion in 2012 to 0.6 billion in 2013 as the Group continued to focus on improving monetisable stream inventory. The Group renewed the domestic clip rights for Serie A and acquired Serie B in Italy and La Liga domestic clip rights in Spain. Spox began to move from being solely an online portal to a portal with broadcast capabilities. In addition to displaying one live NBA game per week on a video advertising supported model, it also provided live coverage of FIBA, EuroBasket and Euroleague basketball matches. Live friendly football games were also broadcast on the portal accompanied by video advertisements.

As a result of these new rights and initiatives, the focus on the quality of the streams and the improved performance of the sales teams across the region, the sell-through-rate in FIGS improved to 51% from 29% in 2012.

Streams in the rest of the world increased to 1.7 billion from 1.4 billion in 2012 as the Group launched the ePlayer in Brazil and Mexico and continued to improve traffic in other key markets such as Turkey and Japan. The sell-through-rate improved from 13% to 18% as sales teams continued to become better established and the Group brought ad sales teams in house in certain Asian countries. Russia is expected to go live in 2014.

Advertising and sponsorship (display)^

The Group generates display advertising and sponsorship revenues through sales of display advertisements on the Group's own websites and mobiles services including Goal, SportingNews, Spox, Mackolik, Sahadan, Soccerway, Voetbalzone, Sportal.com.au and Sportal.de and by acting as an advertising sales agent for a network of third-party digital sports products.

Advertising and sponsorship (display) had a strong year in terms of geographic expansion and audience growth. Whilst revenues increased by 54% to £28.3 million (2012: £18.4 million), benefiting from the launch of Perform Sporting News, the full year benefit of Mackolik, the Goal re-brand and investment in sales teams in North America, Germany, Spain, France, Italy, Norway, the Middle East and Netherlands, performance in Q4 did not meet previous expectations. Our German business in particular had a disappointing year and did not meet previous expectations.

The Group's owned display network had 90 million average monthly unique users (2012: 54 million) during the year. Goal unique users increased to 43 million average unique users (2012: 37 million).

During the year there was a successful re-brand and re-launch of all 37 editions of Goal across multiple platforms, which has markedly enhanced user experience, improved natural search referrals and increased page views per visit. Goal is now available in 17 different languages. The re-branded Goal iOS reached the Top 10 of the free sports category in the Apple App Store in over 50 countries. Goal Live, the fastest live score app in the world was also launched during the year. A key focus in the build up to the 2014 World Cup is to leverage Goal's unique position to secure advertising and sponsorship agreements. Significant commitments have already been agreed with Puma, Sony, Samsung and Hyundai.

In March, Perform Sporting News, a top seven US digital sports media property, was created in partnership with US publisher American City Business Journals Inc. SportingNews.com which is a well-known US sports media brand and publication, has had 10 million average monthly unique users during the year. North American sales were brought in-house and a significant investment was made in the North American sales team including the recruitment of a new Chief Revenue Officer.

Spox and Sportal.de, the Group's German portals delivered 5 million average unique users up from 3 million in 2012.

The Group benefitted from a full year of advertising revenues on Mackolik, a leading Turkish digital sports business which owns Turkey's top two most visited sports sites, mackolik.com and sahadan.com. These sites delivered 27 million average monthly unique users (2012: 21 million).

The Group also acquired Voetbalzone BV, the number one independent sports site in the Netherlands in March. Voetbalzone.nl delivers 2 million average monthly unique users.

^ *2012 unique user metrics re-presented to include mobile and web unique users to disclose on a comparative basis to 2013.*

Subscription

The Group generates revenues from the management of over 100 video subscription products on behalf of football clubs, sports bodies, broadcasters and its own Goal, Mackolik and Livesport.tv products.

Subscription revenues increased by 15% to £14.1 million (2012: £12.3 million) and video subscribers who have access to live or video-on-demand content through the internet, grew from 219,000 to 223,000. Revenue growth was primarily on client branded products such as TennisTV.com and FoxSoccer2go.com and due to a combination of successful marketing, improved platform access and competitive pricing.

Data subscribers, where subscribers have access to or receive data products (such as goal updates), grew from 290,000 to 2.6 million due to the expansion of Goal SMS products in Africa. These products accounted for less than 5% of total subscription revenue.

Technology and production

The Group generates technology and production revenues from designing, building and managing websites, mobile service and products; ingesting, encoding and streaming live video and video on demand content; and the filming and production of live and non-live content. Key highlights during the year included renewing the Premier League Clip Productions contract, extending and expanding the Premiership Rugby Productions contract and a production and app development deal with AS Monaco.

Technology and production revenues decreased by 10% to £13.2 million (2012: £14.6 million). Revenues decreased year-on-year reflecting a shift in the Group's strategy to enter into advertising or subscription revenue share-based contracts rather than one-off build or on-going service fees.

Acquisitions

In March 2013 the Group acquired the digital assets of American City Business Journals Inc's ("ACBJ") consumer web division Sporting News including www.SportingNews.com. The Group established a new subsidiary, Perform Sporting News Limited ("PSN") and contributed its US and Canadian consumer businesses including the ePlayer and Goal. PSN is owned 65% by the Group and 35% by ACBJ.

In March 2013 the Group acquired Voetbalzone BV, the number one independent sports site in the Netherlands for initial cash consideration of €2 million. Additional consideration of up to €10.5 million is payable based on the EBITDA of the business for the years to 31 December 2013, 2014 and 2015. The first tranche will be payable in H1 2014.

In July 2013 the Group acquired Opta, a leading provider of rich sports data to the media sector, sports clubs, leagues and federations for cash consideration of £40 million together with a management incentive scheme of up to an additional £7 million linked to delivery of the business' EBITDA for the year to 30 June 2014.

Subsequent to the year-end, on 26 February 2014, the Group completed the acquisition of 51% of Activaweb SAS for initial consideration of €5 million. Additional contingent consideration of up to €7 million is payable based on the EBITDA of Activaweb for the years to 31 December 2013, 2014 and 2015. The remaining 49% will be acquired in two tranches – 29% will be transferred on payment of the consideration in 2015 and 20% will be transferred on payment of the consideration in 2016. Activaweb owns several French websites including Matchendirect.fr.

KPIs – 2013

	Quarter ended 31 Dec 2013	Quarter ended 30 Sept 2013	Quarter ended 30 June 2013	Quarter ended 31 Mar 2013
Content distribution				
Watch&Bet licencees at quarter end	**46**	45	44	43
Watch&Bet live events streamed during the quarter	**4,182**	4,339	3,864	4,158
RunningBall customers during the year	**53**	54	50	48
RunningBall live data delivered during the quarter	**25,086**	19,704	16,108	17,114
Opta customers during the period*	**458**	384	N/A	N/A
Omnisport licencees at quarter end	**213**	190	177	165
GSM data licencees at quarter end	**205**	201	208	208
WatchandTrade licencees at quarter end	**62**	63	63	65
Advertising and sponsorship				
ePlayer launch territories at quarter end	**26**	26	26	24
Video on demand streams viewed across the ePlayer network during the quarter (millions)	**1,452**	1,389	1,089	1,113
Average monthly unique users across the ePlayer network during the quarter (millions)	**142**	122	123	118
Average monthly unique users across the Group's own display network (millions)	**102**	92	90	77
Subscription				
Total video subscribers at quarter end (thousands)	**223**	231	210	225

* 458 customers who took an Opta product or service between the date of acquisition and year-end compared to 332 in the comparative six-month period in 2012.

