

## Premier Management Holdings plc

("Premier" or the "Company")

### Preliminary Results for the Year Ended 31 January 2011

#### Highlights

- Loss before tax of £2,206,871 attributable to restructuring and change of business
- New strategy to invest in gold exploration opportunities in Central Asia
- Focus on Kyrgyzstan Tien Shan gold belt - one of the most prolific gold producing areas in the world
- Option to acquire Central Asia Resources Limited
- Appointment of mining industry executives with direct experience in Central Asia
- Post year-end fundraising of £2.12 million

#### Gerry Desler, Chairman, commented,

"This is an exciting and watershed moment in the development of Premier as we look to create value from investment in gold opportunities in Kyrgyzstan."

#### Premier Management Holdings plc

Gerry Desler, Chairman

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#### Chairman's Statement

##### Introduction

It has been a transformational year for Premier with the decision, announced in October 2010, to dispose of the previous operating business to former management and to wholly focus the Company's efforts on identifying opportunities in the natural resource sector. The Company's strategy is to create shareholder value through acquisition of gold exploration and development projects, with a primary focus on Kyrgyzstan. The Company has an option to acquire the entire issued share capital of Central Asia Resources Limited, a company which has been investigating gold exploration opportunities in Kyrgyzstan and had signed an option to acquire the Cholokkaindy gold exploration licence. The Company is also actively considering other gold acquisition opportunities in Kyrgyzstan. To properly reflect this change of direction, it is intended that the Company will, in due course, change its name to Premier Gold Resources plc.

## **Opportunity in Kyrgyzstan**

Premier is targeting projects within the Tien Shan gold belt, one of the most prolific gold producing areas in the world, which hosts a number of large deposits including Muruntau (175 million oz), Daugyztau (18 million oz), Zarmitan (11 million oz) and Kumtor (18 million oz). Kumtor is Kyrgyzstan's largest gold producer, with output of over 550,000 oz last year. With gold accounting for more than 90% of the minerals mined in Kyrgyzstan by value, the country has a well-developed mining industry with infrastructure and skilled labour. It was also the first Central Asian country to implement a parliamentary democracy. The government is committed to attracting inward investment and has an attractive tax regime with various incentives to encourage foreign investment in the mining sector. The country has excellent exploration potential as much of it is under-explored.

## **Board changes**

Following the disposal of the previous operating business to the former chairman, who resigned in November 2010, I was pleased to take on the additional role of chairman. I was further delighted to welcome two new directors to the board who bring a wealth of experience, both in Central Asia and gold exploration. Dr Reza Tabrizi and Christian Schaffalitzky were both appointed in November 2010. Dr Tabrizi has been involved in project finance in the Central Asian natural resources sector for seventeen years, including acting as an adviser to governments in the region, including Kyrgyzstan. Christian Schaffalitzky is a geologist with over 35 years of experience in mineral exploration, discovery and development, and has extensive experience in the region, particularly in Russia. The Company's management has been further strengthened with the appointment of John McKeon as a consultant. Mr McKeon has a considerable track record of generating value from natural resource projects in Asia, Africa and the Middle East. His extensive experience of originating, structuring and financing projects will be important in assisting Premier in the execution of our strategy.

## **Financial results**

The results for the year ended 31 January 2011 showed a loss before tax of £2,206,871 (2010 - profit - £44,945) resulting from the disposal of the previous operating business at a loss of £4,146, a gain from the write-off of a £1,428,196 debenture loan and a share-based payment charge of £3,554,097 principally in respect of 186.7m warrants granted during the year. The operating loss before share based payments for the period was £76,824 (2010 - £50,414 profit) on a turnover of £44,642 (2010 - £49,632).

## **Outlook**

Post year-end, the Company raised £2.12 million through a placing of new ordinary shares at 3p each. The proceeds will be used to further the Company's acquisition strategy, and the proposed acquisition of Central Asia Resources Limited is being progressed.

This is an exciting and watershed moment in the development of Premier, and I thank you for your continued support as we begin to develop our business in Kyrgyzstan.

