

**For Immediate Release**

**30 September 2010**

**CSS Stellar plc**

**("CSS" or the "Group")**

**Interim Results  
for the six months ended 30 June 2010**

CSS Stellar plc, the entertainment and sports management group, today announces its interim results for the six months ended 30 June 2010.

**Highlights:**

- Revenues on continuing operations of £489,000 (2009: £510,000)
- Loss before tax of £0.1 million (2009: £0.1 million)
- Solid performance from core sports business
- Continued reduction in central overheads reducing operating loss by 14%

These interim results are available on the Company's website, [www.cssstellar.com](http://www.cssstellar.com) from today.

**For further information please contact:**

**CSS Stellar**

Julian Jakobi, Chairman

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**Astaire Securities Plc, Nominated Adviser**

Luke Cairns / William Vandyk

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## **CHAIRMAN'S STATEMENT**

### **Group Results**

In the six months to 30 June 2010, revenue on continuing operations was £489,000 (2009: £510,000), a fall of 4% on the previous year. An operating loss of £123,000 represents a 14% improvement on 2009 (loss of £143,000), due to further reductions in overheads identified and implemented across the Group.

### **Disposal of Golf business**

The Group has today disposed of its 50% interest in the business and assets of Hambric Stellar Golf Limited ("HSG"), its golf management business, to Roscoe Hambric, the owner of the remaining 50% of HSG. The Board received a proposal that it felt it was in the best interests of CSS shareholders to accept. The consideration receivable by the Company for the disposal is £5 payable in cash upon completion plus certain fees from existing clients of HSG through 2010 and 2011 which are estimated to amount to £130,000 net of costs, payable in cash on a quarterly basis. HSG produced a loss for the period to 30 June 2010 of £40,000 (2009: loss of £17,000) on revenue of £58,000 (2009: £81,000).

Roscoe Hambric, by virtue of having recently been a director and substantial shareholder of the Company's subsidiary, HSG, is deemed a related party for the purposes of this transaction. The Company's directors consider, having consulted with its nominated adviser, Astaire Securities plc, that the terms of the transaction are fair and reasonable in so far as the shareholders are concerned.

### **Motorsports**

The motorsports business contributed revenues of £479,000 (2009: £497,000) with an operating profit of £27,000 (2009: £89,000) during the period.

Our clients have again performed strongly during the period. In April, Allan McNish won the Le Castellet 8 hour race in his diesel powered Audi, and again finished on the podium in third place in the Le Mans 24 Hours race in June, having twice previously won the race.

Dario Franchitti has had yet another hugely successful season in Indy Car, having won the Championship in 2009. Dario won the prestigious Indianapolis 500 for the second time in four years, and is currently second in the Championship with one race remaining. Dan Wheldon has also had a successful season in Indy Car, finishing second in the Indianapolis 500 for the second consecutive year, and is currently eighth in the Championship.

### **Central Costs**

In the six months to 30 June 2010, central costs were £156,000 (2009: £203,000), a reduction of 23%. The Group continues to reduce central overheads, and the benefit of this has been seen in the first half of the year. The Group expects to reduce overheads still further in the second half of the year.

### **Litigation**

We announced in May that Julian Jakobi, John Webber and CSS Stellar had been joined in a counterclaim to a lawsuit brought against Christopher Lencheski. CSS Stellar was not a party to any of the agreements underlying the claims and counterclaims in the civil action and had no ownership interest in any of the parties. CSS Stellar, Mr Jakobi and Mr Webber have been advised that these counterclaims are totally without merit. Upon advice of counsel, these parties will not comment further on this ongoing litigation and will allow the court to decide this matter. The Company will provide an update in due course.

### **Future Strategy**

Following the disposals in previous years, the Group has focused on reducing overheads to a level appropriate for the size of the Group and remaining debt free. The Board is now considering future strategic options for the Group, and expects to be in a position to update shareholders shortly.