KPIs – 2012

	Quarter ended 31 Dec 2012	Quarter ended 30 Sept 2012	Quarter ended 30 June 2012	Quarter ended 31 Mar 2012
Content distribution				
Watch&Bet licencees at quarter end	**40**	40	40	38
Watch&Bet live events streamed during the quarter	**3,854**	3,827	3,544	3,504
RunningBall customers during the year	**46**	44	39	N/A
RunningBall live data delivered during the quarter	**15,470**	13,111	10,875	N/A
Omnisport licencees at quarter end	**158**	155	152	126
GSM data licencees at quarter end	**208**	203	201	193

WatchandTrade licencees at quarter end	**68**	65	64	60
Advertising and sponsorship				
ePlayer launch territories at quarter end	**24**	24	23	21
Video on demand streams viewed across the ePlayer network during the quarter (millions)	**1,045**	1,060	1,167	1,211
Average monthly unique users across the ePlayer network during the quarter (millions)	**118**	111	114	105
Average monthly unique users across the Group's own display network (millions)	**71**	63	45	37
Subscription				
Total video subscribers at quarter end (thousands)	**219**	218	208	219

To assist in understanding these results included below are quarterly revenue comparatives for 2013 and 2012.

2013 Revenue

	Quarter to 31 December £'000	**Quarter to 30 September £'000**	**Quarter to 30 June £'000**	**Quarter to 31 March £'000**
Content distribution	39,718	34,287	30,515	28,338
Subscription	3,762	3,380	3,601	3,412
Technology and production	5,023	2,381	3,277	2,515
Advertising and sponsorship (video)	6,009	4,413	5,272	3,895
Advertising and sponsorship (display)	9,426	7,300	6,755	4,856
Total	**63,938**	**51,761**	**49,420**	**43,016**

2012 Revenue

	Quarter to 31 December £'000	**Quarter to 30 September £'000**	**Quarter to 30 June £'000**	**Quarter to 31 March £'000**
Content distribution	26,757	25,606	21,215	19,393
Subscription	3,263	2,991	3,135	2,952
Technology and production	4,892	3,722	2,885	3,110
Advertising and sponsorship (video)	4,240	2,768	3,558	2,709
Advertising and sponsorship (display)	5,592	4,413	5,148	3,258
Total	**44,744**	**39,500**	**35,941**	**31,422**

FINANCIAL REVIEW

Income Statement

The Group's revenue increased to £208.1 million in 2013, an increase of £56.5 million (37%) from £151.6 million in 2012. Adjusted EBITDA (defined as earnings before interest, tax, depreciation and amortisation and excluding amounts in respect of share-based payments and exceptional items) decreased to £36.4 million in 2013 from £37.5 million in 2012. The Group's profit after tax decreased to £4.6 million from £13.5 million in 2012 due to the decrease in underlying EBITDA and increase in depreciation, amortisation, exceptional and financing charges partially offset by lower share-based payment charges.

Revenue

The following table sets out Revenue for the years ended 31 December 2013 and 2012:

	Year to 31 December 2013 £'000	**Year to 31 December 2012 £'000**
Content distribution	132,858	92,971
Subscription	14,155	12,341
Technology and production	13,196	14,609
Advertising and sponsorship (video)	19,589	13,275
Advertising and sponsorship (display)	28,337	18,411
Total	**208,135**	**151,607**

Refer to the Business Review for an explanation of the movements in Revenue.

Cost of sales

The following table sets out Cost of Sales for the years ended 31 December 2013 and 2012:

	Year to 31 December 2013 £'000	**Year to 31 December 2012 £'000**
Content costs	59,920	41,102
Publisher shares	9,275	6,397
Technical and software fees	10,937	7,807
Production	20,431	11,846
Total	**100,563**	**67,152**

Cost of sales increased from £67.2 million (representing 44% of Revenue) to £100.6 million (representing 48% of revenue), an increase of £33.4 million (50%). The increase during the year was primarily a result of the increased volume and mix of content acquired by the Group to support its product and revenue development, the full year inclusion of RunningBall and Mackolik, the effect of six months of Opta and nine months of SportingNews.

Content costs increased by £18.8 million (46%) to £59.9 million due to the increased number and mix of sports events and rights acquired including the effect of acquiring WTA and official media and trader betting data rights and due to higher revenue shares related to the increase in subscription revenues.

Publisher shares increased by 45% from £6.4 million to £9.3 million due to increases in advertising and sponsorship revenues and the related payments to ePlayer publishers and third-party websites.

Technical and software fees increased by £3.1 million (40%) to £10.9 million due to the increased number of end users, customers, new products and new services.

Production costs increased by £8.5 million (71%) to £20.4 million due to the full year effect of scouting costs of producing RunningBall data, the effect of six months of data collection and related analysis costs of producing Opta data, the effect of nine months of editorial content and video produced for SportingNews, WTA live production costs and increased editorial content produced for Goal and Omnisport.

Gross profit

The Group's gross profit increased from £84.5 million in 2012 to £107.6 million in 2013, an increase of £23.1 million (27%). Gross profit margin was 52% in 2013 compared to 56% in 2012. The decrease arose due to certain content and production in 2013 contributing a lower margin than in 2012. This will be addressed in 2014 as set out in the outlook sections above.

Administrative expenses (before exceptional items, share-based payments and depreciation and amortisation charges)

The Group's administrative expenses, excluding exceptional items, share-based payments and depreciation and amortisation charges increased from £47.0 million in 2012 to £71.2 million in 2013, an increase of £24.2 million (52%).

This increase was primarily as a result of increased staff employed (from an average of 906 in 2012 to an average of 1,345 in 2013) and their related costs, the inclusion of a full year of RunningBall and Mackolik administrative costs, six months of Opta and nine months of SportingNews related administrative costs.

The average cost of an employee remained flat at £40,000 in both 2012 and 2013.

Adjusted EBITDA

Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation, share-based payments and exceptional items and is considered by the Directors to better reflect the underlying performance of the Group and thus is a key measure of the Group's financial performance. Exceptional items adjusted are either non-cash, one-off (such as relating to acquisitions or restructuring) or non-recurring in the medium term (such as integration costs).

Adjusted EBITDA decreased from £37.5 million in 2012 to £36.4 million in 2013, a decrease of £1.1 million (3%). This decrease resulted from the significant organic and acquisition-related growth causing duplication in certain areas, certain items of content, editorial and production related costs contributing lower margins and the staff base growing quickly. These matters will be addressed in 2014 as set out in the outlook section above.

Exceptional items

During the year the Group incurred acquisition-related exceptional costs of £9.8 million (2012: £5.3 million) primarily relating to professional fees and integration costs, acquisition-related integration costs (including a certain amount of internal staff time) and the professional costs of putting in place the Group's new debt facility and the Group's share placing. In addition exceptional items include a six months charge in respect of the Opta Management Incentive of £3.5 million (2012: £nil). A downward revaluation of the contingent consideration due on Spox/MSD of £2.4 million (2012: £nil) is also included. These costs are considered exceptional by the Directors as they are items that are material in size and are unusual and infrequent in occurrence.

Share-based payments

The Group incurred share-based payment charges relating to the Group's non-recurring Growth Securities Ownership Plan (GSOP) of £1.2 million in 2012. There were no charges for this scheme in 2013.

The charge relating to the Group's ongoing Performance Share Plan and Save As You Earn Scheme was £0.7 million (2012: £2.0 million). The decrease in the charge resulted from the Group revising down the expected number of shares that will be awarded under the 2011 and 2012 Performance Share Plans.

Amortisation and depreciation

Amortisation and depreciation increased from £6.5 million in 2012 to £8.3 million in 2013, an increase of £1.8 million (28%). The increase was primarily due to the increased investment in the Group's technical infrastructure and software development and the related amortisation and depreciation of the businesses acquired.

Acquisition-related amortisation increased from £2.9 million in 2012 to £6.0 million in 2013. The increase of £3.1 million was primarily due to the full year amortisation of Mackolik and RunningBall intangibles and the inclusion of the amortisation relating to Opta, Voetbalzone and SportingNews intangibles.

Investment income

Investment income primarily relates to bank interest receivable of £0.4 million (2012: £0.5 million).

Accretion of deferred consideration

The accretion charge in respect of deferred consideration on the Group's acquisitions increased from £1.9 million in 2012 to £4.0 million in 2013.

