
12 April 2016

TLA Worldwide plc
("TLA" or "the Group")

2015 Full Year Results

TLA Worldwide plc (AIM: TLA), a leading athlete representation and sports marketing business, is pleased to announce its preliminary results for the year ended 31 December 2015.

Financial Highlights

- **Headline figures**
 - Revenue growth of 114% to \$44.4 million (2014: \$20.8 million)
 - Organic revenue growth of 22% (2014: 12%)
 - EBITDA¹ increased 49% to \$13.4 million (2014: \$9.0 million)
 - Organic EBITDA growth of 10% (2014: 24%)
 - Profit before tax² increased 45% to \$12.5 million (2014: \$8.6 million)
 - Diluted EPS³ growth of 35% to 6.43 cents (2014: 4.76 cents)
- **Statutory figures**
 - Operating profit increased to \$4.4 million (2014: \$1.7 million)
 - Profit before tax increased to \$2.8 million (2014: \$0.4 million)
 - LPS/EPS of \$(0.07) cents (2014: \$0.01 cents)
- Proposed final dividend of 0.8 pence per share making a full year 2015 dividend of 1.0 pence (2014: 0.8 pence), an increase of 25%
- Net debt as at 31 December 2015 was \$16.4 million (2014: \$6.6 million)

Operational Highlights

Sports Marketing

- Sports Marketing revenue grew 283% to \$29.3 million (2014: \$7.7 million), organic operating income⁴ was \$11.6 million, growth of 51%
- In July 2015, delivered the first International Champions Cup ("ICC") pre-season tournament in Australia with 225,000 spectators attending three soccer games at the MCG featuring Manchester City, Real Madrid and AS Roma
- Concluded a three-year extension with the State Government of Victoria to continue to host the Australian leg of the International Champions Cup until 2018, following the 2015 success
- Built-out the events portfolio with 5 major events secured for 2016 (2015: 3) including:
 - Tottenham Hotspur, Atlético Madrid and Juventus to play in the 2016 International Champions Cup tournament
 - Opening match of 2016 American College Football Championships to be played in Australia
 - New Zealand All Blacks v Irish National team at the iconic Soldier Field
- Delivered successfully on TLA's contract as the master licensor for the Rugby World Cup 2015 in England, winning the UK Licensing award

Baseball Representation

- Baseball Representation revenue up 15% to \$15.1 million (2014: \$13.2 million)
- 22 baseball players were added to TLA's client list in 2015 bringing the total baseball client list to 289 (2014: 267)
- Major League Baseball (MLB) clients up 13%, now 94 (2014: 83)
- Signed the Number 2 MLB draft pick
- \$174 million contracts negotiated in 2015 (2014: \$194 million)

Corporate development and the acquisition of ESP

- Client wins across the Group include:
 - MLB American League rookie of the year
 - Number 1 NFL draft pick and rookie of the year runner up
 - Number 2 MLB draft pick
 - Reigning US Amateur and NCAA Golf Champion
 - Various other first round draft picks in AFL, MLB and NBA
- Acquired Elite Sports Properties ("ESP"), an Australian and UK sports marketing agency, in March 2015: successfully integrated and performance in line with expectations
- ESP added over 300 clients including sports stars Sir Chris Hoy and Becky Adlington; and gained the Cricket World Cup 2015 and Rugby World Cup 2015 as clients
- With the acquisition of ESP, total client base rose by 69% to 801. At year end, the total number of clients increased to 884 (representing organic growth of 10%)

1 Headline EBITDA is defined as statutory operating profit adjusted to add back depreciation, amortisation of acquired intangible assets and any acquisition related charges, share-based payment charges and exceptional items.

2 Headline EBITDA after bank interest and depreciation.

3 Headline earnings per share is defined as headline profit for the year divided by the weighted average number of ordinary shares in issue during the year. Headline profit for the year is defined as profit for the year adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges, fair value movement on financial derivatives, unwinding of discount on deferred consideration and exceptional items.

4 Operating income is equal to gross profit in the income statement.

2016 Outlook

Trading so far in 2016 is in line with the Board's expectations and TLA continue to see good momentum in the business, including an increase in TLA's events programme in 2016. The fundamental business drivers in the sports marketing and athlete representation industry remain strong and baseball continues to enjoy excellent forward visibility with a further \$174 million of contracts negotiated in 2015. As a result, the Board looks to the future with confidence.

Bart Campbell, Executive Chairman of TLA, commented: "The year has been transformational for the Group as we continued to grow organically and successfully integrated ESP, increasing our client base by 86% to a total of 801 upon acquisition. Both, the Baseball Representation and Sports Marketing businesses grew revenues and continued to sign up quality clients, with total clients at the year-end having increased to 884.

Looking ahead, the momentum achieved in 2015 has continued into the new year. The events programme has increased to five compared to three in 2015, and we have added two new agents to the Baseball Representation business which will contribute to the future growth of this business. The Board believes that the fundamentals of our businesses remain solid and as a result we look forward with optimism."