**Gerry Desler**

## Chairman

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2011

	2011		2010	
	£	£	£	£
<b>Revenue</b>				
Continuing operations	-		-	
Discontinued operations	44,642		49,632	
		44,642		49,632
Cost of sales		(5,453)		(13,500)
<b>Gross profit</b>		39,189		36,132
Administrative expenses		(366,141)		14,282
Share based payments		(3,554,097)		(5,470)
<b>Operating (loss)/profit</b>				
Continuing operations	(3,661,473)		(24,889)	
Discontinued operations	30,552		69,833	
		(3,630,921)		44,944
Debenture loan waived		1,428,196		-
Loss on disposal of football business		(4,146)		-
<b>(Loss)/profit on ordinary activities after exceptional items and before interest</b>		(2,206,871)		44,944
Finance income		1,958		1
Finance expense		(786)		-
<b>(Loss)/profit before income tax</b>		(2,205,699)		44,945
Income tax expense		(411)		-
<b>(Loss)/profit for the year and total comprehensive income</b>		<u>(2,206,110)</u>		<u>44,945</u>
<b>Earnings per share</b>		<b>Pence</b>		<b>Pence</b>
Basic and diluted earnings per share				
- Continuing operations - loss per share		(2.05)		(0.05)
- Discontinued operations - earnings per share		0.81		0.09

### STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2011

	2011 £	2010 £
<b>ASSETS</b>		
<b>Current assets</b>		
Trade and other receivables	233,229	126,216
Cash and cash equivalents	8,665	2,037
	<u>241,894</u>	<u>128,253</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	(129,602)	(75,407)
Borrowings	-	(140,000)
	<u>(129,602)</u>	<u>(215,407)</u>
<b>Non current liabilities</b>		
Borrowings	-	(1,487,001)
	<u>(129,602)</u>	<u>(1,702,408)</u>
<b>Net assets/(liabilities)</b>	<u>112,292</u>	<u>(1,574,155)</u>
<b>EQUITY</b>		
Share capital	1,385,640	1,047,180
Share premium account	2,649,906	2,649,906
Other reserves	43,333	43,333
Profit and loss account	(3,966,587)	(5,314,574)
	<u>112,292</u>	<u>(1,574,155)</u>

**STATEMENT OF CHANGES IN  
EQUITY  
FOR THE YEAR ENDED 31  
JANUARY 2011**

	Share capital £	Share premium £	Retained earnings £	Capital redemption reserve £	Total £
Balance at 1 February 2009	1,047,180	2,649,906	(5,364,989)	43,333	(1,624,570)
Total comprehensive income for the year	-	-	44,945	-	44,945
Equity settled share-based payments	-	-	5,470	-	5,470
Balance at 31 January 2010	1,047,180	2,649,906	(5,314,574)	43,333	(1,574,155)
Total comprehensive income for the year	-	-	(2,206,110)	-	(2,206,110)
Equity settled share-based payments	-	-	3,554,097	-	3,554,097
Conversion of loan stock into ordinary shares	151,744	-	-	-	151,744
Conversion of debentures into ordinary shares	70,434	-	-	-	70,434
Issue of shares	116,282	-	-	-	116,282
	1,385,640	2,649,906	(3,966,587)	43,333	112,292

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2011**

	2011		2010	
	£	£	£	£
<b>Cash flows from operating activities</b>				
Operating profit		(3,630,921)		44,944
Increase in trade and other receivables		(105,071)		(78,335)
(Decrease)/increase in trade and other payables		(20,216)		17,185
Equity-settled share based payments		3,554,097		5,470
Loss on disposal of football business		(4,146)		-
<b>Net cash used in operating activities</b>		(206,257)		(10,736)
<b>Investing activities</b>				
Finance income		16		1
Finance expense		(786)		-
<b>Net cash (outflow)/inflow from investing activities</b>		(26)		1

<b>Financing activities</b>		
Issue of share capital	116,282	-
Other short term loans	151,744	-
Repayment of debenture loans	(54,371)	(12,500)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>	213,655	(12,500)
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	6,628	23,235
Cash and cash equivalents at beginning of the year	2,037	25,272
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<b>Cash and cash equivalents at end of year</b>	8,665	2,037
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## NOTES:

### **FOR THE YEAR ENDED 31 JANUARY 2010**

#### **1. Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, (IFRSs) and IFRIC Interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

#### **2. Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company's subsidiary undertaking was dormant throughout the year. The company has therefore taken advantage of the exemptions provided by Section 405 of the Companies Act 2006 not to prepare group financial statements on the basis that the results and net assets of the subsidiary undertaking are not material for the purposes of the company's financial statements giving a true and fair view.

#### **3 . Sources of estimation uncertainty**

The preparation of the financial information in conformity with IFRS requires the use of certain critical accounting estimates that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Material estimates and assumptions are made in particular with regard to:

- the likelihood that tax assets would be realised; and
- the valuation of equity-settled share-based payments.

#### **4 . Statutory accounts**

The preliminary financial statements have been prepared on the basis of the Company's normal accounting policies but do not constitute statutory accounts. The Company's Annual Report and Accounts for the year ended 31 January 2011 have been published and have been placed on the Company's website [www.premiermgt.info](http://www.premiermgt.info).