Finance costs

The Group's finance costs increased from £1.3 million in 2012 to £2.5 million in 2013 primarily due to bank interest, commitment and other costs in respects of the Group's term loan and revolving credit facility drawn down during the year.

The Group also incurred a net exceptional foreign exchange related finance charge of £1.4 million due to the foreign exchange difference between the £ sterling liability recognised at 31 December 2012 in relation to the €50 million of deferred consideration due for RunningBall and the amount actually paid in March 2013. This charge was offset by a foreign exchange movement on the €50 million bank debt between March 2013, when it was drawn down to finance the RunningBall deferred payment, and the year-end.

Profit before tax

Profit before tax decreased from £16.9 million in 2012 to £4.1 million in 2013, a decrease of £12.9 million (76%). Adjusted profit before tax, excluding exceptional items (including exceptional financing costs), share-based payments, accretion of deferred consideration relating to acquisitions and acquisition-related amortisation decreased from £30.3 million in 2012 to £26.0 million in 2013.

Taxation

The Group recognised a tax credit of £0.5 million (2012: £3.4 million charge) as the revaluation of deferred tax liabilities in respect of acquisition intangibles offset the tax charge on the Group's Profit Before Tax.

Earnings per share

Adjusted basic and diluted earnings per share are based on profit attributable to owners of the Parent plus exceptional items (including exceptional financing costs), share-based payments, accretion of deferred consideration relating to acquisitions and acquisition-related amortisation divided by the adjusted weighted average number of ordinary shares outstanding.

Adjusted basic and diluted earnings per share decreased by 7% to 10.4p (2012: 11.2p).

Statutory basic earnings per share reflects the Group's statutory profit and was based on the average number of ordinary shares outstanding in 2013 of 251 million (2012: 233 million). Statutory basic earnings per share decreased to 1.6p from 5.5p.

The following table reconciles adjusted and statutory basic and diluted earnings per share:

	2013	**2012**
Profit for the period attributable to owners of the Parent (£'000)	**4,035**	12,840
Exceptional items (£'000)	**9,788**	5,348
Exceptional finance costs (£'000)	**1,429**	-
Share-based payments (£'000)	**712**	3,246
Acquisition-related amortisation (£'000)	**6,034**	2,908

Accretion of acquisition-related payments (£'000)	**4,009**	1,862
Adjusted earnings (£'000)	**26,007**	26,204
Weighted average number of shares in issue (000s) – basic and diluted	**250,728**	233,255
Basic and diluted earnings per share		
Statutory (pence)	**1.6**	5.5
Adjusted (pence)	**10.4**	11.2

Dividends

In line with the strategy set out at the time of listing, the Directors have not recommend the payment of a dividend in respect of 2013 (2012: £nil).

Cash flow and net debt

Cash generated from operating activities (before exceptional items) was £24.5 million (2012: £18.8 million). The 2012 cash generated was also before the GSOP payment.

The exceptional GSOP payment of £6.0 million was paid out in 2012. There were no payments in respect of this scheme in 2013. Payments relating to exceptional costs were £7.0 million (2012: £5.3 million).

Capital expenditure during the year was £14.4 million (2012: £10.4 million) with increased investment in the Group's technical hardware and software development.

Spend during the year in relation to acquisition of subsidiaries, excluding working capital related payments and cash acquired was £87.7 million relating to the acquisitions of Opta (£37.5 million), Voetbalzone (£1.6 million) and the earn-out payments for RunningBall (£42.6 million), Spox (£0.9 million), Mackolik (£2.1 million), Perform Sales Japan (£0.7 million) and WatchandTrade (£2.3 million). During the year the Group also completed the buy-out of the non-controlling interest in TCS (£0.9 million), resulting in total acquisition spend to £88.6 million.

In 2012 total acquisition spend was £31.8 million (£31.4 million net of cash acquired) and primarily related to the acquisitions of RunningBall and Mackolik.

In May 2012 the £11.3 million balance of the Group's term loan facility was converted into a new term loan facility of £11.3 million. This new facility was provided by Bank of Ireland plc and Royal Bank of Scotland plc who also provided Perform Group plc and Perform Media Services Ltd a €30 million term loan facility and a €20 million multi-currency revolving credit facility. The agreement also allowed, subject to further negotiation, an additional multi-currency revolving credit facility of up to €20 million. The €30 million term loan facility and a €20 million multi-currency revolving credit facility were fully drawn down in March 2013 to finance the deferred RunningBall payment. In addition the Group also has available an additional multi-currency term facility of up to €20 million and drew down €10 million from this in June 2013.

Total debt repayments made in the year were £10.3 million (2012: £5.6 million).

In July 2013 the Group issued 23.9 million new ordinary shares raising total net proceeds of £112.6 million to fund the acquisition of Opta and other potential future acquisitions. The equity was raised via a cash box structure which resulted in £65.6 million being credited to distributable reserves and the remaining £47 million being credited to non-distributable reserves.

In May 2012, 13.5 million new ordinary 2 and 7/9th pence shares were issued in part consideration for RunningBall. Share capital increased £0.4 million and a merger relief reserve of £47.2 million was created.

Closing cash was £101.0 million (2012: £33.6 million). Closing debt was £48.3 million (2012: £7.1 million) including finance leases of £nil (2012: £0.2 million). Closing net funds were £52.7 million (2012: £26.5 million).

The bank debt was classified as current as at 31 December due to a breach of certain undertakings in the bank facilities agreement which had not been waived at that date. Subsequent to the year-end the Group received a waiver for these breaches. All covenants were met during the year.

Fixed assets

During the year the Group continued to capitalise expenditure on additions and improvements to its technical software as new functionality and services were developed. Internal staff costs of £7.0 million were capitalised in 2013 (2012: £2.6 million). Further external development and software costs were capitalised of £4.0 million (2012: £2.9 million). Therefore total intangible asset additions were £11.0 million (2012: £5.5 million). This included investment in enhancements to Goal, the ePlayer, Watch&Bet and the Group's subscription products.

The Group continued its investment program to update and improve the equipment used to support its technical hardware platform and invested £3.8 million during 2013 (2012: £4.9 million).

Of the total £14.8 million (2012: £10.4 million) invested relating to technical software and hardware, £9.5 million (2012: £6.5 million) related to investment in new products, £2.7 million (2012: £2.2 million) related to additional supply side capacity, £2.0 million (2012: £1.1 million) related to back office and £0.6 million (2012: £0.6 million) related to renewals.

In addition, the Group invested £0.4 million in land and buildings, leasehold improvements and furniture and fittings (2012: £0.5 million).

Reserves

In March 2013 when the Group acquired the digital assets of ACBJ's consumer web division, the Group established a new subsidiary, Perform Sporting News Limited ("PSN") and contributed its US and Canadian consumer businesses including the ePlayer and Goal. PSN is owned 65% by the Group and 35% by ACBJ. ACBJ contributed loans and equity of $4.2 million to cover PSN's working capital requirements.

As the Group retained control of the assets it contributed, there was no gain or loss from the transfer of those assets, which have been measured at their carrying value immediately prior to acquisition. The Directors' consider that the fair value of the consideration transferred (representing 35% of the fair value of the assets and liabilities transferred by the Group) is equal to the fair value of the consideration received being 65% of the assets transferred by ACBJ. The 35% transferred is accounted for as an equity transaction and is calculated as the difference between the fair value of the assets transferred and their book value.

The Group has a forward contract to acquire the remaining 49% of Mackolik in 2016. On acquisition in 2012 the value of that forward contract which the Group has recognised as a liability was £14.9 million with a corresponding debit to equity (as this represents a transaction with a shareholder in a non-controlling interest). In addition, the Group is committed to pay 49% of Mackolik's distributable profits to the owners of the non-controlling interest in that business until the Group owns 100% of it. The Group recognised a liability on acquisition with a corresponding debit to equity for the fair value of these dividends of £4.9 million.