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About TLA Worldwide

TLA Worldwide is a leading athlete representation, event management and sports marketing group quoted on AIM in London. The Group derives revenues from long term agency relationships with many prominent US and international sports stars, broadcasters and media personalities associated with major sports including the MLB, NFL, NBA, PGA tour, AFL and Olympians and Cricketers. In addition, it also provides a range of services in respect of media consultancy, sports sponsorship and event creation and ownership, including the International Champions Cup tournament in Australia. With over 170 full-time personnel, TLA Worldwide serves its clients from 10 locations worldwide including its offices in London, UK; New York Newport Beach, California, USA; Melbourne, Perth, Adelaide and Sydney, Australia. For more information, please visit www.tlaworldwide.com.

Overview

The Group delivered strong growth in revenue and operating income in 2015 across all segments, which saw an increase in Group revenue of 114% to \$44.4 million and Group operating income of 68% to \$35.0 million, with Headline EBITDA of \$13.4 million for the period, an increase of 49%. Excluding acquisitions, revenue, operating income and Headline EBITDA grew organically by 22%, 22% and 9% respectively.

The Group has continued to focus on its strategy of delivering organic growth from the underlying business, coupled with selective acquisitions designed to increase the geographic and business spread of TLA's services. This has seen TLA expand significantly into the Australian and UK markets, initially through securing the first International Champions Cup soccer tournament in Melbourne played in July 2015 and then by the purchase of ESP in March 2015 (subsequently rebranded into TLA Australia and TLA UK).

ESP has broadened the Group's reach and services. The acquisition has significantly increased the number of employees and its client base, to 158 and 884 respectively at the year-end (2014: 70 and 474 respectively). TLA's first International Champions Cup had 225,000 fans attend the event, held at the Melbourne Cricket Ground, July 2015. The tournament was played over three matches with Real Madrid, overall winners over Manchester City and AS Roma. The 2016 event is in full preparation with Atlético Madrid, Juventus and Tottenham Hotspur coming to Australia in July 2016.

With the acquisition of ESP, the Group completed its rebrand to TLA and finalised the integration of operations along with the use of the TLA brand across the Group in Australia, the UK and USA. This has allowed TLA to provide a seamless service to its clients across the Group's geographies, with the greater scale and co-ordination of the Group further highlighting TLA's visibility in the marketplace.

Operational Review

Sports Marketing

The Sports Marketing division had a strong year with revenue increasing 283% to \$29.3 million (2014: \$7.7 million) and Headline EBITDA increasing by 116% to \$9.8 million from \$4.6 million in 2014. Operating income increased to \$21.2 million (2014: \$7.7 million), growth of 175% year on year. The division's client base grew by 11% to 595 (2014: 534) excluding the acquisition of ESP. Organic operating income growth was 51% to \$11.6 million (2014: \$7.7 million) and organic Headline EBITDA grew 38% to \$6.3 million (2014: \$4.6 million).

In 2015 TLA ran and delivered three events: the first International Champions Cup in Australia, the USA v Canada Ice Hockey tour of Australia and the USA v Australia Rugby test match in Chicago. In addition, TLA was successfully able to develop its portfolio for 2016 by securing an expanded roster of events for this calendar year:

- First ever Aviva Premiership Rugby match on US soil when London Irish played Saracens in March 2016;
- Tottenham Hotspur, Atlético Madrid and Juventus to play in the 2016 International Champions Cup tournament in Australia in July 2016. For the first tournament TLA partnered with the State Government of Victoria and following the success of this event the partnership with the State Government of Victoria has been extended to 2018;
- Sydney to host opening match of 2016 American College Football season in August 2016, the first time an opening match has been played outside the USA;
- 2016 Ice Hockey Classic across Australia in June 2016; and

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- New Zealand All Blacks against the Irish National Rugby Union team at Chicago's Soldier Field in November 2016.

The USA Sports Marketing business continues to grow with its client base increasing from 207 to 228. There was growth across all segments of the US business, including pleasing progress in the rights sales business that the Group established the last quarter of 2014 and the media advisory business launched earlier in that year.

Elite Sports Properties

TLA acquired the business and assets of ESP, an Australian and UK based sports marketing business, for up to \$19.5 million in March 2015. This is part of the Group's strategy to enhance its organic growth prospects with selective acquisitions that complement TLA's current activities. The seamless integration of ESP has diversified TLA's offer and expanded its reach in regions such as Australia and the UK.

ESP is reported within the Sports Marketing division. The acquisition increased TLA's client base by 327 at acquisition and added key clients such as the Australian Football League, the National Australia Bank, Cricket Australia, Adidas, Rugby World Cup 2015 and a great roster of high quality athletes in the UK and Australia.