**Julian Jakobi**  
**Chairman**  
**30 September 2010**

## Consolidated interim income statement

	6 months to 30 June 2010 Unaudited £'000	6 months to 30 June 2009 Unaudited £'000	Year to 31 December 2009 Audited £'000
Continuing operations			
Revenue	489	510	1,132
Cost of sales	-	-	-
Gross profit	489	510	1,132
Impairment of goodwill	-	-	(300)
Other administrative costs	(612)	(653)	(1,354)
Total administrative costs	(612)	(653)	(1,654)
Operating loss	(123)	(143)	(522)
Finance income	-	1	1
Finance expense	(5)	(1)	(22)
Loss before tax	(128)	(143)	(543)
Income tax credit	-	-	24
Net result from continuing operations	(128)	(143)	(519)
Net result from discontinued operations	(40)	(351)	(882)
Loss for the period	(168)	(494)	(1,401)
Loss per share:			
Continuing operations:			
Basic and diluted loss per share	(0.44)	(0.49)	(1.79)
Discontinued operations:			
Basic and diluted loss per share	(0.14)	(1.21)	(3.04)
Total:			
Basic and diluted loss per share	(0.58)	(1.70)	(4.83)

## Consolidated interim statement of financial position

	30 June 2010 Unaudited £'000	30 June 2009 Unaudited £'000	31 December 2009 Audited £'000
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	8	30	12
Goodwill	402	700	402
Other receivables	-	195	-
	<u>410</u>	<u>925</u>	<u>414</u>
Current assets			
Trade and other receivables	957	2,163	1,242
Cash and cash equivalents	20	213	188
	<u>977</u>	<u>2,376</u>	<u>1,430</u>
Disposal group classified as held for sale	118	-	-
Total assets	<u>1,505</u>	<u>3,301</u>	<u>1,844</u>
<b>EQUITY</b>			
Equity attributable to equity holders of the parent			
Share capital	14,488	14,488	14,488
Share premium account	28,158	28,158	28,158
Translation reserve	(182)	82	(120)
Profit and loss account	(41,232)	(40,157)	(41,064)
Total equity	<u>1,232</u>	<u>2,571</u>	<u>1,462</u>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	161	536	357
Current tax payable	25	194	25
	<u>186</u>	<u>730</u>	<u>382</u>
Disposal group classified as held for sale	87	-	-
Total liabilities	<u>273</u>	<u>-</u>	<u>-</u>
Total equity and liabilities	<u>1,505</u>	<u>3,301</u>	<u>1,844</u>

## Consolidated interim statement of comprehensive income

	6 months to 30 June 2010 Unaudited	6 months to 30 June 2009 Unaudited £'000	Year to 31 December 2009 Audited £'000
Loss for the period	(168)	(494)	(1,401)
Exchange differences on translation of foreign operations	(62)	193	(9)
Total comprehensive income for the period	<u>(230)</u>	<u>(301)</u>	<u>(1,410)</u>
Attributable to:			
Equity holders of the parent	<u>(230)</u>	<u>(301)</u>	<u>(1,410)</u>

## Consolidated interim statement of changes in equity

### Six months ended 30 June 2010

	Share capital £'000	Share premium £'000	Translation Reserve £'000	Profit and Loss Account £'000	Total £'000
Balance at 01 January 2010	14,488	28,158	(120)	(41,064)	1,462
Loss for the period	-	-	-	(168)	(168)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	(62)	-	(62)
Total comprehensive income for the period	-	-	(62)	-	(62)
Balance at 30 June 2010	<u>14,488</u>	<u>28,158</u>	<u>(182)</u>	<u>(41,232)</u>	<u>1,232</u>

## Consolidated interim statement of changes in equity (continued)

### Six months ended 30 June 2009

	Share capital	Share premium	Translation Reserve	Profit and Loss Account	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 01 January 2009	14,488	28,158	(111)	(39,663)	2,872
Loss for the period	-	-	-	(494)	(494)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	193	-	193
Total comprehensive income for the period	-	-	193	-	193
Balance at 30 June 2009	14,488	28,158	82	(40,157)	2,571