Going concern

The Group had cash balances of £101.0 million at the year end and £48.3 million of debt relating to borrowings. Having reviewed cash flow forecasts and budgets the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Risks

The Directors believe that the Group's success in creating value for its customers' digital rights, the length and nature of existing contracts and its international customer base will protect future revenues.

To deliver and expand its range of services the Group needs to invest continuously in software development and technical hardware to remain able to provide an innovative, scalable technical platform and to deliver new and improved products to market and its customers. The Group plans to maintain its investment to principally deliver new products and services, particularly across mobile devices and for its wholly owned products.

The licencing of sports rights is critical to the success of the business. Such rights are usually licenced for periods of between three to five years. In some instances, rights are acquired for periods longer than the relevant revenue contracts. The Directors monitor the level of this contract exposure and endeavour, wherever possible, to progress revenue contract renewal negotiations well before the contracts are due to terminate, thus limiting the financial risk of such exposure. Revenue contracts are also worded to ensure rights may be replaced with rights of similar value if a rights renewal is unsuccessful during the period of the relevant contract.

While global economic conditions impact the sports and betting industries, they have not been, and are not anticipated to be, as affected by the economic conditions as have many other sectors and thereby such conditions have not, to date, had a detrimental effect on the Group's operations and revenue. The Director's believe that the Group's success in creating value for its customers' digital rights, the length and nature of its existing contracts and its international customer base will limit any material effect that potentially detrimental global economic conditions may have on its revenue over the medium term.

In addition to the risks set out above additional risks have been explained in the Group's 2012 financial statements on pages 46 to 48. Those additional risks refer to government regulations, rights inflation, piracy of sports rights, dependency on scheduling of live sport, technology failure, customer data, protection of intellectual property, foreign exchange, taxation, contract enforcement, W&B renewals, geographic expansion, dependency on online gaming, retention of key employees, unsuccessful or costly M&A activity, technological obsolescence and insufficient advertising inventory.

Responsibility statement of the Directors on the annual report

The responsibility statement below has been prepared in connection with the company's full annual report for the year ending 31 December 2013. Certain parts of the annual report are not included within this announcement.

We confirm that, to the best of our knowledge:

a) the financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and

b) the management report, which is incorporated into the strategic report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

On behalf of the Board

Richard McMorris
Company Secretary

3 March 2014

Consolidated income statement
Year ended 31 December 2013

All results relate to continuing operations	Notes	2013 £'000	2012 £'000
Revenue	2	208,135	151,607
Cost of sales	2	(100,563)	(67,152)
Gross profit		**107,572**	**84,455**
Administrative expenses	2	(96,021)	(64,941)
Group operating profit*	3	**11,551**	**19,514**
Investment income		434	533
Finance costs	5	(7,927)	(3,127)
Group profit before tax**	7	**4,058**	**16,920**
Taxation credit/(charge)	6	492	(3,423)
Group profit for the year after tax**	7	**4,550**	**13,497**
Profit attributable to:			
Owners of the Parent		4,035	12,840
Non-controlling interests		515	657
		4,550	**13,497**
Basic and diluted earnings per share***			
Statutory (pence)	8	1.6	5.5

* For a reconciliation between operating profit and Adjusted EBITDA see note 3.

** For a reconciliation between statutory profit before tax and adjusted profit before tax see note 7.

*** For the calculation of Adjusted EPS see note 8.

Consolidated statement of comprehensive income
Year ended 31 December 2013

	2013 £'000	2012 £'000
Profit for the year	**4,550**	**13,497**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(550)**	(399)
Exchange differences on translating goodwill held in foreign currencies	**533**	(849)
Total comprehensive income for the year	**4,533**	**12,249**
Total comprehensive income for the year attributable to:		
Owners of the Parent	**4,018**	11,592
Non-controlling interests	**515**	657
	4,533	**12,249**

Consolidated statement of changes in equity
Year ended 31 December 2013

	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 attributable to owners of the parent £'000	Non-controlling interests £'000	Total equity £'000
At 1 January 2012	**6,260**	**68,323**	**-**	**38,342**	**19,600**	**179**	**(4,892)**	**127,812**	**150**	**127,962**
Profit for the year	**–**	**–**	**–**	**–**	**12,840**	**–**	**–**	**12,840**	**657**	**13,497**
Exchange differences on translating foreign operations and goodwill	–	–	–	–	–	(1,248)	-	**(1,248)**	**–**	**(1,248)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**12,840**	**(1,248)**	**-**	**11,592**	**657**	**12,249**
Credit to equity for share-based payments	–	–	–	–	2,017	–	–	**2,017**	–	**2,017**
Share capital issued	375	-	47,197	-	-	–	–	**47,572**	–	**47,572**
Obligation to acquire non-controlling interest in subsidiary	–	–	–	–	–	–	(19,805)	**(19,805)**	–	**(19,805)**
Non-controlling interests acquired	–	–	–	–	-	–	–	**-**	873	**873**
Transactions with shareholders	-	-	-	-	(169)	-	-	**(169)**	(192)	**(361)**
At 31 December 2012	**6,635**	**68,323**	**47,197**	**38,342**	**34,288**	**(1,069)**	**(24,697)**	**169,019**	**1,488**	**170,507**
Profit for the year	**-**	**-**	**-**	**-**	**4,035**	**-**	**-**	**4,035**	**515**	**4,550**
Exchange differences on translating foreign operations and goodwill	-	-	-	-	-	(17)	-	(17)	**-**	(17)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**4,035**	**(17)**	**-**	**4,018**	**515**	**4,533**
Credit to equity for share-based payments	-	-	-	-	363	-	-	**363**	-	**363**
Deferred tax on share-based payment	-	-	-	-	(68)	-	-	**(68)**	-	**(68)**
Share capital issued	664	-	46,336	-	-	-	65,592	**112,592**	-	**112,592**
Interest in subsidiary surrendered	-	-	-	-	-	-	7,222	**7,222**	-	**7,222**
Non-controlling interest of subsidiary acquired	-	-	-	-	-	-	-	**-**	1,413	**1,413**
Adjustments arising from change in non-controlling interest	-	-	-	-	(1,065)	-	-	**(1,065)**	81	**(984)**
At 31 December 2013	**7,299**	**68,323**	**93,533**	**38,342**	**37,553**	**(1,086)**	**48,117**	**292,081**	**3,497**	**295,578**

Consolidated statement of financial position
Year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Non-current assets			
Goodwill		**192,134**	153,908
Acquisition intangibles		**67,831**	46,349
Other intangible assets		**15,660**	8,444
Property, plant and equipment		**7,430**	7,757
Deferred tax asset		**9,284**	-
		292,339	**216,458**
Current assets			
Trade and other receivables		**64,848**	50,340
Cash and cash equivalents	10	**100,993**	33,605
		165,841	83,945
Total assets		**458,180**	**300,403**
Current liabilities			
Trade and other payables		**(58,350)**	(43,979)
Current acquisition-related financial liabilities	12	**(8,591)**	(45,989)
Current borrowings	10	**(48,260)**	(5,533)
Current tax liabilities		**(4,667)**	(3,196)
		(119,868)	**(98,697)**
Net current assets/(liabilities)		**45,973**	**(14,752)**
Non-current liabilities			
Non-current acquisition-related financial liabilities	12	**(26,875)**	(25,440)
Non-current borrowings	10	**-**	(1,392)
Deferred tax liability		**(15,859)**	(4,367)
		(42,734)	**(31,199)**
Total liabilities		**(162,602)**	**(129,896)**
Net assets		**295,578**	**170,507**
Equity			
Called-up share capital	13	**7,299**	6,635
Share premium		**68,323**	68,323
Merger relief reserve		**93,533**	47,197
Capital redemption reserve		**38,342**	38,342
Retained earnings		**37,553**	34,288
Foreign exchange reserve		**(1,086)**	(1,069)
Other reserve		**48,117**	(24,697)
Equity attributable to owners of the Parent		**292,081**	**169,019**
Non-controlling interests		**3,497**	1,488
Total equity		**295,578**	**170,507**