Baseball Representation

Revenue increased by 15% to \$15.1 million and Headline EBITDA for the year was \$6.8 million (2014: \$7.4 million). Operating income was \$13.8 million (2014: \$13.1 million). The cost base in this business increased as TLA invested in agents and developed a pipeline of clients as the Group continue to build the long term future of the business. These development costs have been expensed in the period.

TLA negotiated \$174 million worth of contracts for player-clients during the 2015 (2014: \$194 million). The reduction reflects the fact that fewer players in our portfolio came off contract in 2015. On a four-year cycle, since 2012, TLA has secured over \$700 million worth of contracts for clients, giving Baseball Representation excellent forward revenue visibility and predictability of earnings in this division over the short to medium term.

22 additional baseball players were added to TLA's client list in 2015 bringing the total baseball client list to 289 (2014: 267). The two recently recruited senior agents, mentioned previously, are expected to add additional high quality clients during 2016 and thereafter.

TLA now represents 94 MLB clients (2014: 83) and 195 Minor League baseball (MiLB) clients (2014: 184), with 17 MiLB clients moving up to the majors and several older clients retiring. The players called up to an MLB roster is the start point from which their initial three-year service period starts. At the expiry of this period they become eligible for market-related salaries via arbitration which TLA assist them to negotiate their salaries in return for fees. TLA's client base continues to mature with 6 clients (2014: 3) moving into arbitration for 2016.

People

TLA's staff are the core of the business and this is an area of continued focus for the Group. TLA have further built out the teams in the divisions the Group started organically, including the events, sponsorship and consulting businesses. TLA Australia has been invaluable in the delivery of the Group's events programme.

TLA UK won the UK licensing Award for their excellent delivery of the master licensing programme for the Rugby World Cup, 2015.

Pleasingly in the US this year, the Group was short listed for the prestigious Sports Business Journal Awards top five list of “Best in Talent Representation Agency” in the United States. This is a credit to TLA’s people who had an excellent year in representing both their clients and TLA.

Post-period end, TLA hired two MLB agents to join the Baseball Representation division. Management are delighted that they have joined TLA and we expect their established client lists to follow them to TLA.

Financial review

This review covers the year ended 31 December 2015. For this year the Group reported a statutory profit before tax of \$2.8 million (2014: profit of \$0.4 million). The performance at the operating level, before interest, tax, depreciation, amortisation and exceptional charges showed a Headline EBITDA of \$13.4 million (2014: \$9.0 million).

Group Headline EBITDA margin reduced by 5 percentage points to 38%. As stated in the interim results announcement, this was due to TLA Australia, formerly ESP’s Australian business, having lower margin at 33%.

Headline diluted earnings per share increased by 35% to 6.43 cents from 4.76 cents, after taking into account the issue of 13.2 million shares under the Group’s LTIP.

HEADLINE RESULTS

	Year ended 31 December 2015	Year ended 31 December 2014	% Change
	\$000	\$000	
Revenue	44,440	20,816	+113.5
Gross profit	35,001	20,791	+68.3
Headline EBITDA	13,432	9,021	+48.9
Headline EBITDA margin ¹	38.4%	43.3%	-4.9pp
Headline profit before tax	12,483	8,567	+45.7
Headline diluted earnings per share (cents)	6.43	4.76	+35.1

1. Operating income is equal to gross profit in the income statement.

STATUTORY RESULTS

	Year ended 31 December 2015	Year ended 31 December 2014	%
	\$000	\$000	Change
Revenues	44,440	20,816	+113.5
Operating profit	4,411	1,704	+158.9
Statutory profit before tax	2,817	419	+572.3
Statutory diluted (loss)/ earning per share (cents)	(0.07)	0.01	-800.0

TLA segments its operations into Baseball Representation and Sports Marketing as follows:

Year ended 31 December 2015

	Baseball Representation	Sports Marketing	Unallocated	Total
	\$000	\$000	\$000	\$000
Revenue	15,103	29,337	-	44,440
Cost of sales	(1,348)	(8,091)	-	(9,439)
Gross profit	13,755	21,246	-	35,001
Operating expenses excluding depreciation, amortisation, share based payments, acquisition related costs and exceptional items	(6,925)	(11,404)	(3,240)	(21,569)
Headline EBITDA	6,830	9,842	(3,240)	13,432
Amortisation of intangibles arising on acquisition	(3,532)	(2,160)	-	(5,692)
Depreciation	(10)	(84)	(51)	(145)
Exceptional items and acquisition related costs	1,685	(656)	(804)	225
Share based payments	-	-	(3,409)	(3,409)
Operating profit/ (loss)	4,973	6,942	(7,504)	4,411
Finance costs				(1,594)
Profit before tax				2,817
Tax				(2,496)
Profit for the year				321

