

PORTA COMMUNICATIONS PLC

(The "Group" or "Porta")

Interim results for the six months ended 30 June 2015

Porta Communications Plc, the international marketing and communications business, is pleased to announce its interim results for the six months ended 30 June 2015.

Financial Highlights

<i>Rounded to the nearest thousand</i>	June 2015 £	June 2014 (restated*) £	Full year 2014 £
Revenue	17,352,000	9,930,000	23,274,000
Gross Profit	13,906,000	8,224,000	19,405,000
EBITDA ¹	828,000	500,000 ¹	196,000 ¹
Headline EBITDA ²	1,334,000	1,335,000	2,189,000
Headline EBITDA margin ³	9.6%	16.2%	11.3%

¹ EBITDA excludes non-trading gain on acquisition of £475,394.

² Headline EBITDA excludes start-up losses, acquisitions and restructuring costs, exceptional legal and professional costs, share based payments, gain on acquisition and non-recurring, double property costs.

³ Headline EBITDA margin is headline EBITDA as a percentage of Gross Profit.

* Results exclude operations that were discontinued in 2014. See note 9 in the Group consolidated financial statements for the year ended 31 December 2014.

Highlights

- Revenue up 75% to £17,352,000
- Gross profit up 69% to £13,906,000
- Organic growth 17% higher than the comparable period
- EBITDA after all costs up by 66% over the comparable period to £828,000
- Positive operating cash flow of £0.7 million generated compared with negative operating cash flow of £2.3 million and £3.4 million consumed in the six-month period to 30 June 2014 and the whole 2014 respectively
- Gross profit per employee of £54,000 on a half-year basis - 10% higher than comparable period (£49,000)

Commenting on the results, David Wright, Chief Executive of Porta, said:

"This has been another period of healthy trading performance, with positive contributions throughout our integrated agency network. Our global offering is experiencing strong growth and the acquisitions that we made last year are also performing well.

We have rationalised our business by closing non-performing offices and departments. This has contributed to annualised cost savings in excess of £1 million. The full benefits of this rationalisation process are likely to be recognised in 2016.

"We are recruiting high quality, experienced executives in key areas, and management is confident that this will lead to further new business wins in the second half, leading to another strong performance in reported EBITDA."

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Notes to Editors:

Porta has two divisions:

- Communications - financial, corporate and consumer public relations, public affairs and research
- Marketing & Advertising - multi-capability marketing, brand and creative communications

The Group currently has offices in Aberdeen, Abu Dhabi, Beijing, Brisbane, Bristol, Brussels, Canberra, Cardiff, Edinburgh, Frankfurt, Hong Kong, London, Manchester, Melbourne, Singapore and Sydney.

The brands and companies it owns are: Newgate Communications, PPS Group, Redleaf Communications, 13 Communications, Publicasity, 2112 Communications and Summit Marketing Services.

Porta Communications has today relaunched its corporate website - www.portacomms.com.

Chief Executive Report

Porta Communications Plc ("Porta") continues to trade strongly, and outperform its peer group in terms of organic growth. In the first six months of 2015 gross profit (fees) was 67% higher than the corresponding period. After stripping out first time contributions from acquisitions, organic growth increased by 17%. EBITDA after exceptional items was also 66% higher than the comparable period, and more than four times higher than the whole of 2014. As anticipated, exceptional items are also much lower in the absence of any start-up costs, and we expect this trend to continue in the future. The Group also reported positive net cash flow from operations for the first time of £0.72 million. This was an improvement of £3 million from the comparable period and an improvement of £4 million from the whole 2014.

PR Division

Newgate Australia is consistently winning new mandates in all areas of its business, Newgate Asia won a number of new, large projects in the region, and Redleaf Communications secured a number of new clients and is trading at record levels.

Management completed a review of the businesses and took the decision to close smaller non-performing offices in Brussels and Germany, and certain, less successful departments. This decision has already resulted in an annualised cost saving in excess of £1 million.

Porta has also successfully integrated its non-consumer PR businesses under the Newgate brand, with the exception of Redleaf Communications. The result of this is that we can now offer to clients a fully integrated global communications consultancy, operating under a common set of values. We are already seeing the benefits of this, and our specialist teams are now regularly winning new business together by offering a wider consolidated service. This led to a 155% increase in profits arising from shared clients.

We have recruited, and continue to recruit high quality people, and now have a much stronger team in place who, the Board expect, will take the business to a new level.

Advertising Division

The Advertising Division has increased the levels of business it undertakes with its larger clients, and the Board expects the division will make a more meaningful contribution to the Group going forward.

Outlook

Porta is well placed to progress the next phase of its development and cement its place as one of the major players in its sector. We are strengthening the management team, and improving the quality and experience levels of new executives. This is key to winning larger and more profitable client mandates. Following the management review and the closure of certain businesses we have reduced our costs, and are focused now on building our established brands and expanding both our geographical reach and range of services.

Our integrated product mix should ensure a better than average sector performance in the short term, and the recent new business wins across the group, coupled with the successful reorganisation programme is expected to result in another strong EBITDA performance in the second half of the year.