Consolidated statement of cash flows
Year ended 31 December 2013

	2013 £'000	2012 £'000
Operating activities		
Group operating profit	**11,551**	19,514
Increase in trade and other receivables	**(6,244)**	(9,226)
(Decrease)/increase in trade and other payables	**(1,282)**	3,463
Advance payment for 2013-16 WTA rights contract	**-**	(10,733)
Depreciation and amortisation (including acquisition intangible amortisation)	**14,351**	9,394
Employee share-based payments	**712**	3,246
Exceptional items	**9,788**	5,348
Corporation tax payments	**(2,939)**	(2,243)
Cash flow from operating activities (prior to exceptional items and GSOP payment)	**25,937**	**18,763**
Exceptional GSOP payment	**-**	(5,999)
Payments in respect of exceptional items	**(7,042)**	(5,348)
Cash flow from operating activities (after exceptional items and GSOP payment)	**18,895**	**7,416**
Investing activities		
Purchases of property, plant and equipment	**(4,350)**	(5,084)
Purchase of intangible assets	**(10,082)**	(5,283)
Acquisition of subsidiaries (net of cash acquired)	**(87,674)**	(31,363)
Investment income	**372**	533
Cash flow used in investing activities	**(101,734)**	**(41,197)**
Financing activities		
Placing of ordinary shares	**112,592**	**-**
Acquisition of non-controlling interests	**(943)**	**(611)**
Finance lease capital repayments	**(192)**	**(368)**
Borrowings (net of bank fees and costs)	**52,534**	**-**
Fees relating to arrangement and non-commitment of new debt facilities	**(529)**	**(290)**
Borrowings capital repayment	**(10,262)**	**(5,566)**
Exceptional finance costs	**(1,429)**	**-**
Interest and finance lease charges paid	**(1,263)**	**(922)**
Cash flow from/(used) in financing activities	**150,508**	**(7,757)**
Net increase/(decrease) in cash and cash equivalents in the year (all continuing operations)	**67,669**	**(41,538)**
Cash and cash equivalents at start of year	**33,605**	75,863
Effect of foreign exchange rate changes	**(281)**	(720)
Cash and cash equivalents at end of year	**100,993**	**33,605**

Notes to the consolidated preliminary results
Year ended 31 December 2013

1. Basis of preparation of accounting policies

Perform Group plc (the "Company") is a limited liability company incorporated in Great Britain and domiciled within the United Kingdom whose shares are publicly traded. The consolidated preliminary results of the Company as at and for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated preliminary results of the Group for the year ended 31 December 2013 were approved by the Directors on 3 March 2014. The Annual General Meeting of Perform Group plc will be held at Hanover House, Plane Tree Crescent, Feltham, Middlesex, TW13 7JJ on 8 April 2014. These consolidated preliminary results have been prepared in accordance with the recognition and measurement criteria of IFRS. They do not include all the information required for full annual financial statements to comply with IFRS, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business and Financial Reviews. The Financial Review also includes a summary of the Group's financial position and its cash flows.

The Group had cash balances of £101.0 million at the year end and £48.3 million of debt relating to borrowings. Having reviewed cash flow forecasts and budgets the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The financial information for the year ended 31 December 2013 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2012 have been delivered to the Registrar of Companies and those for 2013 will be delivered following the Company's Annual General Meeting convened for 8 April 2014. The auditor has reported on these accounts; their report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Significant accounting policies

The accounting policies applied by the Group in these consolidated preliminary results are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012 except as described below.

Adoption of new and revised standards

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 not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group’s accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group’s financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income – This amendment requires items of other comprehensive income to be grouped by those items that will be reclassified subsequently profit or loss and those that will never be reclassified, together with their associated income tax.

IFRS 13 – Fair Value Measurement – The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. IFRS 13 requires prospective disclosure from 1 January 2013. In accordance with these transitional provisions, other than additional disclosures presented, the application of IFRS 13 has not had any material impact on the amounts recognised in the Group financial statements.

IFRS 9 Financial Instruments (effective 1 January 2015) - IFRS 9 will impact both the measurement and disclosures of Financial Instruments.

2. Segment information

The results for the Group's one operating segment for the year ended 31 December 2013 and 2012 is as follows:

	2013 £'000	2012 £'000
Revenue		
Content distribution	132,858	92,971
Subscription	14,155	12,341
Technology and production	13,196	14,609
Advertising and sponsorship (video)	19,589	13,275
Advertising and sponsorship (display)	28,337	18,411
Total revenue	**208,135**	**151,607**
Cost of sales		
Content	(59,920)	(41,102)
Publisher shares	(9,275)	(6,397)
Technical and software fees	(10,937)	(7,807)
Production	(20,431)	(11,846)
Total cost of sales	**(100,563)**	**(67,152)**
Gross profit	**107,572**	**84,455**
Staff costs	(54,632)	(36,601)
Other administrative costs	(16,538)	(10,352)
Adjusted EBITDA (excluding exceptional items and share-based payments)	**36,402**	**37,502**
Exceptional items	(9,788)	(5,348)
Exceptional share-based payments	-	(1,228)
Share-based payments	(712)	(2,018)
EBITDA	**25,902**	**28,908**
Amortisation and depreciation	(8,317)	(6,486)
Acquisition-related amortisation	(6,034)	(2,908)
Group operating profit	**11,551**	**19,514**
Investment income	434	533
Accretion of deferred consideration	(4,009)	(1,862)
Exceptional finance costs	(1,429)	-
Other finance costs	(2,489)	(1,265)
Group profit before tax	**4,058**	**16,920**
Total assets	**458,180**	**300,403**
Total liabilities	**162,602**	**129,896**

Geographical revenue information for the years ended 31 December 2013 and 2012 is presented below.

2013	United Kingdom £'000	Europe £'000	Asia Pacific £'000	Americas £'000	Middle East and North Africa £'000	Rest of world £'000	Total £'000
Content distribution	28,902	73,106	19,906	5,644	3,248	2,052	132,858
Subscription	7,447	1,555	1,018	2,396	638	1,101	14,155
Technology and production	7,309	1,869	2,063	386	1,569	-	13,196
Advertising and sponsorship	9,858	17,391	3,162	16,008	1,257	250	47,926
Total revenue	**53,516**	**93,921**	**26,149**	**24,434**	**6,712**	**3,403**	**208,135**

2012	United Kingdom £'000	Europe £'000	Asia Pacific £'000	Americas £'000	Middle East and North Africa £'000	Rest of world £'000	Total £'000
Content distribution	17,274	49,497	20,003	2,867	2,130	1,200	92,971
Subscription	7,096	1,464	808	2,011	548	414	12,341
Technology and production	9,306	1,471	1,618	280	1,934	-	14,609
Advertising and sponsorship	7,747	12,754	2,369	8,376	431	9	31,686
Total revenue	**41,423**	**65,186**	**24,798**	**13,534**	**5,043**	**1,623**	**151,607**

3. Adjusted EBITDA

		2013 £'000	2012 £'000
Adjusted EBITDA*		**36,402**	**37,502**
Exceptional items	4	(9,788)	(5,348)
Exceptional share-based payments (GSOP)	9	-	(1,228)
Other share-based payments	9	(712)	(2,018)
EBITDA*		25,902	28,908
Amortisation and depreciation		(8,317)	(6,486)
Acquisition-related amortisation		(6,034)	(2,908)
Group operating profit		**11,551**	**19,514**

*Adjusted EBITDA is Group Operating Profit excluding amortisation (including acquisition intangibles), depreciation, exceptional items and share-based payments. EBITDA is Group Operating Profit excluding depreciation and amortisation (including acquisition-related amortisation)

4. Exceptional items

	2013 £'000	2012 £'000
Costs in relation to the Group's class 1 transaction acquisition, new debt facilities and equity raising	594	2,042
Costs in relation to the Group's acquisition and integration of subsidiaries	6,541	3,306
Costs in relation to management incentive on acquisition	3,500	-
Revaluation of acquisition-related financial liability	(2,442)	-
Costs in relation to restructuring activities	1,195	-
Other	400	-
	9,788	**5,348**

During the year the Group acquired Perform Sporting News, Opta and Voetbalzone. The related costs (given their size and nature) have been classified as exceptional by the Directors. In addition certain costs were incurred in relation to the issue of new equity (related to the acquisition of Opta). The management incentive on acquisition relates to six months charge in respect of Opta (£3.5 million). A credit was recognised with regards to the downward revaluation of the acquisition-related financial liability due on Spox/MSD (£2.4 million). Finally, certain costs in relation to restructuring costs have been classified as exceptional.