Year ended 31 December 2014

	Baseball Representation	Sports Marketing	Unallocated	Total
	\$000	\$000	\$000	\$000
Revenue	13,155	7,661	-	20,816
Cost of sales	(25)	-	-	(25)
Gross profit	13,130	7,661	-	20,791
Operating expenses excluding depreciation, amortisation, share based payments, acquisition related costs and exceptional items	(5,725)	(3,096)	(2,949)	(11,770)
Headline EBITDA	7,405	4,565	(2,949)	9,021
Amortisation of intangibles arising on acquisition	(3,477)	(1,207)	-	(4,684)
Depreciation	(10)	(3)	(47)	(60)
Exceptional items and acquisition related costs	(184)	(250)	(717)	(1,151)
Share based payments	-	-	(1,422)	(1,422)
Operating profit/ (loss)	3,734	3,105	(5,135)	1,704
Finance costs				(1,285)
Profit before tax				419
Tax				(402)
Profit for the year				17

DIVISIONAL PERFORMANCE

Baseball Representation

	2015	2014	%
	\$000	\$000	Change
Revenues	15,103	13,155	+14.8
Headline EBITDA	6,830	7,405	-7.8
<i>Headline EBITDA Margin</i>	49.7%	56.4%	- 11.1pp
Operating profit	4,973	3,734	+33.2

Trading for the year ended 31 December 2015 saw \$15.1 million of revenue, a Headline EBITDA of \$6.8 million, which was impacted by investment into agents and our portfolio of clients. Operating income increased by 5% and statutory operating profit of \$5.0 million.

Sports Marketing

	2015	2014	%
	\$000	\$000	Change
Revenues	29,337	7,661	+282.9
Headline EBITDA	9,842	4,565	+115.6
<i>Headline EBITDA Margin</i>	46.3%	59.6%	-13.3pp
Operating profit	6,942	3,105	+123.6

Trading for the year ended 31 December 2015 saw revenue of \$29.3 million, Headline EBITDA of \$9.8 million and statutory operating profit of \$6.9 million. Reported revenues include third party costs, mainly relating to the acquired merchandise business in ESP. This is the principal

component of the division's cost of sales in 2015. Operating income grew by 175% to \$21.2 million.

Excluding the ESP acquisition, operating income increased by 50.9%, which reflects the delivery of new events during 2015, including the International Champions Cup, in Australia. This was strong growth despite the weakening of the Australian dollar against the US dollar, which had a negative foreign exchange impact to Sport Marketing's overall performance. Headline EBITDA Margin, excluding acquisitions, was 54.5%.

The overall Sports Marketing Headline EBITDA margin reduced to 45% in 2015 from 60% in 2014, with TLA Australia's Headline EBITDA margin being 33% for the post acquisition period to the 31 December 2015.

The share based payments relate to the Group's LTIP, the costs of which were amortised over the life of the LTIP, or on the vesting of the LTIP if earlier and is a non cash item.

CASH FLOW, NET DEBT AND BANKING ARRANGEMENTS

Cash balances as at 31 December 2015 were \$6.3 million (2014: \$5.9 million) and net debt of \$16.4 million (2014: \$6.6 million). The increase in the Group's debt is due to the cash element of the ESP acquisition and integration costs.

Cash generated from operating activities for the year ended 31 December 2015 was \$2.0 million (2014: \$3.0 million). Cash as at 31 December 2015 was \$6.3 million (2014: \$5.9 million) and net debt was \$16.4 million (2014: \$6.6 million).

During the year, TLA secured a new 5 year \$35 million banking facility. The Group is now funded by a term loan of \$18.4 million and a revolver facility of \$15 million of which \$4.7 million was drawn as at 31 December 2015 (2014: \$6.6 million).

Cash earn-outs payments due for 2015 performance and payable in 2016 total \$1.6 million. \$10.7 million of performance related deferred consideration remains payable subject to the achievement of certain EBIT targets.

DIVIDENDS

The board proposes a final dividend of 0.8 pence per share, giving a total dividend for the year of 1.0 pence, (2014: 0.8 pence), taking into account TLA's interim dividend of 0.2 pence. The dividend will be payable on 8 July 2016 and the ex-dividend date is 26 May 2016.

TLA Worldwide plc

Group Income Statement for the year ended 31 December 2015

	Note	Year ended 31 December 2015 \$000	Year ended 31 December 2014 \$000
Revenue	1	44,440	20,816
Cost of sales		(9,439)	(25)
Gross profit		35,001	20,791
Administrative expenses		(30,590)	(19,087)
Operating profit from operations		4,411	1,704
Headline EBITDA		13,432	9,021
Amortisation of intangibles		(5,692)	(4,684)
Depreciation		(145)	(60)
Exceptional and acquisition related costs	3	225	(1,151)
Share based payments		(3,409)	(1,422)
Operating profit from operations		4,411	1,704
Finance costs		(1,594)	(1,285)
Profit before taxation		2,817	419
Taxation	4	(2,496)	(402)
Profit for the year		321	17
(Loss) / Profit for the period from continuing operations attributable to:			
Owners of the company		(88)	17
Non-controlling interest		409	-
		321	17
(Loss) / Profit per share from continuing operations:			
Basic (cents)	2	(0.07)	0.01
Diluted (cents)	2	(0.07)	0.01