Executive Summary

	Six months ended 30 June 2015 £	Six months ended 30 June 2014 Restated ¹ , £	Year ended 31 December 2014 £
Operating (loss)/profit	(548,975)	20,664 ²	(1,252,534) ²
Add back depreciation and amortisation	1,377,027	479,624	1,448,504 ¹
EBITDA from continuing operations	828,052	500,288	195,970
Start-up losses	-	237,426	613,326
Acquisition costs	29,948	107,200	271,947
Non-recurring property costs	66,909	323,536	323,536
Restructuring costs	116,956	20,500	189,500
Legal and professional consultancy costs	98,994	47,100	276,418
Share based payments	192,748	98,620	185,580
Bad debt expense	-	-	133,167
Headline EBITDA	1,333,607	1,334,670	2,189,444
EPS reported on operating profit for continuing operations	(0.2p)	0.0p	(0.6p)
EPS based on headline EBITDA	0.5p	0.7p	1.0p

¹ June 2014 and December 2014 results exclude the operations of Twenty20 Media Group which was discontinued in 2014. See note 9 in the December 2014 financial statements.

² Operating (loss)/profit for comparative periods exclude £475,394 non-operating gain on acquisition and has been removed from headline EBITDA adjustments.

Interim results by division were as follows:

Six months ended 30 June 2015	Communications £	Marketing & Advertising £	TOTAL Operations £	Head office £	TOTAL £
External revenue	14,319,240	3,032,508	17,351,748	-	17,351,748
Gross profit (fee income)	12,129,177	1,776,373	13,905,550	-	13,905,550
Operating results	769,219	(102,631)	666,588	(1,215,563)	(548,975)
Depreciation & Amortisation	1,180,107	105,518	1,285,625	91,402	1,377,027
Reported EBITDA	1,949,326	2,887	1,952,213	(1,124,161)	828,052
Headline adjustments	288,307	13,773	302,080	203,475	505,555
Headline EBITDA	2,237,633	16,660	2,254,293	(920,686)	1,333,607
Headline EBITDA margin					9.6%

Six months ended 30 June 2014 Restated ¹	Communications £	Marketing & Advertising ¹ £	TOTAL Operations £	Head office £	TOTAL £
External revenue	7,684,539	2,242,575	9,927,114	3,225	9,930,339
Gross profit (fee income)	7,037,929	1,183,243	8,221,172	2,823	8,223,995
Operating results ²	1,753,328	195,693 ²	1,949,021	(1,928,357)	20,664
Depreciation & Amortisation	313,234	72,055	385,289	94,335	479,624
Reported EBITDA ²	2,066,562	267,748	2,334,310	(1,834,022)	500,288
Headline adjustments	9,085	18,000	27,085	807,297	834,382
Headline EBITDA	2,075,647	285,748	2,361,395	(1,026,725)	1,334,670
Headline EBITDA margin					16.2%

David Wright

Chief Executive Officer

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015 (Unaudited)

		Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
		£	Restated, £	£
Continuing operations				
Revenue	5	17,351,748	9,930,339	23,273,668
Cost of sales		(3,446,198)	(1,706,344)	(3,868,339)
Gross profit		13,905,550	8,223,995	19,405,329
Operating and administrative expenses		(14,454,525)	(7,727,937)	(20,182,469)
Operating (loss)/profit	4	(548,975)	496,058	(777,140)
Finance expense		(593,629)	(326,454)	(689,288)
Finance income		11,737	-	1,261
Share of profit/(loss) in associate		-	-	(7,287)
Profit/(loss) before taxation on continuing operations		(1,130,867)	169,604	(1,472,454)
Tax credit/(charge)	7	(284,657)	(239,134)	302,530
Loss for the period on continuing operations		(1,415,524)	(69,530)	(1,169,924)
Discontinued operations				
Loss for the period from discontinued operations		-	(53,940)	(2,480,674)
Loss for the period		(1,415,524)	(123,470)	(3,650,598)
(Loss) / profit for the period attributable to:				
Owners of the Company		(1,802,801)	(319,614)	(3,737,939)
Non-controlling interests		387,277	196,144	87,341
		(1,415,524)	(123,470)	(3,650,598)
Other comprehensive income				
Exchange differences arising on items that may be subsequently reclassified to profit and loss		(121,953)	28,078	(45,581)
Exchange differences arising on sale of subsidiary		-	-	-
Total other comprehensive income, net of tax		(121,953)	28,078	(45,581)
Total comprehensive income for the period		(1,537,477)	(95,392)	(3,696,179)
Total comprehensive income for the period attributable to:				
Owners of the Company		(1,897,563)	(305,294)	(3,767,767)
Non-controlling interests		360,086	209,902	71,588
		(1,537,477)	(95,392)	(3,696,179)
Earnings/(loss)per share basic and diluted	13			
On continuing operations		(0.5p)	(0.0p)	(0.6p)
On discontinued operations		-	(0.0p)	(1.1p)
On continuing and discontinued operations		(0.5p)	(0.0p)	(1.7p)
On operating (loss)/profit from continuing operations		(0.2p)	0.2p	(0.4p)
On headline EBITDA		0.5p	0.7p	1.0p

The accompanying notes are an integral part of this condensed consolidated interim financial report.