During 2012 the Group acquired RunningBall Holding AG (a class 1 transaction), Mackolik Internet Hitzmetleri Ticaret A.S. and Sportal GmbH. The related costs (given their size and nature) have been classified as exceptional by the Directors. In addition, certain costs were incurred in relation to the issue of new equity (directly linked to the acquisition of RunningBall) and the arrangement of the Group's new debt facilities (directly linked to the acquisition of RunningBall); these have also been categorised as exceptional.

Of the £9.8 million exceptional items, £0.3 million, which is net of the Spox/MSD contingent consideration revaluation of £2.4 million (£2.7 million gross), is disallowable. No tax charge has been recognised in respect of the revaluation of contingent consideration nor has any tax benefit been taken on the £2.7 million non-deductible items. A tax credit of 23% has been recognised in respect of the allowable exceptional items within the Group's tax credit for the year.

5. Finance costs

	2013 £'000	2012 £'000
Interest on bank overdrafts and loans	1,798	558
Interest on obligations under finance leases	24	48
Other bank charges and finance costs	667	659
Total underlying interest and related costs	**2,489**	**1,265**
Accretion of deferred consideration	4,009	1,862
Exceptional finance costs	1,429	-
Total finance costs	**7,927**	**3,127**

The Group’s total underlying interest and related costs increased from £1.3 million in 2012 to £2.5 million in 2013 primarily due to bank interest, commitment and other costs in respects of the Group’s term loan and revolving credit facility drawn down during the year.

The accretion charge in respect of deferred consideration on the Group’s acquisition increased from £1.9 million in 2012 to £4.0 million in 2013.

The Group incurred a net exceptional foreign exchange related finance charge of £1.4 million due to the difference between the liability recognised at 31 December 2012 in relation to the €50 million of deferred consideration due for RunningBall and the amount actually paid in March 2013. This charge was offset by a foreign exchange movement on the €50 million bank debt between March 2013, when it was drawn down to finance the RunningBall deferred payment, and the year-end.

6. Taxation

	2013 £’000	2012 £’000
Current tax:		
UK corporation tax at 23.25% (2012: 24.5%)	109	-
Foreign tax:		
Overseas current tax	3,903	2,281
Deferred tax:		
Origination or reversal of temporary differences	(5,660)	955
Impact of changes in tax rates	878	-
Adjustment in respect of prior years	278	187
Tax (credit)/charge for the year	**(492)**	**3,423**

7. Adjusted profit before tax

		2013 £’000	2012 £’000
Statutory profit before tax		**4,058**	**16,920**
Exceptional items	4	9,788	5,348
Exceptional finance costs	5	1,429	-
Exceptional share-based payments (GSOP)	7	-	1,228
Other share-based payments	7	712	2,018
Acquisition-related amortisation		6,034	2,908
Accretion of acquisition-related payments	5	4,009	1,862
Adjusted profit before tax		**26,030**	**30,284**

8. Earnings per share

	2013	2012
Profit for the period attributable to owners of the Parent (£'000)	4,035	12,840
Exceptional items (£'000)	9,788	5,348
Exceptional finance costs (£'000)	1,429	-
Share-based payments (£'000)	712	3,246
Acquisition-related amortisation (£'000)	6,034	2,908
Accretion of acquisition-related payments (£'000)	4,009	1,862
Adjusted earnings (£'000)	**26,007**	**26,204**
Weighted average number of shares in issue (000s) – basic and diluted	**250,728**	**233,255**
Basic and diluted earnings per share		
Statutory (pence)	**1.6**	5.5
Adjusted (pence)	**10.4**	11.2

Adjusted basic earnings per share is based on profit attributable to equity holders of the Parent plus non-tax adjusted exceptional items, share-based payments, acquisition-related amortisation and accretion of acquisition-related payments divided by the weighted average number of ordinary shares outstanding in the Period. On 3 July 2013, 23,888,211 new ordinary 2 and 7/9ths pence shares were placed at a price of 480 pence per Placing Share, raising total gross proceeds of approximately £115 million for the Company. In May 2012, 13,506,000 new ordinary 2 and 7/9ths pence shares were issued as part consideration for RunningBall.

9. Share-based payments

A total charge of £712,000 (2012: £3,246,000) relating to the Group's share-based payment schemes has been included in the Income Statement.

Growth Securities Ownership Plan (GSOP)
In March 2010, the Board resolved to put in place a Growth Securities Ownership Plan (the "GSOP"). Under the GSOP, certain key non-shareholding employees were given the opportunity to purchase a financial instrument which tracked the Company's enterprise value (defined as market capitalisation for these purposes) over a set period, being the period ending 12 months after the occurrence of an exit event.

For these purposes, the Admission to the London Stock Exchange ("Admission") constituted an exit event. Therefore, the company was required to pay up to £6 million at the date falling 12 months and 40 days after Admission to participants under the GSOP.

The fair values of the financial instruments entered into under this scheme were calculated and were purchased by the participants at this price. In accordance with IFRS 2, the Group has recognised a charge of £1,228,000 in 2012 and £4,770,000 in 2011 in respect of this cash settled scheme.

In May 2012, a payment of £6.0 million was made to the participants. No further charges or payments will be made under the Plan.

Performance Share Plan (PSP)
In 2011 the Group put in place a Performance Share Plan ("PSP") which uses shares to provide long-term incentives to Executive Directors and senior management of the Group. Awards made under the PSP are subject to a matrix of non-market based performance targets (based on adjusted earnings per share and revenue compound growth) and are measured over a three year performance period.

Awards were made in June 2011, March 2012, September 2012, March 2013 and September 2013 and will vest in June 2014, March 2015, September 2015, March 2016 and September 2016 respectively, subject to continued employment.

At the previous year-end management expected that 100% of the awards made in June 2011 would vest. However during the year 2% of the awards lapsed and management expects a further 3% of the awards will lapse in the remaining vesting period. As such management expect a further 5% of participants will leave before the awards vest and have revised the amount that will vest under the performance criteria to 50%.

In accordance with IFRS 2, the Group has recognised a credit (including true-up) of £235,000 (2012: £1,242,000) in respect of this equity settled scheme.

At the previous year-end management expected that 65% of the awards made in March 2012 would vest. None of the awards lapsed during the year. Based on the Group's three year forecasts, Management expect that 20% of the shares will vest and 10% of participants will leave before the awards vest.

In accordance with IFRS 2, the Group has recognised a credit of £187,000 (2012: charge of £747,000) in respect of this equity settled scheme.

At the previous year-end management expected that 65% of the awards made in September 2012 would vest. None of the awards lapsed during the year. Based on the Group's three year forecasts, Management expect that 20% of the shares will vest and 0% of participants will leave before the awards vest.

In accordance with IFRS 2, the Group has recognised a charge of £3,000 (2012: £28,000) in respect of this equity settled scheme.

For the awards made in March 2013 and September 2013, none of the awards lapsed during the year. Based on the Group's three year forecasts, management expects that 50% of the shares will vest and 10% of participants will leave before the awards vest.

In accordance with IFRS 2, the Group has recognised a charge of £944,000 (2012: £nil) in respect of this equity settled scheme.