TLA Worldwide plc

Group Statement of Comprehensive Income

For the year ended 31 December 2015

	Year ended 31 December 2015 \$000	Year ended 31 December 2014 \$000
Profit for the year	321	17
Dividend paid	(1,675)	(1,415)
Exchange differences on translation of overseas operations	(1,863)	(362)
Total comprehensive expense	(3,217)	(1,760)
Total comprehensive expense attributable to:		
Owners of the company	(3,639)	(1,760)
Non-controlling interests	422	-
	(3,217)	(1,760)

TLA Worldwide plc
Group Balance Sheet
31 December 2015

	Note	31 December 2015 \$000	31 December 2014 \$000
Non-current assets			
Intangible assets – goodwill		42,156	29,022
Other intangible assets		9,022	12,804
Property, plant and equipment		375	159
Deferred tax asset		4,450	3,884
		56,003	45,869
Current assets			
Inventory		117	
Trade and other receivables		21,002	12,527
Cash and cash equivalents	7	6,312	5,857
		27,431	18,384
Total assets		83,434	64,253
Current liabilities			
Trade and other payables		(12,783)	(4,653)
Borrowings	5	(2,500)	(7,546)
Deferred consideration	6	(1,600)	(2,591)
		(16,883)	(14,584)
Net current assets		10,548	3,800
Non-current liabilities			
Borrowings	5	(20,251)	(4,900)
Deferred consideration	6	(9,105)	(9,963)
Trade and other payables		-	(750)
Derivative financial instruments		(14)	(27)
		(29,370)	(14,846)
Total liabilities		(46,253)	(29,430)
Net assets		37,181	34,823
Equity			
Share capital		4,461	3,839
Share premium		46,079	33,303
Shares to be issued		-	1,311
Foreign currency reserve		(1,802)	74
Share based payments reserves		724	1,422
Employee share reserve		(9,633)	-
Retained loss		(2,782)	(5,126)
Total equity attributable to owners of the Company		37,047	34,823
Non-controlling interest		134	-
Total Equity		37,181	34,823

TLA Worldwide plc
Group Statement of Cash Flows
For the year ended 31 December 2015

	Note	Year ended 31 December 2015 \$000	Year ended 31 December 2014 \$000
Net cash from operating activities	7	2,042	2,980
Investing activities			
Purchases of property, plant and equipment		(76)	(36)
Deferred consideration paid		(2,591)	(1,825)
Purchase of other Intangible assets		(100)	(100)
Acquisition of subsidiaries (net of cash)		(6,418)	-
Net cash used in investing activities		(9,185)	(1,961)
Financing activities			
Interest paid		(727)	(394)
Repayment of borrowings		(1,875)	(1,000)
Fees paid on issue of new bank loans		(363)	-
Increase in borrowings		12,379	3,150
Dividend paid		(1,675)	(1,415)
Issue of shares for cash consideration (net of issue costs)		-	68
Net cash from financing activities		7,739	409
Net increase in cash and cash equivalents		596	1,428
Cash and cash equivalents at beginning of the year		5,857	4,429
Foreign currency translation effect		(141)	-
Cash and cash equivalents at end of the year		6,312	5,857

TLA Worldwide plc

Group Statement of Changes in Equity

For the year ended 31 December 2015

	Share Capital	Share Premium	Shares to be issued	Foreign Currency Reserve	Non- controlling interest	Share based payment reserves	Employee share reserve	Retained Earnings	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 January 2014	2,747	23,461	12,177	436	-	-	-	(3,729)	35,092
Total comprehensive income for the year	-	-	-	(362)	-	1,422	-	(1,397)	(337)
Equity issued during the year	1,092	9,842	(10,866)	-	-	-	-	-	68
Balance at 31 December 2014	3,839	33,303	1,311	74	-	1,422	-	(5,126)	34,823
Total comprehensive income for the year	-	-	-	(1,876)	422	-	-	(1,763)	(3,217)
Equity issued during the year	622	12,776	(1,311)	-	-	-	(9,633)	-	2,454
Credit to equity for share based payments	-	-	-	-	-	3,409	-	-	3,409
Reserve adjusted on exercise of LTIP	-	-	-	-	-	(4,107)	-	4,107	-
Non-controlling interest arising on acquisition	-	-	-	-	(288)	-	-	-	(288)
Balance at 31 December 2015	4,461	46,079	-	(1,802)	134	724	(9,633)	(2,782)	37,181

Notes to the preliminary announcement of results

Principal accounting policies

While the financial information included in this preliminary announcement has been prepared in accordance with the recognized and measurement criteria of International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs in May 2016.