Condensed Consolidated Statement of Financial Position

As at 30 June 2015 (Unaudited)

	Notes	30 June 2015 £	30 June 2014 £	31 December 2014 £
Non-current assets				
Intangible assets	12	17,911,355	14,517,905	18,582,868
Fixed assets	8	1,250,398	1,308,776	1,440,714
Investment in associates		119,435	126,721	119,435
Other investments		9,500	1,000	1,000
Non-current financial assets		923,775	923,775	923,775
Deferred tax asset		1,425,154	1,100,964	1,449,871
Total non-current assets		21,639,617	17,979,141	22,517,663
Current assets				
Current assets in relation to discontinued operations		-	-	3,433,528
Work in progress		724,998	1,502,489	1,115,206
Trade and other receivables		8,540,783	7,994,763	7,760,659
Current tax assets		120,192	-	-
Cash and cash equivalents		1,923,873	1,877,039	1,791,426
Total current assets		11,309,846	11,374,291	14,100,819
Current liabilities				
Current liabilities in relation to discontinued operations		-	-	(3,433,528)
Bank overdrafts		-	(37,327)	-
Trade and other payables		(7,719,375)	(8,080,799)	(6,527,716)
Current tax liabilities		(754,446)	-	(665,338)
Loans and borrowings	11	(7,426,165)	(468,226)	(4,574,993)
Total current liabilities		(15,899,986)	(8,586,352)	(15,201,575)
Net current (liabilities)/assets		(4,590,140)	2,787,939	(1,100,756)
Non-current liabilities				
Trade and other payables		-	(82,968)	-
Fair value of contingent consideration		(956,417)	(1,285,326)	(981,379)
Deferred tax liabilities		(2,093,338)	(1,141,401)	(2,318,616)
Loans and borrowings	11	(260,188)	(3,335,866)	(2,823,163)
Total non-current liabilities		(3,309,943)	(5,845,561)	(6,123,158)
Net assets		13,739,534	14,921,519	15,293,749
Equity				
Share capital	9	28,380,791	23,518,520	27,405,391
Share premium		4,788,547	4,781,880	4,788,547
Retained losses		(20,490,215)	(14,303,068)	(18,018,687)
Translation reserve		(172,958)	(34,047)	(78,195)
Other reserves		(785,326)	(1,298,387)	(978,075)
Total equity shareholders' funds		11,720,839	12,664,898	13,118,981
Equity non-controlling interests		2,018,695	2,256,621	2,174,768
Total equity		13,739,534	14,921,519	15,293,749

The accompanying notes are an integral part of this condensed consolidated interim financial report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015 (Unaudited)

The accompanying notes are an integral part of this condensed consolidated interim financial report.

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	£	£	£
Cash flow from operating activities			
(Loss)/profit before taxation on continuing activities	(1,130,867)	169,604	(1,472,454)
Adjusted for:			
Loss from discontinued operations before tax	-	(98,700)	(2,529,706)
Depreciation and amortisation	1,377,027	564,947	1,619,846
Equity settled share based payments	192,749	98,620	185,580
Gain on acquisition	-	(475,394)	(475,394)
Finance income	(11,737)	-	(1,261)
Finance costs	593,629	355,311	712,897
	-	-	7,287
Loss on disposal of property, plant and equipment	-	-	10,252
Tax paid	(441,475)	(43,735)	(219,353)
Decrease/(increase) in work in progress	357,246	(224,292)	(699,368)
Increase in trade and other receivables	(828,856)	(2,063,353)	(1,139,675)
Increase/(decrease) in trade and other payables	589,509	(315,967)	(767,154)
Changes in working capital relating to discontinued operations	-	(248,812)	(235,414)
Impairment of assets in discontinued operations	-	-	1,629,862
Unrealised foreign exchange loss/(gain)	23,525	12,420	(23,430)
Net cash inflow/(outflow) from operating activities	720,750	(2,269,351)	(3,397,485)
Cash flows from investing activities			
Acquisition of intangible assets	(24,346)	(16,405)	(16,672)
Acquisition of property, plant and equipment	(71,696)	(475,158)	(627,165)
Dividends paid to non-controlling interests	(262,698)	(100,000)	(340,833)
Acquisition of subsidiary, net of cash acquired	49,102	(1,792,474)	(3,117,205)
Interest received	11,737	-	1,261
Interest paid	(9,856)	(2,662)	(49,912)
Net investing cash flow from discontinued operations	-	(40,549)	(60,381)
Net cash outflow from investing activities	(307,757)	(2,427,248)	(4,210,907)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares (net of issue costs)	-	6,595,350	6,595,350
Proceeds from loans and borrowings	-	-	3,000,000
Repayment of loans and borrowings	(179,278)	(2,519,716)	(2,577,292)
Repayment of leases	(77,101)	-	(96,944)
Net financing cash flow from discontinued operations	-	(50,000)	(62,500)
Net cash (absorbed)/generated from financing activities	(256,379)	4,025,634	6,858,614
Net increase/(decrease) in cash and cash equivalents	156,614	(670,965)	(749,778)
Cash and cash equivalents at 1 January	1,791,426	2,544,802	2,544,802
Effect of exchange rate changes	(24,167)	3,202	(3,598)
Cash and cash equivalents at period end	1,923,873	1,877,039	1,791,426