Save As You Earn (SAYE)
The Group has a share save scheme which uses shares to provide long-term incentives to employees of the Group. Employees were invited to join in November 2012 and the plan commenced in January 2013 and matures in January 2016. The charge for the year was £190,000 (2012: £nil).

10. Net funds

	2013 £'000	2012 £'000
Cash and cash equivalents	**100,993**	33,605
Borrowings	**(48,260)**	(6,925)
Finance leases	**-**	(181)
	52,733	**26,499**

Due to a technical breach, which management were aware of at the balance sheet date, IAS 1:69 requires that the loan is classified as a current liability. The technical breach was remedied without penalty after the balance sheet date. The loan will be classified as a long-term liability in the Interim financial statements for the six months ending 30 June 2014.

11. Acquisitions

Opta Sports Data Limited ("Opta")
On 9 July 2013 the Group acquired Opta Sports Data Limited ("Opta") for £40 million consideration and a management incentive up to £7 million. The management incentive is conditional upon meeting certain financial and non-financial targets including continued employment through to 30 June 2014. The management incentive is therefore not part of the overall consideration but instead is being accrued based on management's assessment of whether the conditional performance criteria will be met.

The following table sets out identifiable assets and liabilities acquired at the acquisition date. Fair values are provisional as at 31 December 2013 and are based on the information held to date:

	Fair value £'000
Non-current assets:	
Intangible assets	20,322
Current assets:	
Trade and other receivables	2,666
Cash and cash equivalents	2,184
Total assets	**25,172**
Current liabilities:	
Trade and other payables	(6,790)
Non-current liabilities:	
Deferred tax liability	(5,287)
Total liabilities	**(12,077)**
Net assets acquired	**13,095**
Goodwill arising	26,905
Fair value of total consideration	**40,000**

The fair value of consideration is comprised of:

	£'000
Initial cash consideration	39,500
Retention amount	500
Fair value of total consideration	**40,000**

Acquired intangible assets comprise:

- Recognition of an intangible asset for customer relationships, trademarks, software and the database. American Appraisal, an independent third-party were engaged to value the acquired intangible assets. The values attributable to the identified intangible assets are set out below, along with the assets estimated life.

Intangible assets	Fair Value £'000	Est. Life
Customer Relationships	10,263	12 years
Trademarks	4,876	20 years
Software	4,589	8 years
Database	594	10 years
Total identifiable assets	**20,322**	

- Deferred tax liabilities in relation to the recognised acquisition intangibles totalling £5.3 million which will be amortised over the corresponding periods to those set out above.
- The fair value of acquired receivables at the date of acquisition (£2.7 million) is net of a provision for unrecoverable debtors (£0.7 million).
- Provision for potential employment tax related liabilities (£1.8 million).

The goodwill arising on acquisition of Opta is largely attributable to the anticipated synergies created by the highly complementary business activities. None of this goodwill is deductible for tax purposes.

Acquisition-related costs (included in administrative expenses) amounted to £2.2 million.

The Group's results for the year include post acquisition revenue of £11.0 million and a profit after tax of £1.9 million. Had the acquisition occurred on 1 January 2013 Opta would have contributed revenue and statutory profit after tax for the year of approximately £17.9 million and £2.3 million respectively.

Perform Sporting News Limited ("PSN")

On 28 March 2013 the Group partnered with American City Business Journals ("ACBJ") to establish a new company, Perform Sporting News Limited ("PSN"). The ownership of PSN is weighted 65:35 in the Group's favour and as such it has been determined the Group has control over the newly formed entity. The fair value of consideration was determined to be 35% of the Perform entity transferred by Perform to ACBJ in exchange for 65% of Sporting News.

The following table sets out identifiable assets and liabilities acquired at the acquisition date. Fair values are provisional as at 31 December 2013 and are based on the information held to date:

	Fair value £'000
Non-current assets:	
Intangible assets	5,318
Deferred tax asset	596
Current assets:	
Trade and other receivables	2,942
Cash and cash equivalents	2,769
Total assets	**11,625**
Current liabilities:	
Trade and other payables	(4,156)
Non-current liabilities:	
Non-current borrowings	(1,312)
Deferred tax liability	(2,129)
Total liabilities	**(7,597)**
Net assets acquired	**4,028**
Other reserves	**7,222**
Non-controlling interest	**(1,413)**
Goodwill arising	**4,607**

Fair value adjustments relate primarily to the following:

- Recognition of intangible assets for the Sporting News trademark and domain name, customer relationships and the technology platform totalling £5.3 million.
  - The domain name was valued at £4.0 million with an estimated life of 20 years.
  - Customer relationships have been valued at £0.9 million with an estimated life of 8 years.
  - The technology platform has been valued at £0.4 million with an estimated life between 4 and 12 years.
- Deferred tax liabilities in relation to the recognised acquisition intangibles totalling £2.1 million which will be amortised over the corresponding periods to those set out above.
- An onerous contract provision has also been recognised at acquisition for an advertising marketing agreement with AOL totalling £1.3 million which will be released over the remaining life of the agreement expiring in February 2014.

The other reserves created on acquisition is the difference between the book value and fair value of the Perform assets contributed to the new venture.

The goodwill arising on acquisition of Perform Sporting News is attributable to the anticipated profitability and cash flows arising from the business acquired. None of this goodwill is deductible for tax purposes.

As part of the agreement, the Group is entitled to buy out ACBJ's equity at any time for a pre-determined cash price of $65 million, before 1 January 2017, or $75 million, between 1 January 2017 and 31 December 2018 (except for the months of April and May in each year) and $85 million after 1 January 2019 (except for during the months of April and May).

The Group also has the option between 1 April and 30 April in every year commencing with 2017 to buy out ACBJ's equity based on a multiple of PSN's EBITDA for the financial years ending on the prior 31 December. The consideration will be subject to a minimum value of $35 million and a maximum value of $85 million and can be satisfied by the issue of new shares at the Group's discretion.

If the Group does not exercise its option in April 2017 or any April thereafter, ACBJ will have the option between 1 May and 31 May in each year to acquire the Group's shareholding based on a multiple of PSN's EBITDA for the financial year ending the prior 31 December. The consideration will be satisfied in cash and will be subject to a minimum and maximum value.

The Group has considered the fair value of this financial asset and has determined the fair value not to be significant at the year-end.

Acquisition-related costs (included in administrative expenses) amounted to £2.7 million.

The Group's results for the year include incremental post acquisition revenue of £5.6 million and a loss after tax of £2.1 million. Had the acquisition occurred on 1 January 2013 it would have contributed incremental revenue and statutory loss after tax for the year of approximately £7.5 million and £2.8 million respectively.

Voetbalzone B.V.
The Group acquired Voetbalzone on 4 March 2013 for initial consideration of €2 million. Additional contingent consideration of up to €10.5 million is payable based on the EBITDA of Voetbalzone for the years to 31 December 2013, 2014 and 2015.

The following table sets out identifiable assets and liabilities acquired at the acquisition date. Fair values are provisional as at 31 December 2013 and are based on the information held to date:

	Fair value £'000
Non-current assets:	
Intangible assets	1,877
Current assets:	
Trade and other receivables	95
Cash and cash equivalents	43
Total assets	**2,015**
Current liabilities:	
Trade and other payables	(231)
Non-current liabilities:	
Deferred tax liability	(450)
Total liabilities	**(681)**
Net assets acquired	**1,334**
Goodwill arising	4,933
Fair value of total consideration	**6,267**

Fair value adjustments relate primarily to the following:

- Recognition of an intangible asset for customer relationships valued at £0.6 million;
- Recognition of an intangible asset for the domain names of the acquired websites, valued at £1.1 million;
- Deferred tax liabilities of £0.5 million in respect of intangible assets acquired.

The goodwill arising on acquisition of Voetbalzone is largely attributable to the anticipated synergies created by the highly complementary business activities. None of this goodwill is deductible for tax purposes.