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2015, or year ended 31 December 2014, but is derived from those accounts. Statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered following the Company's annual general meeting. The auditor has reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

Going concern

The Directors have reviewed the forecasts for the year ending 31 December 2016 and 31 December 2017. The Directors consider the forecasts to be prudent and have assessed the impact on the Group's cash flow, facilities and headroom within its banking covenants. Further, the Directors have assessed the future funding requirements of the Group and compared the level of borrowing facilities. Based on this assessment, the Directors are satisfied that Group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the signing of these accounts. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1. Segmental Analysis

The Group reports its business activities in two areas: Baseball Representation and Sports Marketing. Unallocated represents the Group's costs as a public company, certain exceptional items and acquisition related costs (see note 3). The Group derives its revenues in the United States of America.

Baseball Representation – primarily assists the on field activities of baseball players, including all aspects of a player's contract negotiation.

Sports Marketing – primarily assists with the on-field and off-field activities of athletes; it represents broadcasters and coaches in respect of their contract negotiations; manages, produces events, primarily in sports, PR and activation, media consultancy and the selling of merchandise, primarily in sport

All of the Group's revenue arises through the rendering of services.

In the year ended 31 December 2015, there were no clients who generated in excess of 10 percent of total revenue (31 December 2014: nil).

1. Segmental Analysis (Continued)

Year ended 31 December 2015

	Baseball Representation \$000	Sports Marketing \$000	Unallocated \$000	Total \$000
Revenue	15,103	29,337	-	44,440
Cost of sales	(1,348)	(8,091)	-	(9,439)
Gross profit	13,755	21,246	-	35,001
Operating expenses excluding depreciation, amortisation, share based payments, acquisition related costs and exceptional items	(6,925)	(11,404)	(3,240)	(21,569)
Headline EBITDA	6,830	9,842	(3,240)	13,432
Amortisation of intangibles arising on acquisition	(3,532)	(2,160)	-	(5,692)
Depreciation	(10)	(84)	(51)	(145)
Exceptional items and acquisition related costs	1,685	(656)	(804)	225
Share based payments	-	-	(3,409)	(3,409)
Operating profit/ (loss)	4,973	6,942	(7,504)	4,411
Finance costs				(1,594)
Profit before tax				2,817
Tax				(2,496)
Profit for the year				321
Assets	37,037	29,695	16,702	83,434
Liabilities	(2,391)	(2,122)	(41,740)	(46,253)
Capital Employed	34,646	27,573	(25,038)	37,181

1. Segmental Analysis (Continued)

Year ended 31 December 2014

	Baseball Representation \$000	Sports Marketing \$000	Unallocated \$000	Total \$000
Revenue	13,155	7,661	-	20,816
Cost of sales	(25)	-	-	(25)
Gross profit	13,130	7,661	-	20,791
Operating expenses excluding depreciation, amortisation, share based payments, acquisition related costs and exceptional items	(5,725)	(3,096)	(2,949)	(11,770)
Headline EBITDA	7,405	4,565	(2,949)	9,021
Amortisation of intangibles arising on acquisition	(3,477)	(1,207)	-	(4,684)
Depreciation	(10)	(3)	(47)	(60)
Exceptional items and acquisition related costs	(184)	(250)	(717)	(1,151)
Share based payments	-	-	(1,422)	(1,422)
Operating profit/ (loss)	3,734	3,105	(5,135)	1,704
Finance costs				(1,285)
Profit before tax				419
Tax				(402)
Profit for the year				17
Assets	39,563	15,200	9,490	64,253
Liabilities	(1,430)	(2,586)	(25,414)	(29,430)
Capital Employed	38,133	12,614	(15,924)	34,823

The accounting policies of the reportable segments are the same as the Group's accounting policies described the principal accounting policies. Segment profit represents the profit earned by each segment, central administration costs including directors' salaries, exceptional, acquisition and finance costs, and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

2. Earnings per share

	Year ended 31 December 2015 cents per share	Year ended 31 December 2014 cents per share
Basic (loss) / earnings per share	(0.07)	0.01
Diluted (loss) / earnings per share	(0.07)	0.01

In 2015, the loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options that are out of the money would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of the International Accounting Standard 33.

The calculation of (loss) / earnings per share per share is based on the following data:

	2015 \$000	2014 \$000
(Loss) / Profit for the purposes of basic earnings per share being net (loss) / gain attributable to owners of the Company	(88)	17

Number of Shares

Weighted average number of shares in issue:	133,909,187	122,406,174
Weighted average Deferred consideration shares to be issued	2,457,085	3,226,029
Weighted average number of shares for the purposes of basic earnings per share	136,366,272	125,632,203
Weighted average share options	1,791,388	5,998,683
Weighted average number of shares for the purposes of diluted earnings per share	138,157,660	131,630,886

Headline earnings per share (see below)

	Year ended 31 December 2015 cents per share	Year ended 31 December 2014 cents per share
Basic headline earnings per share	6.52	4.99
Diluted headline earnings per share	6.43	4.76

Headline earnings is defined as profit or loss for the year adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges, fair value movement on financial derivatives, unwinding of discount on deferred consideration and exceptional items.

