

SpaceandPeople PLC

Company Registration Number SC212277

25 June 2009

INTERIM RESULTS FOR THE 6 MONTHS TO 30 APRIL 2009

SpaceandPeople PLC ("SpaceandPeople"), which facilitates and manages the sale of promotional space in shopping centres and other high footfall venues, announces interim results for the six months ended 30 April 2009.

Highlights

- Total billings up 2% to £6,453k (2008: £6,348k)
- Revenue up 10% to £1,311k (2008: £1,188k)
- UK operating costs down by 5%
- UK operating profits (before license fees) up 52% to £272k (2008: £178k)
- First sales achieved in India and 25 venues signed up
- 41 venues signed up in Hong Kong
- Sales pipeline strong in both UK and Germany

Operating Statement

SpaceandPeople has continued to attract new business despite the difficult economic climate. A key strength of the company is the diversified nature of its customer base. This provides some protection against the recession and, as a result, revenues are up 10%. However, whilst the UK has increased operating profits (before license fees) by 52%, there was a loss of £63k in Germany which is still in its start up phase and new business did not materialise as rapidly as expected. This, the absence of license fees (£50k in 2008), and lower interest rates resulted in a decline in profit after tax of 29% to £167k in the half year.

The UK has had an excellent start to the year, increasing revenues by 6% and gaining a number of new venues. Maximizing revenues has been higher up the agendas of the mall owners as they seek to sweat their assets and we have demonstrated that we are best placed to help them achieve this. The restructuring of UK operations has been successful in improving effectiveness and reducing costs by 5%, enabling a 52% increase in operating profits before license fees.

The German business, which only commenced operations in November 2007, has been harder hit by the recession than the UK. Although revenues are up 31%, this was below expectations and having geared up for a greater increase, after an encouraging start to the year we have seen losses of £63k. We have now negotiated a relaxation in the exclusivity clause in our contract with ECE and have taken on a number of other venues. The pipeline of sales is currently strong and we expect to continue to acquire other new business. We remain very positive about Germany.

Our overseas associates in Hong Kong and India, which commenced operations last year, continue to make strong progress. In Hong Kong we are now working with 41 venues and expect to sign a number of contracts with advertisers shortly. India has made an excellent start. It currently represents 25 venues and has attracted a number of major advertisers. There have been no new licensing agreements in the half but we continue to review potential opportunities as they arise.

We now represent 230 venues in the UK and 65 in Germany with a combined footfall of over 40 million people per week. This is a compelling statistic for both mall owners and advertisers, the effect of which is reflected in our healthy order book. Also, we are seeing an increase in cross border enquiries as advertisers see our network of venues in Europe combined with those of our associates in Hong Kong and India. However, we expect profits in the short term to be under pressure due to the expansion of Germany.

Matthew Bending
Chief Executive Officer
25 June 2009

Contact details

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AIM Dealing Code	SAL
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Website	www.spaceandpeople.com
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INDEPENDENT REVIEW REPORT TO SPACEANDPEOPLE PLC

Introduction We have been engaged by the company to review the financial statements in the interim financial report for the six months ended 30 April 2009 which comprises the income statement, balance sheet, cash flow statement and the related notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility Our responsibility is to express to the Company a conclusion on the financial statements in the half-yearly financial report based on our review.

This report, including the conclusion, has been prepared for and only for the company for the purpose of the AIM Rules of the London Stock Exchange and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion Based on our review, nothing has come to our attention that causes us to believe that the financial statements in the interim financial report for the six months ended 30 April 2009 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

Campbell Dallas LLP, Chartered Accountants

7 Glasgow Road, Paisley

25 June 2009

Notes

(a) The maintenance and integrity of the SpaceandPeople PLC website is the responsibility of the Directors; the work carried out by Campbell Dallas LLP, Chartered Accountants does not involve consideration of these matters and, accordingly, Campbell Dallas LLP, Chartered Accountants accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

SpaceandPeople PLC
Income Statement
For the six months to 30 April 2009

	6 Months to 30 April 2009 (Unaudited) £	6 Months to 30 April 2008 (Unaudited) £	Year to 31 October 2008 (Audited) £
REVENUE	1,310,793	1,187,552	2,547,833
Administrative expenses	<u>1,101,911</u>	<u>978,819</u>	<u>2,089,474</u>
	208,882	208,733	458,359
Other operating income	<u>-</u>	<u>50,000</u>	<u>107,000</u>
OPERATING PROFIT	208,882	258,733	565,359
Finance income	<u>12,472</u>	<u>28,676</u>	<u>55,152</u>
PROFIT BEFORE TAXATION	221,354	287,409	620,511
Taxation	<u>(54,367)</u>	<u>(71,852)</u>	<u>(154,435)</u>
PROFIT FOR THE PERIOD AFTER TAXATION	<u>166,987</u>	<u>215,557</u>	<u>466,076</u>
EARNINGS PER SHARE			
Basic	1.43p	1.85p	4.01p
Diluted	1.42p	1.83p	3.96p

CONTINUING OPERATION

All items dealt with in arriving at the profit stated above relate to continuing activities.