Acquisition-related costs (included in administrative expenses) amounted to £0.2 million.

The Group's results for the year include post acquisition revenue of £1.2 million and a profit after tax of £0.9 million. Had the acquisition occurred on 1 January 2013 it would have contributed revenue and statutory profit after tax for the year of approximately £1.3 million and £1.0 million respectively.

Perform Media Sales Japan
In June 2013 a new Japanese company Perform Media Sales Japan was incorporated. The Group owns 70% of the share capital of the new company. Perform Media Sales Japan acquired the assets of Ad Networks KK which had been the Japanese advertising sales agent for the Group in Japan. The Group has the option to acquire the remaining 30% in 2017 based on a multiple of Perform Media Sales Japan's 2016 EBITDA up to a maximum value of £12 million. The Directors' consider that whilst this option represents a financial asset it has no significant value (as the business made a loss for the period to 31 December 2013) as it is calculated and satisfied at fair value.

The following table sets out identifiable assets and liabilities acquired at the acquisition date. Fair values are provisional as at 31 December 2013 and are based on the information held to date:

	Fair value £'000
Current liabilities:	
Trade and other payables	(946)
Total liabilities	**(946)**
Net assets acquired	**(946)**
Goodwill arising	946
Fair value of total consideration	**-**

The goodwill arising on the acquisition is largely attributable to the anticipated synergies created by the highly complementary business activities.

The Group has considered the fair value of this financial asset. Based on an assessment of future forecasts the option has no significant value at the year-end.

Acquisition-related costs (included in administrative expenses) amount to £0.2 million.

RunningBall Holding AG ("RunningBall")

The book values of the identifiable assets and liabilities acquired and their fair value to the Group at the acquisition date were set out in the Group's 2012 financial statements. No material amendments were made to those values which have now been finalised with the exception of the recognition of provisions for bad debt and dilapidations of £0.4 million offset by the revaluation of the deferred tax liabilities in relation to acquisition intangibles (£0.3 million) which increased goodwill to £82.4 million.

Mackolik Internet Hitzmetleri Ticaret A.S. ("Mackolik")

The book values of the identifiable assets and liabilities acquired and their fair value to the Group at the acquisition date were set out in the Group's 2012 financial statements. No material amendments were made to those values which have now been finalized with the exception of the recognition of provisions for employee retirement obligations and dilapidations of £0.2 million which increased goodwill to £14.0 million.

Sportal GmbH ("Sportal.de")

The book values of the identifiable assets and liabilities acquired and their fair value to the Group at the acquisition date were set out in the Group's 2012 financial statements. No material amendments were made to those values which have now been finalised.

12. Commitments

(a) Operating leases

At the balance sheet date, the Group had total outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2013 £'000	2012 £'000
Within one year	**2,560**	1,599
In the second to fifth years inclusive	**4,543**	931
After five years	**92**	62

Operating lease payments represent rentals payable by the Group for office property and computer equipment costs.

(b) Rights commitments

At 31 December 2013 the Group had commitments to acquire internet content rights of £114 million (2012: £84 million) of which £61 million (2012: £43 million) is due in the next year and the remaining £53 million (2012: £41 million) is due in the next two to five years.

(c) Acquisition-related financial liabilities

The following table summarises and reconciles acquisition-related financial liabilities 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 2013 £'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 2013 £'000	Due in < 1 year £'000	Due in > 1 year £'000
RunningBall	40,225	-	-	-	(42,670)	2,445	-	-	-
Mackolik	22,054	4,619	2,516	44	(2,177)	(4,656)	22,400	1,315	21,085
WatchandTrade	5,136	-	419	-	(2,341)	-	3,214	3,214	-
Spox	4,014	(2,442)	434	-	(885)	-	1,121	-	1,121
Opta	-	-	-	3,500	-	-	3,500	3,500	-
Voetbalzone	-	4,591	640	-	-	-	5,231	562	4,669
	71,429	**6,768**	**4,009**	**3,544**	**(48,073)**	**(2,211)**	**35,466**	**8,591**	**26,875**

2012 comparative information:

	At 1 January 2012 £'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 2012 £'000	Due in < 1 year £'000	Due in > 1 year £'000
RunningBall	-	40,552	-	-	-	(327)	40,225	40,225	-
Mackolik	-	20,852	1,178	24	-	-	22,054	2,097	19,957
WatchandTrade	4,892	-	387	-	(143)	-	5,136	2,189	2,947
Spox	3,547	300	293	-	-	(126)	4,014	1,478	2,536
	8,439	**61,704**	**1,858**	**24**	**(143)**	**(453)**	**71,429**	**45,589**	**25,440**

Refer to note 11 for further information on the above acquisitions.

The table below sets out the Directors' best estimates of the undiscounted cash and equity payments the Group anticipates paying and the years the payments are expected to be made:

	Amounts paid up to 31 December 2013 £'000	2014 £'000	2015 £'000	2016 £'000	Total expected future payments (2014–16) £'000	Total acquisition-related payments (including to date) £'000	Total deal cap £'000
Mackolik*	16,653	-	-	23,100	23,100	39,753	75,000
WatchandTrade	3,216	3,184	-	-	3,184	6,400	6,400
Spox	3,961	-	1,233	-	1,233	5,194	13,333
Opta	39,500	7,500	-	-	7,500	47,000	47,000
Voetbalzone	1,676	650	2,695	3,123	6,468	8,144	8,750
	65,006	**11,334**	**3,928**	**26,223**	**41,485**	**106,491**	**150,483**

*Excludes dividend payments to shareholders of non-controlling interests in Mackolik in 2014-2016.
The table also excludes the options to acquire the remaining 35% of Perform Sporting News Limited (up to a maximum of $85 million) and the remaining 35% of Perform Media Sales Japan KK (up to a maximum of £12 million in 2017).

	Amounts paid up to 31 December 2012 £'000	2013 £'000	2014 £'000	2015 £'000	2016 £'000	Total expected future payments (2013–16) £'000	Total acquisition-related payments (including to date) £'000	Total deal cap £'000
RunningBall	16,346 (cash) 47,622 (equity)	40,225	-	-	-	40,225	104,193	104,193
Mackolik*	14,476	1,047	-	-	23,100	24,147	38,623	75,000
WatchandTrade	875	2,189	3,336	-	-	5,525	6,400	6,400
Spox	3,079	1,000	1,200	2,400	-	4,600	7,679	13,333
	82,398	**44,461**	**4,536**	**2,400**	**23,100**	**74,497**	**156,895**	**198,926**

*Excludes dividend payments to shareholders of non-controlling interests in Mackolik in 2013-2016.

13. Share capital

	31 December 2013 £'000	31 December 2012 £'000
Ordinary shares of 2 and 7/9ths pence each	7,299	6,635
	7,299	**6,635**

	31 December 2013 Number (000)	31 December 2012 Number (000)
Ordinary shares of 2 and 7/9ths pence each	262,771	238,882
	262,771	**238,882**

On 3 July 2013, 23,888,211 new ordinary 2 and 7/9ths pence shares were placed at a price of 480 pence per Placing Share, raising total gross proceeds of approximately £115 million for the Company. Directly attributable transaction costs of £2.1 million were capitalised in relation to this placing.

14. Subsequent events

Subsequent to the year-end, on 26 February 2014, the Group completed the acquisition of 51% of Activaweb SAS for initial consideration of €5 million. Additional contingent consideration of up to €7 million is payable based on the EBITDA of Activaweb for the years to 31 December 2013, 2014 and 2015. The remaining 49% will be acquired in two tranches – 29% will be transferred on payment of the consideration in 2015 and 20% will be transferred on payment of the consideration in 2016.

15. Publication of Annual Report and Accounts

This preliminary statement is not being posted to shareholders. The Annual Report and Accounts will be posted to shareholders in due course and will be delivered to the Registrar of Companies following the Annual General Meeting of the Company.