Condensed Consolidated Statement of Changes in Equity

Statement of changes in equity for the six months ended 30 June 2015:

	Share capital	Share premium	Retained losses	Translation reserve	Other Reserves	Written Put/Call Options over NCI	Total equity shareholders' funds	Non-controlling interests (NCI)	Total equity
	£	£	£	£	£	£	£	£	£
Balance at 1 January 2015	27,405,391	4,788,547	(18,018,687)	(78,195)	813,671	(1,791,746)	13,118,981	2,174,768	15,293,749
Total comprehensive income									
Loss for the period	-	-	(1,802,801)	-	-	-	(1,802,801)	387,277	(1,415,524)
Other comprehensive income	-	-	-	(94,763)	-	-	(94,763)	(27,190)	(121,953)
Total comprehensive income	-	-	(1,802,801)	(94,763)	-	-	(1,897,564)	360,087	(1,537,477)
Transactions with owners of the Company, recognised directly in equity									
Contributions by owners:									
Issue of ordinary shares in relation to business combinations	975,400	-	-	-	-	-	975,400	-	975,400
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(262,698)	(262,698)
Share based payments	-	-	-	-	192,749	-	192,749	-	192,749
Changes in ownership interests of subsidiaries:									
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	-	53,211	53,211
Acquisition of non-controlling interest without a change in control	-	-	(668,727)	-	-	-	(668,726)	(306,673)	(975,400)
Total transactions recognised directly in equity	975,400	-	(668,727)	-	192,749	-	499,422	(516,160)	(16,738)
Balance at 30 June 2015	28,380,791	4,788,547	(20,490,215)	(172,958)	1,006,420	(1,791,746)	11,720,839	2,018,695	13,739,534

The accompanying notes are an integral part of this condensed consolidated interim financial report.

Statement of changes in equity for the year ended 31 December 2014:

	Share capital	Share premium	Retained losses	Translation reserve	Other Reserves	Written Put/ Call Options over NCI	Total equity shareholder s' funds	Non-controlling interests	Total equity
	£	£	£	£	£	£	£	£	£
Balance at 1 January 2014	16,860,101	3,117,545	(13,883,454)	(48,367)	(851,950)	-	5,193,875	1,129,894	6,323,769
Total comprehensive income									
Loss for the period	-	-	(319,614)	-	-	-	(319,614)	196,144	(123,470)
Other comprehensive income	-	-	-	14,320	-	-	14,320	13,758	28,078
Total comprehensive income	-	-	(319,614)	14,320	-	-	(305,294)	209,902	(95,392)
Contributions by owners:									
Issue of ordinary shares	5,384,615	1,615,385	-	-	-	-	7,000,000	-	7,000,000
Issue of ordinary shares in relation to business combinations	1,273,804	453,600	-	-	-	-	1,727,404	-	1,727,404
Issue costs	-	(404,650)	-	-	-	-	(404,650)	-	(404,650)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(100,000)	(100,000)
Share based payments	-	-	-	-	98,620	-	98,620	-	98,620
Written put/call options over non-controlling interest	-	-	-	-	-	(1,791,746)	(1,791,746)	-	(1,791,746)
Equity component of the deferred consideration	-	-	-	-	1,246,689	-	1,246,689	-	1,246,689
Changes in ownership interest of subsidiaries:									
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	-	1,772,825	1,772,825
Acquisition of non-controlling interest without a	-	-	(100,000)	-	-	-	(100,000)	(756,000)	(856,000)
Total transactions recognised directly in equity	6,658,419	1,664,335	(100,000)	-	1,345,309	(1,791,746)	7,776,317	916,825	8,693,142
Balance at 30 June 2014	23,518,520	4,781,880	(14,303,068)	(34,047)	493,359	(1,791,746)	12,664,898	2,256,621	14,921,519
Total comprehensive income									
Loss for the period	-	-	(3,418,325)	-	-	-	(3,418,325)	(108,803)	(3,527,128)
Other comprehensive income	-	-	-	(44,148)	-	-	(44,148)	(29,511)	(73,659)
Total comprehensive income	-	-	(3,418,325)	(44,148)	-	-	(3,462,473)	(138,314)	(3,600,787)
Contributions by owners:									
Issue of ordinary shares in relation to business combinations	3,886,871	6,667	-	-	-	-	3,893,538	-	3,893,538
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	(240,833)	(240,833)
Share based payments	-	-	-	-	86,960	-	86,960	-	86,960
Equity component of convertible loan issued	-	-	-	-	233,352	-	233,352	-	233,352
Changes in ownership interest of subsidiaries:									
Disposal of subsidiary with non-controlling interest	-	-	(297,294)	-	-	-	(297,294)	297,294	-
Total transactions directly recognised in equity	3,886,871	6,667	(297,294)	-	320,312	-	3,916,556	56,461	3,973,017
Balance at 31 December 2014	27,405,391	4,788,547	(18,018,687)	(78,195)	813,671	(1,791,746)	13,118,981	2,174,768	15,293,749

The accompanying notes are an integral part of this condensed consolidated interim financial report.