### Year ended 31 December 2009

	Share capital	Share premium	Translation Reserve	Profit and Loss Account	Total
Balance at 01 January 2009	14,488	28,158	(111)	(39,663)	2,872
Loss for the period	-	-	-	(1,401)	(1,401)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	(9)	-	(9)
Total comprehensive income for the period	-	-	(9)	-	(9)
Balance at 31 December 2009	14,488	28,158	(120)	(41,064)	1,462

## Consolidated interim statement of cash flows

	6 months to 30 June 2010 Unaudited £'000	6 months to 30 June 2009 Unaudited £'000	Year to 31 December 2009 Audited £'000
Cash flows from operating activities			
Loss after taxation	(168)	(494)	(1,401)
Adjustments for:			
Depreciation	3	5	8
Impairment of goodwill	-	200	500
Net interest expense	5	-	21
Taxation expense recognised in profit and loss	-	-	(24)
Change in trade and other receivables	42	1,175	1,229
Change in inventories	-	(107)	-
Change in trade and other payables	(171)	(1,088)	(925)
Income taxes paid	-	-	(88)
Net cash used in operating activities	<u>(289)</u>	<u>(309)</u>	<u>(680)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	-	(2)	(4)
Proceeds from sale of investments	14	-	12
Proceeds from sale of subsidiaries	112	-	340
Proceeds from sale of property, plant and equipment	-	-	17
Interest received	-	1	1
Net cash from/(used in) investing activities	<u>126</u>	<u>(1)</u>	<u>366</u>
Cash flows from financing activities			
Interest paid	(5)	(1)	(22)
Net cash used in financing activities	<u>(5)</u>	<u>(1)</u>	<u>(22)</u>
Net change in cash and cash equivalents	<u>(168)</u>	<u>(311)</u>	<u>(336)</u>
Cash and cash equivalents at beginning of period	<u>188</u>	<u>524</u>	<u>524</u>
Cash and cash equivalents at end of period	<u><u>20</u></u>	<u><u>213</u></u>	<u><u>188</u></u>



## Notes to the consolidated interim financial statements

### 1 Publications of non-statutory accounts

The financial information set out in this interim report does not constitute statutory accounts. The figures from the year ended 31 December 2009 have been extracted from the statutory financial statements which have been filed with the Registrar of Companies. The auditors' report was unqualified and did not contain statements under either Section 498(2) or Section 498(3) of the Companies Act 2006.

### 2 Basis of preparation

These unaudited condensed consolidated interim financial statements ('the interim financial statements') are for the six months ended 30 June 2010. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2009.

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", and accounting policies under the historical cost convention, except for revaluation of certain properties and financial instruments. They are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU).

The principal accounting policies have remained unchanged from those set out in the consolidated financial statements of the Group for the year ended 31 December 2009.

## Notes to the consolidated interim financial statements (continued)

### 3 Revenue and segmental information

The Group's principal activities consist of sports and entertainment management. Revenue is attributable to the principal activity, which is mainly carried out in the UK and US.

The main operating segment is Motorsports. The other operating segments do not meet the quantitative thresholds required by IFRS 8 to be reported as separate segments. The discontinued activities in the period to 30 June 2010 relate to the disposal of Hambric Stellar Golf Limited.