SpaceandPeople PLC
Statement of Changes in Equity
For the six months to 30 April 2009

	Share Capital £	Share Premium £	Special Reserve £	Retained Profits £	Total Equity £
Six months to 30 April 2009					
(Unaudited)					
At 1 November 2008	116,566	265,890	232,809	1,020,925	1,636,190
Shares issued	-	-	-	-	-
Foreign currency translation	-	-	-	(19,624)	(19,624)
Profit for the period	-	-	-	166,987	166,987
Dividends paid	-	-	-	(233,131)	(233,131)
At 30 April 2009	<u>116,566</u>	<u>265,890</u>	<u>232,809</u>	<u>935,157</u>	<u>1,550,422</u>
Six months to 30 April 2008					
(Unaudited)					
At 1 November 2007	114,620	13,630	232,809	751,488	1,112,547
Shares issued	1,946	252,260	-	-	254,206
Foreign currency translation	-	-	-	21,369	21,369
Profit for the period	-	-	-	215,557	215,557
Dividends paid	-	-	-	(215,647)	(215,647)
At 30 April 2008	<u>116,566</u>	<u>265,890</u>	<u>232,809</u>	<u>772,767</u>	<u>1,388,032</u>
Year to 31 October 2008					
(Audited)					
At 1 November 2007	114,620	13,630	232,809	751,488	1,112,547
Shares issued	1,946	252,260	-	-	254,206
Foreign currency translation	-	-	-	19,008	19,008
Profit for the year	-	-	-	466,076	466,076
Dividends paid	-	-	-	(215,647)	(215,647)
At 31 October 2008	<u>116,566</u>	<u>265,890</u>	<u>232,809</u>	<u>1,020,925</u>	<u>1,636,190</u>

SpaceandPeople PLC
Balance Sheet
30 April 2009

	<u>30 April</u> <u>2009</u> (Unaudited) £	<u>30 April</u> <u>2008</u> (Unaudited) £	<u>31 October</u> <u>2008</u> (Audited) £
ASSETS			
Non-current assets:			
Intangible assets	196,276	221,896	228,131
Property, plant and equipment	69,153	115,758	90,630
Fixed asset investment	117,382	22,536	95,027
	<u>382,811</u>	<u>360,190</u>	<u>413,788</u>
Current assets:			
Trade and other receivables	1,184,776	1,035,399	1,104,570
Cash and cash equivalents	1,253,368	1,215,421	1,543,320
	<u>2,438,144</u>	<u>2,250,820</u>	<u>2,647,890</u>
Total Assets	<u>2,820,955</u>	<u>2,611,010</u>	<u>3,061,678</u>
LIABILITIES			
Current liabilities			
Trade and other payables	1,061,403	1,001,126	1,261,053
Current tax payable	209,130	221,852	164,435
Total Liabilities	<u>1,270,533</u>	<u>1,222,978</u>	<u>1,425,488</u>
Net assets	<u>1,550,422</u>	<u>1,388,032</u>	<u>1,636,190</u>
EQUITY			
Called up share capital	116,566	116,566	116,566
Share premium	265,890	265,890	265,890
Special reserve	232,809	232,809	232,809
Retained earnings	935,157	772,767	1,020,925
Shareholders equity	<u>1,550,422</u>	<u>1,388,032</u>	<u>1,636,190</u>