Notes to the Condensed Consolidated Interim Financial Report

For the six months to 30 June 2015 (Unaudited)

1. Corporate information

The interim condensed consolidated financial statements of Porta Communications PLC and its subsidiaries (collectively, the Group) for the six-month period ended 30 June 2015 were authorised for issue in accordance with a resolution of the Directors on 22 September 2015.

Porta Communications PLC ('the Company') is a public company domiciled in the United Kingdom whose shares are publicly traded on the Alternative Investment Market of the London Stock Exchange. The Group is primarily involved in providing communication, advertising and marketing services.

2. Basis of preparation

(a) Statement of compliance

The condensed consolidated interim financial report for the six month period ended on 30 June 2015 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to understand the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2014. This condensed consolidated interim financial report does not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial information presented herein does not constitute full statutory accounts under section 434 of the Companies Act 2006. This condensed consolidated financial report is unaudited. The financial information in respect of the previous year ended 31 December 2014 has been extracted from the consolidated statutory accounts of the Company for that period and have been delivered to the Registrar of Companies. The Group's Independent Auditor's report on those accounts was unqualified, did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

(b) Judgements and estimates

Preparing the condensed consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

(c) Headline measures

The Group believes that reporting non-GAAP or headline adjusted measures provide a useful comparison of business performance and reflects the way the business is managed. Accordingly headline measures of operating profit (EBITDA) and earnings per share exclude, where applicable, restructuring costs, start-up losses, amortisation of intangible assets, impairment charges, acquisition accounting adjustments, share option charges, and other exceptional items. Non-headline gains or losses are items that, in the opinion of the Directors, are required to be disclosed separately, by virtue of their size or incidence, to enable a full understanding of the Group's underlying financial performance.

A reconciliation between statutory and headline operating profit is presented in Note 4. In addition to this, earnings per share is presented in Note 13. Headline measures in this report are not defined terms under IFRS and may not be compared with similarly titled measures reported by other companies.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements. The adoption of new standards and interpretations effective as of 1 January 2015 had an impact on the comparative figures.

4. Reconciliation of operating profit to EBITDA and to headline adjusted EBITDA

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 December 2014
	£	Restated ¹ , £	£
Continuing operations:			
Reported operating profit / (loss)	(548,975)	496,058	(777,140)
Less non-operating gain on acquisition	-	(475,394)	(475,394)
Operating profit / (loss) ²	(548,975)	20,664	(1,252,534)
Add back depreciation and amortisation	1,377,027	479,624	1,448,504 ¹
EBITDA from continuing operations	828,052	500,288	195,970
<i>Add back:</i>			
Start-up losses*	-	237,426	613,326
Acquisition costs	29,948	107,200	271,947
Restructuring costs	116,956	20,500	189,500
Non-recurring property costs	66,909	323,536	323,536
Legal and professional consultancy costs	98,994	47,100	276,418
Share-based payments	192,748	98,620	185,580
Bad debt expense	-	-	133,167
Adjusted headline EBITDA	1,333,607	1,334,670	2,189,444
EPS reported on operating profit/(loss) from continuing ² operations	(0.2p)	0.0p	(0.6p)
EPS based on adjusted headline EBITDA	0.5p	0.7p	1.0p

*For the purpose of the above analysis, start-up losses are defined as operating results in the period of entities which are businesses that commenced trading as part of the Group. Such businesses so defined will cease being separately defined as a start-up at the earlier of two years from the commencement of the activity or when the businesses show evidence of becoming consistently profitable.

¹ June 2014 and December 2014 results exclude the operations of TTMG which was discontinued in 2014. See note 9 in the 2014 consolidated financial statements.

² Operating results in comparative periods exclude £475,394 non-operating gain on the acquisition.

5. Segmental reporting

Business segments

The following tables present revenue and reportable results for the Group's operational segments:

Six months ended 30 June 2015	Communications	Marketing and Advertising	Head office	Other / Consol.	Total
	£	£	£	£	£
External revenue	14,319,240	3,032,508	-	-	17,351,748
Inter-segment revenue	13,204	63,555	892,979	(969,738)	-
Reportable segment revenue	14,332,444	3,096,063	892,979	(969,738)	17,351,748
Reportable segment gross profit	12,129,177	1,776,373	-	-	13,905,550
Reportable segment results	769,219	(102,631)	(1,215,563)	-	(548,975)
Reported segment EBITDA	1,949,326	2,887	(1,124,161)	-	828,052
Headline segment EBITDA	2,237,633	16,660	(920,686)	-	1,333,607
Six months ended 30 June 2014 (restated)					
	£	£	£	£	£
Revenue	7,684,539	2,242,575	3,225	-	9,930,339
Inter-segmental revenue	53,237	67,852	434,672	(555,761)	-
Reportable segment revenue	7,737,776	2,310,427	437,897	(555,761)	9,930,339
Reportable segment gross profit	7,037,929	1,183,243	2,823	-	8,223,995