An analysis of revenue and segment result is shown below:

<b>Six months to 30 June 2010</b>	<b>Motorsports</b>	<b>Other</b>	<b>Central costs</b>	<b>Discontinued activities</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000
Revenue	479	10	-	58	547
Cost of sales	-	-	-	-	-
Gross profit	479	10	-	58	547
Impairment of goodwill	-	-	-	-	-
Other administrative costs	(452)	(4)	(156)	(98)	(710)
Total administrative costs	(452)	(4)	-	(98)	(710)
Operating loss	27	6	(156)	(40)	(163)
Finance income	-	-	-	-	-
Finance expense	-	-	(5)	-	(5)
Loss before tax	27	6	(161)	(40)	(168)
Income tax credit	-	-	-	-	-
Profit/(loss) for the period	27	6	(161)	(40)	(168)

## Notes to the consolidated interim financial statements (continued)

<b>Six months to 30 June 2009</b>	<b>Motorsports</b>	<b>Other</b>	<b>Central costs</b>	<b>Discontinued activities</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000
Revenue	497	13	-	328	838
Cost of sales	-	-	-	(104)	(104)
Gross profit	497	13	-	224	734
Impairment of goodwill	-	-	-	(200)	(200)
Other administrative costs	(408)	(42)	(203)	(375)	(1,028)
Total administrative costs	(408)	(42)	(203)	(575)	(1,228)
Operating profit/(loss)	89	(29)	(203)	(351)	(494)
Finance income	-	-	1	-	1
Finance expense	-	-	(1)	-	(1)
Profit/(loss) before tax	89	(29)	(203)	(351)	(494)
Income tax credit	-	-	-	-	-
Profit/(loss) for the period	89	(29)	(203)	(351)	(494)

  

<b>Year to 31 December 2009</b>	<b>Motorsports</b>	<b>Other</b>	<b>Central costs</b>	<b>Discontinued activities</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000
Revenue	1,095	37	-	645	1,777
Cost of sales	-	-	-	-	-
Gross profit	1,095	37	-	645	1,777
Impairment of goodwill	(300)	-	-	(200)	(500)
Other administrative costs	(947)	(74)	(333)	(1,327)	(2,681)
Total administrative costs	(1,247)	(74)	(333)	(1,527)	(3,181)
Operating loss	(152)	(37)	(333)	(882)	(1,404)
Finance income	-	-	1	-	1
Finance expense	-	-	(22)	-	(22)
Loss before tax	(152)	(37)	(354)	(882)	(1,425)
Income tax credit	-	-	24	-	24
Loss for the period	(152)	(37)	(330)	(882)	(1,401)

## Notes to the consolidated interim financial statements (continued)

### 4 Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used are set out below.

#### 6 months to 30 June 2010 (unaudited)

	Earnings £'000	Weighted average no. shares	Basic Per share amount Pence
Continuing operations			
Loss after tax	(128)		
Earnings attributable to ordinary shareholders	<u>(128)</u>		
Weighted average number of shares		28,976,581	<u>(0.44)</u>
Discontinued operations			
Loss after tax	(40)		
Earnings attributable to ordinary shareholders	<u>(40)</u>		
Weighted average number of shares		28,976,581	<u>(0.14)</u>
Total basic and diluted earnings per share			<u><u>(0.58)</u></u>

#### 6 months to 30 June 2009 (unaudited)

	Earnings £'000	Weighted average no. shares	Basic Per share amount Pence
Continuing operations			
Loss after tax	(143)		
Earnings attributable to ordinary shareholders	<u>(143)</u>		
Weighted average number of shares		28,976,581	<u>(0.49)</u>
Discontinued operations			
Loss after tax	(351)		
Earnings attributable to ordinary shareholders	<u>(351)</u>		
Weighted average number of shares		28,976,581	<u>(1.21)</u>
Total basic and diluted earnings per share			<u><u>(1.70)</u></u>

## Notes to the consolidated interim financial statements (continued)

Year to 31 December 2009 (audited)

	Earnings £'000	Weighted average no. shares	Basic Per share amount Pence
Continuing operations			
Loss after tax	(519)		
Earnings attributable to ordinary shareholders	<u>(519)</u>		
Weighted average number of shares		28,976,581	<u>(1.79)</u>
Discontinued operations			
Loss after tax	(882)		
Earnings attributable to ordinary shareholders	<u>(882)</u>		
Weighted average number of shares		28,976,581	<u>(3.04)</u>
Total basic and diluted earnings per share			<u><u>(4.83)</u></u>