The Headline profit attributable to owners of the Company used in calculating the basic and diluted adjusted earnings per share is reconciled below:

2. Earnings per share (continued)

	Year ended 31 December 2015 \$000	Year ended 31 December 2014 \$000
Profit attributable to shareholders	(88)	17
Adjusted for		
Exceptional and acquisition related costs (see note 3)	(225)	1,151
Share based payments	3,409	1,422
Amortisation of acquired intangible assets	5,692	4,684
Fair value (loss)/gain on interest rate swap	23	(36)
Unwinding of deferred consideration charges	680	878
Tax effect of adjusting items	(606)	(1,851)
Headline profit attributable to owners of the Company	8,885	6,265

3. Exceptional and acquisition related costs

The exceptional and acquisition related costs/ (gains) relate to:

	Year ended 31 December 2015 \$000	Year ended 31 December 2014 \$000
Exceptional items:		
Acquisition costs related to ESP acquisition	794	330
Integration costs relating to ESP acquisition	416	-
Arbitration costs	321	184
	1,531	514
Acquisition related costs/ (gains):		
Loyalty bonus arising on acquisition	250	250
Fair value movement on valuation of deferred consideration	(2,006)	387
	(1,756)	637
Total exceptional and acquisition related (gains) / costs	(225)	1,151

4. Taxation

	Year ended 31 December 2015 \$000	Year ended 31 December 2014 \$000
UK Taxes		
Current year	(465)	-
US Taxes		
Current year	(2,078)	(1,481)
Adjustments in respect of prior year	(113)	-
Australian Taxes		
Current year	(388)	
Total current tax	(3,044)	(1,481)
Deferred tax – current year	683	967
Deferred tax - adjustments in respect of prior year	(135)	112
	548	1,079
Total tax charge	(2,496)	(402)

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The charge for the year can be reconciled to the income statement as follows:

	Year ended 31 December 2015 \$000	Year ended 31 December 2014 \$000
Profit before tax on continuing operations	3,206	419
Tax charge at the US corporation tax rate of 34% (31 December 2014: 34%)	(1,090)	(142)
Effects of:		
Tax losses utilised in the year	584	206
Expenses not deductible for tax purposes	(1,535)	(572)
Adjustments to tax charge for prior periods	(248)	112
Tax impact of state tax in the USA	(181)	-
Unrecognised deferred tax asset	-	(72)
Effect of different tax rates of entities operating in other jurisdictions	(26)	66
Tax charge for the year	(2,496)	(402)

5. Acquisitions

Elite Sports Properties ("ESP")

On 19 March 2015 the Group acquired the trade, assets and certain liabilities of Elite Sports Properties Holdings Pty Ltd, an Australian athlete representation and sports marketing company, and 55% of the share capital of Elite Sports Properties Merchandise Pty Limited (together "ESP"), for a total maximum consideration of AUD25.5 million payable over five years. Under the terms of the deal, the Group is paying up to AUD25.5 million for ESP, comprising an initial consideration of AUD13.5 million, of which AUD10.1 million is in cash and the balance by way of the issue of 3,939,800 ordinary shares of 2p each in TLA ("Shares"). The Shares were priced at 43.36p each, being the average closing market price over the seven days prior to completion of the deal. The further consideration of up to AUD12 million, of which half is payable on certain performance conditions being achieved for the three years ending 31 December 2017 and the balance subject to certain performance conditions being achieved for the five years ending 31 December 2019. Future earn out payments will be satisfied 75% cash and 25% in shares. The Group has an option to acquire the 45% of the equity of Elite Sports Properties Merchandise Pty Limited that it does not own from the first anniversary of acquisition.

ESP contributed \$19.1 million to revenue; \$9.7 million to operating income; and \$1.5 million to profit before tax for the period between the date of acquisition and the year end. Acquisition related costs (included in administrative expenses and exceptional costs) amounted to \$0.79 million.

The carrying value and the fair value of the net assets of the acquisition were as follows:

	Book Value	Fair value adjustment	AUD 000's Accounting policy	Fair value at acquisition	USD 000's Fair value at acquisition *
Intangible fixed assets	-	2,458	-	2,458	1,916
Goodwill on balance sheet	250	(250)	-	-	-
Deferred tax asset	120	598	-	718	560
Property, plant and equipment	365	-	-	365	285
Inventory	308	(268)	-	40	31
Trade receivables and other current assets	6,959	(25)	-	6,934	5,407
Cash at bank	1,916	-	-	1,916	1,494
Trade payables and other current liabilities	(10,701)	(631)	(1,209)	(12,541)	(9,779)
Deferred tax liabilities	-	(695)	-	(695)	(542)
Net assets	(783)	1,187	(1,209)	(805)	(628)
Non-Controlling Interests					288
Goodwill					14,062
Net assets acquired					13,722
Satisfied by:					
Cash consideration					7,912
Equity in parent company					2,519
Deferred consideration payable					3,291
Fair value of consideration					13,722
Cash consideration					7,912
Less cash and cash equivalent balances acquired					(1,494)
Cash outflow on acquisition					6,418

*Converted at AUD/USD rate of 0.7797

5. Acquisitions (continued)

The accounting policy alignment related to aligning ESP revenue recognition to that of the Group.