Reportable segment results	1,753,328	195,693	(1,928,357)	-	20,664
Reported segment EBITDA	2,066,562	267,748	(1,834,022)	-	500,288
Headline segment EBITDA	2,075,647	285,748	(1,026,725)	-	1,334,670

Year ended 31 December 2014	Communications	Marketing and Advertising ¹	Head office	Other / Consol.	Total
	£	£	£	£	£
Revenue	18,625,818	4,647,850	-	-	23,273,668
Inter-segmental revenue	152,832	114,705	1,116,886	(1,384,423)	-
Reportable segment revenue	18,778,650	4,762,555	1,116,886	(1,384,423)	23,273,668
Reportable segment gross profit	16,714,182	2,539,795	151,352	-	19,405,329
Reportable segment results	885,053	(214,019)	(1,923,568)	-	(1,252,534)
Reported segment EBITDA	1,954,687	(38,629)	(1,720,089)	-	195,969
Headline segment EBITDA	2,629,812	258,909	(699,278)	-	2,189,443

¹ Operating results and EBITDA adjustments in comparative periods exclude £475,394 non-operating gain on the acquisition.

The following table below presents assets and liabilities information for the Group's operating segments as at 30 June 2015, 30 June 2014 (restated) and 31 December 2014 respectively:

Six months ended 30 June 2015	Communications	Marketing and Advertising	Head office	Other / Consol.	Total
	£	£	£	£	£
Reportable segment assets	26,263,580	1,807,634	11,689,271	(6,811,022)	32,949,463
Reportable segment liabilities	(9,399,832)	(5,478,004)	(11,143,115)	6,811,022	(19,209,929)

Six months ended 30 June 2014 (restated)	Communications	Marketing and Advertising	Head office	Other / Consol.	Total
	£	£	£	£	£
Reportable segment assets	12,185,363	5,137,482	19,557,993	(7,527,406)	29,353,432
Reportable segment liabilities	(6,222,378)	(11,205,905)	(4,531,036)	7,527,406	(14,431,913)

Year ended 31 December 2014	Communications	Marketing and Advertising	Head office	Other / Consol.	Total
	£	£	£	£	£
Reportable segment assets	25,303,801	3,659,710	12,454,647	(8,233,204)	33,184,954
Reportable segment liabilities	(9,065,447)	(7,184,801)	(9,874,161)	8,233,204	(17,891,205)

Geographical segments

The analysis of results and assets by geographic region, based on the location of the operating company, is as follows:

Six months ended 30 June 2015	UK	EMEA	Asia- Pacific	Total
	£	£	£	£
Revenue	12,634,601	195,296	4,521,851	17,351,748
Gross profit	9,476,100	155,790	4,273,660	13,905,550
(Loss)/profit on continuing operations before tax	(2,054,055)	(12,763)	935,951	(1,130,867)
Loss on discontinued operations before tax	-	-	-	-

Six months ended 30 June 2014 (restated)	UK	EMEA	Asia- Pacific	Total
	£	£	£	£
Revenue	6,123,567	151,402	3,655,370	9,930,339
Gross profit	4,759,229	150,437	3,314,329	8,223,995

(Loss)/profit on continuing operations before tax	(483,122)	(75,835)	728,561	169,604
Loss on discontinued operations before tax	(98,701)	-	-	(98,701)

Year ended 31 December 2014	UK	EMEA	Asia- Pacific	Total
	£	£	£	£
Revenue	15,160,367	509,122	7,604,179	23,273,668
Gross profit	11,867,995	467,872	7,069,462	19,405,329
(Loss)/profit on continuing operations before tax	(2,547,818)	(176,536)	1,251,900	(1,472,454)
Loss on discontinued operations before tax	(2,529,706)	-	-	(2,529,706)

6. Acquisition of subsidiaries and associates

Acquisition of Newgate Communications (HK) Limited

Newgate Communications (HK) Limited ('Newgate Hong Kong') is a PR consultancy firm specialising in brand building and capital markets services which has been operating under the 'Newgate' brand from the commencement of its trading activity in late in 2012.

On 1 November 2012, the Group provided Newgate Hong Kong with a revolving loan facility up to £495,753 for general working capital purposes. On 1 January 2015, the Directors of both Porta and Newgate Hong Kong agreed to convert the full outstanding balance of the loan facility, including 1.5% annual interest accrued to the date, into 51% of the issued share capital of Newgate Hong Kong.

The fair value of net assets acquired has been agreed to be equal to their book value. The following table summarises the recognised amounts of assets and liabilities assumed at the acquisition date.

	At 1 January 2015
	£
Fixed assets	12,976
Work in progress	2,884
Trade and other receivable	77,178
Cash and cash equivalents	49,102
Trade and other payable	(33,546)
Net assets acquired	108,594
Less: attributable to non-controlling interests	(53,211)
Net value attributable to parent	55,383

Goodwill

Goodwill arising from the transaction has been recognised as follows:

	£
The value of converted loan as total consideration	506,642
Less fair value of net identifiable assets	(55,383)
Goodwill	451,259

The goodwill is attributable mainly to the skills and knowledge of the staff acquired and the synergies expected to be achieved by extending the Newgate brand globally.