SpaceandPeople PLC**Cashflow Statement****For the six months to 30 April 2009**

	6 Months to 30 April 2009 (Unaudited) £	6 Months to 30 April 2008 (Unaudited) £	Year to 31 October 2008 (Audited) £
Cash flows from operating activities			
Cash generated from operations	(10,804)	210,793	642,658
Taxation	(9,672)	-	(140,000)
Net cash flow from operating activities	<u>(20,476)</u>	<u>210,793</u>	<u>502,658</u>
Cash flows from investing activities			
Interest received	12,472	28,676	55,152
Purchase of intangible assets	(4,300)	(13,630)	(52,557)
Purchase of property, plant and equipment	(1,098)	(55,902)	(61,962)
Investment in associate	(22,355)	(22,536)	(95,027)
Net cash outflow from investing activities	<u>(15,281)</u>	<u>(71,588)</u>	<u>(154,394)</u>
Cash flows from financing activities			
Proceeds from issue of shares	-	254,116	254,206
Cash received on behalf of associate	97,686	-	118,750
Cash paid on behalf of associate	(118,750)	-	-
Dividends paid	(233,131)	(215,647)	(215,647)
Net cash flow from financing activities	<u>(254,195)</u>	<u>38,469</u>	<u>157,309</u>
Increase/(decrease) of cash and cash equivalents	(289,952)	177,674	505,573
Cash at beginning of period	<u>1,543,320</u>	<u>1,037,747</u>	<u>1,037,747</u>
Cash at end of period	<u>1,253,368</u>	<u>1,215,421</u>	<u>1,543,320</u>
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit	208,882	258,733	565,359
Amortisation of intangible assets	36,170	37,720	70,411
Depreciation of property, plant & equipment	22,560	21,485	44,478
Effect of foreign exchange rate changes	(19,624)	21,458	19,008
(Increase)/decrease in trade and other receivables	(80,206)	(203,128)	(272,299)
Increase/(decrease) in trade and other payables	(178,586)	74,525	215,701
Cash flows from operating activities	<u>(10,804)</u>	<u>210,793</u>	<u>642,658</u>

SpaceandPeople PLC
Notes to the Interim Report and Accounts
For the 6 months to 30 April 2009

The Interim Report and Accounts were approved by the Board on 25 June 2009

1. Basis of preparation

These interim financial statements for the 6 months to 30 April 2009 are prepared using accounting policies in accordance with IFRS and International Financial Reporting Interpretations Committee interpretations. The accounting policies used in the preparation of these financial statements are set out in the financial statements for the year ended 31 October 2008.

The interim financial statements are not audited but have been reviewed by the auditors and their independent review report is set out on page 3. They do not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. The financial information for the year to 31 October 2008 has been extracted from the statutory accounts for the Company for that period. These published accounts were reported on by the auditors without qualification or an emphasis matter reference, and did not include a statement under section 237(2) or (3) of the Companies Act 1985, and have been delivered to the Registrar of Companies.

2. Accounting policies

The interim statement has been prepared in accordance with the accounting policies set out in the Company's Annual Report and Accounts for the year ended 31 October, 2008.

3. Segmental reporting

The Company maintains two offices, Glasgow and Hamburg, Germany, and these are reported separately. The French business is currently not material and dealt with in the Glasgow office. Its results are therefore included in the UK results.

	6 Months to 30 April 2009 (Unaudited) £	6 Months to 30 April 2008 (Unaudited) £	Year to 31 October 2008 (Audited) £
Revenue			
UK and France	1,011,625	958,286	2,062,739
Germany	299,168	229,266	485,094
Total revenue	<u>1,310,793</u>	<u>1,187,552</u>	<u>2,547,833</u>
Operating profit/(loss)			
UK and France	271,579	228,451	564,750
Germany	(62,697)	30,282	609
Total operating profit/(loss)	<u>208,882</u>	<u>258,733</u>	<u>565,359</u>

4. Earnings per share

Earnings per share has been calculated using profit after taxation for the period and the weighted average number of shares in issue.

	6 Months to 30 April 2009 (Unaudited)	6 Months to 30 April 2008 (Unaudited)	Year to 31 October 2008 (Audited)
Weighted average number of shares in issue during the period			
1p ordinary shares	11,656,579	11,633,750	11,633,538
Share options:	<u>136,263</u>	<u>130,579</u>	<u>123,160</u>
Diluted ordinary shares	<u>11,792,842</u>	<u>11,764,329</u>	<u>11,756,698</u>

5. Investments in associate

During the period, SpaceandPeople (Hong Kong) undertook a further share placement. SpaceandPeople PLC participated in this offering by converting a trade receivable of £22,355 into shares. As a result, SpaceandPeople PLC's stake in the company fell from 47.5% to 35.3%.

6. Distribution of this report

Copies of these results are being sent to all shareholders and additional copies are available from the Company's registered office at 141 St James Road, Glasgow G4 0LT.