Fair value adjustments primarily comprise of recognition of intangibles fixed assets and associated deferred tax, together with certain adjustments to working capital items.

The goodwill is attributable to the work force, expected synergies and other intangible assets which do not qualify for separate recognition. None of the goodwill is expected to be tax deductible.

The fair value of the 3,939,800 ordinary shares issued as part of the consideration was AUD3.66 million was determined by the amount of shares issued multiplied by the share price on the day of the transaction exchanged to AUD on the same day.

The contingent consideration payable is based on the average EBIT for 3 years and the 5 years ending 31 December 2017 and 31 December 2019. The future potential range of the discounted payment that the Group will have to make under the contingent consideration arrangement is between AUD nil and AUD 12 million. The fair value of the of the contingent consideration arrangement of AUD 4.4 million is based current forecast performance of ESP over the period to 31 December 2019.

6. Borrowings

	2015	2014
	\$000	\$000
Secured borrowing at amortised cost		
Bank loans	18,401	6,000
Revolving credit facilities	4,653	6,550
Debt costs amortised over the life of the facility	(303)	(104)
	22,751	12,446
Total borrowings		
Amount due for settlement within 12 months	2,500	7,546
Amount due for settlement after 12 months	20,251	4,900
	22,751	12,446

A new loan facility of \$35 million was secured in the year as part of the ESP acquisition. All borrowings are denominated in US dollars. The other principal features of the Company's borrowings are as follows:

- interest is charged at 2.25% above US LIBOR;
- the facilities are secured against trade receivables and contracted revenue;
- the loan repayments are made quarterly over the life of the loan plus a final bullet repayment; and
- the facilities are renewable in March 2020.

7. Deferred Consideration

Under the terms of the acquisition agreements in relation to Agency, Legacy, PEG and ESP the Company has obligations to the vendors of those businesses as set out below:

	2015	2014
	\$000	\$000
Payable in less than one year	1,600	2,591
Payable in one to two years	2,282	2,445
Payable in two to five years	8,484	7,515
Impact of discounting on provisions payable in cash	(1,661)	(997)
Total deferred consideration payable	10,705	11,544

During the year the Company issued \$1,311,300 (2014: Nil) consideration shares to the vendors of PEG.

The cash deferred consideration requires the conversion into cash of the EBIT underlying the earn-out payment prior to its payment date. To the extent this has not been achieved the earn-out is reduced by the cash shortfall.

The Group has estimated the fair value of this liability based on the anticipated future EBIT of each underlying business. This value has then been discounted back to present value using the Group's weighted average cost of capital of 5.22%.

The Group has the option to settle 30% of the \$5,129,000 payable to PEG in shares in TLA (NY) Inc. In accordance with the terms of the exchange Agreement, these shares can be exchanged for Ordinary Shares in the capital of TLA Worldwide plc at any time at the option of the vendors. These payments are made annually for the next two years.

	Deferred consideration
	\$000
At 1 January 2014	12,365
Transfer to accruals	(250)
Settlement of deferred consideration	(1,825)
Movement in fair value	386
Unwinding of discount	878
At 31 December 2014	11,554
Settlement of deferred consideration	(2,591)
Additional deferred consideration	3,291
Movement in fair value	(2,006)
Unwinding of discount	680
Foreign exchange movement	(223)
At 31 December 2015	10,705

8. Notes of cash flow statement

	Year ended 31 December 2015 \$000	Year ended 31 December 2014 \$000
Operating profit for the year	4,411	1,704
Adjustments for:		
Amortisation of intangible assets	5,692	4,684
Depreciation of tangible assets	145	60
Share based payment charges	3,409	1,422
Fair value movement on valuation of deferred consideration	(2,006)	387
Operating cash flows before movements in working capital	11,651	8,257
Increase in inventory	(86)	-
Increase in receivables	(3,466)	(5,064)
Increase in payables	(2,471)	1,531
Cash generated by operations	5,628	4,724
Income taxes paid	(2,335)	(995)
Other non-cash movements	(1,251)	(749)
Net cash from operating activities	2,042	2,980
Cash and cash equivalents		
Cash and bank balances	6,312	5,857

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

The Group's net debt has moved as follows during the year:

	1 January 2015 \$000	Cash flow \$000	Non-cash Movements \$000	31 December 2015 \$000
Cash and bank balances	5,857	596	(141)	6,312
Borrowings	(12,446)	(10,141)	(164)	(22,751)
Net debt	(6,589)	(9,545)	(305)	(16,439)

9. Annual report and accounts

Copies of the annual report and accounts for the period ended 31 December 2015 together with the notice of Annual General Meeting will be issued shortly and will be available to view and download from the Company's website: www.tlaworldwide.com