Acquisition of additional interest in Newgate Communications LLP and 2112 Direct LLP

On 28 May 2015, the Group completed the reorganisation of the Newgate Communications LLP ('Newgate'), and 2112 Direct LLP ('2112') and, as a part of this reorganisation, acquired the outstanding 49% interest in Newgate and the outstanding 30% in 2112, thereby increasing its ownership interest in both businesses to 100%, for a total consideration of 9,754,000 Ordinary shares of 10p each.

The net carrying value of the non-controlling interest acquired was immaterial for the group reporting purposes.

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed Statement of Comprehensive Income are:

	Six months ended 30 June 2015	Six months ended 30 June 2014
<i>Income taxes</i>	£	Restated, £
Current income tax charge/(credit)	480,110	246,792
Deferred income tax charge/(credit)	(195,453)	(7,658)
Income tax charge/(credit) recognised in statement of profit or loss	284,657	239,134

8. Property, plant and equipment

Acquisitions and disposals

During the six months ended 30 June 2015, the Group acquired assets with a cost of £56,387 (six months to 30 June 2014: £882,296).

No assets were disposed of during the six months ended 30 June 2015 (30 June 2014: £nil).

9. Capital and Reserves

Issues of ordinary shares

On 28 May 2015, the Group announced the acquisition of the non-controlling interest in two businesses, Newgate and 2112, through the issue of 9,754,000 ordinary shares of 10p each at par value. Further details are given in note 6.

The movement in Ordinary shares for the year reconciles as follows:

	Number	£ nominal value
At 1 January 2015	267,573,895	26,757,390
New issues during the year	9,754,000	975,400
At 30 June 2015	277,327,895	27,732,790

Deferred Shares

There has been no change in the number of, or rights relating to, the Deferred shares during the six months to 30 June 2015.

Allotted, called up and fully paid

30 June 2015	Number	£ nominal value
Ordinary shares of 10p each	277,327,895	27,732,790
Deferred shares of 0.9p each	72,000,000	648,000
		28,380,790

31 December 2014	Number	£
Ordinary shares of 10p each	267,573,895	26,757,390
Deferred shares of 0.9p each	72,000,000	648,000
		27,405,390

30 June 2014	Number	£
Ordinary shares of 10p each	228,705,193	22,870,520
Deferred shares of 0.9p each	72,000,000	648,000
		23,518,520

10. Share-based payments

On 13 May 2015 the Company granted options over a total of 8,070,000 ordinary shares of 10p each in Porta to employees across several business operations, of which 150,000 were cancelled immediately after the grant date. The exercise price of the options is 10p per share and, subject to the achievement of certain performance conditions, vesting over various periods of up to three years.

No options have been settled by way of cash in either the current or preceding periods.

The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans.

	Share option plan 13 May 2015
Fair value at grant date	4.24p
Share price at grant date	7.63p
Exercise price	10.00p
Expected volatility	67%
Option life (expected weighted average life)	6 years
Expected dividends	0%
Risk-free interest rate	2.10%

30 June 2015	Number of Options	Weighted average exercise price, pence
Balance at 1 January 2015	11,141,096	14.90p
Issued during the period	8,070,000	10.00p
Cancelled during the period	(150,000)	10.00p
Forfeited during the period	(100,000)	10.00p
Balance at 30 June 2015	18,961,096	12.87p

For the six months ended 30 June 2015, the Group has recognised £192,748 of share based payment expense in the interim Statement of Comprehensive Income (30 June 2014: £98,620).

11. Loans and Borrowings

	30 June 2015	30 June 2014	31 December 2014
	£	£	£
Current liabilities			
Loans – related party	2,665,743	400,000	-
Loans notes	1,572,807	-	1,557,532
Convertible loans	3,088,690	-	2,936,680
	7,327,240	400,000	4,494,212
Obligation under finance lease	98,925	68,226	80,781
	7,426,165	468,226	4,574,993
Non-current liabilities			
Loans – related party	-	2,371,356	2,518,550
Secured bank loan	-	650,000	-
	-	3,021,356	2,518,550
Obligation under finance lease	260,188	314,510	304,613
	260,188	3,335,866	2,823,163

The related party loans are secured over all current and future assets of all companies within the Group. The secured

bank loan at 30 June 2014 was secured over all fixed assets, trade debtors and other assets of WFCA Limited and its two subsidiaries.

Terms and debt repayment schedule

	Nominal Interest Rate	Year of maturity	30 June 2015		30 June 2014		31 December 2014	
			Face Value	Carrying Amount	Face Value	Carrying Amount	Face Value	Carrying Amount
Discounted bond – related party	12%	2016	2,862,000	2,665,743	2,862,000	2,371,356	2,862,000	2,518,550
Loan notes	6%	2015	1,552,000	1,572,807	-	-	1,552,000	1,557,532
Convertible loans	12%	2015	3,067,450	3,088,690	-	-	3,007,450	2,936,680
Loan	12%	2014	-	-	-	-	-	-
Loan – related party	12%	2015	-	-	300,000	300,000	-	-
Loan – related party	12%	2015	-	-	100,000	100,000	-	-
Secured bank loan	Base + 2.75%	2015	-	-	650,000	650,000	-	-
			7,481,450	7,327,240	3,912,000	3,421,356	7,421,450	7,012,762

12. Intangible assets and goodwill

	Goodwill	Customer relationships	Brands	Websites, software and licences	Total
Cost	£	£	£	£	£
At 1 January 2014	7,110,054	1,590,000	747,000	141,022	9,588,076
Additions in period – acquired with subsidiary	2,344,791	2,690,000	1,085,000	1,223	6,121,014
Other additions	-	-	-	16,405	16,405
Exchange differences	(1,998)	-	-	(15)	(2,013)
At 30 June 2014	9,452,847	4,280,000	1,832,000	158,635	15,723,482
Acquisition in period – acquired with subsidiary	773,806	5,640,000	1,700,000	-	8,113,806
Other additions in the period	-	-	-	33,417	33,417
Discontinued operations	(2,724,601)	(540,000)	(345,000)	(8,017)	(3,617,618)
Translation differences	14,898	-	-	52	14,950
At 31 December 2014	7,516,950	9,380,000	3,187,000	184,087	20,268,037
Acquisition in period – acquired with subsidiary	451,259	-	-	-	451,259
Other additions in the period	-	-	-	24,346	24,346
Disposals in the period	-	-	-	(133)	(133)
Exchange differences	(18,969)	-	-	(73)	(19,042)
At 30 June 2015	7,949,240	9,380,000	3,187,000	208,227	20,724,467
Amortisation	£	£	£	£	£
At 1 January 2014	-	602,158	140,300	58,152	800,610
Charge for the period	-	311,415	67,808	25,753	404,976
Exchange differences	-	-	-	(9)	(9)
At 30 June 2014	-	913,573	208,108	83,896	1,205,577
Charge for the period	-	676,581	128,856	25,236	830,673
Discontinued operations	-	(256,833)	(86,250)	(8,017)	(351,100)

Exchange differences	-	-	-	19	19
At 31 December 2014	-	1,333,321	250,714	101,134	1,685,169
Charge for the period	-	944,248	159,350	24,529	1,128,127
Disposals in the period	-	-	-	(133)	(133)
Exchange differences	-	-	-	(51)	(51)
At 30 June 2015	-	2,277,569	410,064	125,479	2,813,112

Net book value	£	£	£	£	£
At 1 January 2014	7,110,054	987,842	606,700	82,870	8,787,466
At 30 June 2014	9,452,847	3,366,427	1,623,892	74,739	14,517,905
At 31 December 2014	7,516,950	8,046,679	2,936,286	82,953	18,582,868
At 30 June 2015	7,949,240	7,102,431	2,776,936	82,748	17,911,355

As described in note 6, during the six-month period ended 30 June 2015 the Group acquired Newgate Hong Kong. The fair values of identifiable assets and liabilities have been determined provisionally and may be subject to adjustment during the following 12-month period.

No cash generating units ('CGUs') were tested for impairment because there were no impairment indicators at 30 June 2015 for CGUs to which goodwill has been allocated.

13. Earnings/(loss) per share

The loss per share has been calculated using the weighted average number of shares in issue during the relevant financial year. The weighted number of equity shares in issue and the loss after tax attributable to ordinary shareholders, used in these calculations, are as follows:

	Six months ended 30 June 2015 Number	Six months ended 30 June 2014 Number	Year ended 31 December 2014 Number
Weighted average number of shares (ordinary and dilutive)	268,482,487	201,221,609	219,820,830
	£	Restated, £	£
Loss on continuing activities after tax	(1,415,524)	(69,530)	(1,169,924)
Loss on discontinued activities after tax	-	(53,940)	(2,480,674)
Loss on continuing and discontinued activities after tax	(1,415,524)	(123,470)	(3,650,598)

No share options outstanding at 30 June 2015, 30 June 2014 or 31 December 2014 were dilutive and all such potential ordinary shares are therefore excluded from the weighted average number of ordinary shares for the purposes of calculating diluted earnings per share. Details of share options outstanding are given in note 10.

14. Group Composition

During the six-month period to 30 June 2015, the following entities were added to the group structure reported as at 31 December 2014:

Name	Interest (ordinary share capital)	Country of Incorporation
Newgate Communications (HK) Limited	51% owned	China
Newgate Communications FZ LLC	76% owned	UAE

15. Related party transactions

Key management personnel

The nature and amounts of related party transactions are consistent with those reported in the Group's consolidated statutory accounts for the year ended 31 December 2014.

The loans made in note 11 above were also related party transactions.

16. Subsequent events

There have been no material subsequent events to report from 30 June 2015 to the date that these accounts were approved on 22 September 2015.

17. Publication

A copy of this report is available from the Company's website at www.portacomms.com and available in hard copy on application to the Company's offices.