

Investor Data

Share Price:	0.92	Sector:	Media/ Broadcasting & Entertainment
52 week high/low:	1.02/0.47	NOMAD:	Cairn Financial Advisers LLP
Shares in Issue:	553,961,032		
Market Cap:	£5.33M		
Broker:	Hybridan LLP		

Mission:

To create and deliver innovative products and services
which, wherever possible, add social value.

“This is the first edition of a regular shareholder update in which we will report on all areas of the Group’s activities over the past quarter. We believe that continued progress in the individual programs, combined with increasing synergies and co-ordination across the group, has positioned Milestone for a new period of growth and we look forward to providing regular updates of our progress.

To facilitate this process the Group’s website has recently been updated, to provide a defined and regular flow of information to its shareholders, clearly evidencing the company’s ongoing development and delivery of its long term strategic vision.”

Deborah White, CEO Milestone Group plc

Key Achievements

The Group

- Group revenues growing
- Cross leveraging of business units beginning to demonstrate commercial value

Creative Solutions

- Relative has developed a key client relationship with Sudler & Hennessey
- Relative’s work with Sudler & Hennessey for Animals Asia nominated for Cannes Lion Award
- Phase 1 of the Passion Project completed

Mobile Business Solutions

- OnSide potential validated as commercial interest shown by Premier League and other community Trusts, including new pilot commenced with Brentford FC Community Trust
- OnGuard product development completed and market-ready
- Commercial agreement to provide Intervictus with employment training for their workforce and mobile services for the auditing and assessment of their energy offering commencing with a London Housing Association pilot in December 2014

Media

- Disorder UK re-launched, grant funding opportunities identified and received
- Issue 2 set for release in October 2014
- Graduate Fashion week special due for release October 2014

Education & Training

- Winning in the Game of Life (“WITGOL”) launched
- Company commissioned in paid training pilot with Poplar HARCA Housing Association as part of Talent Match programme

Passion Project

- Following the successful pilot of the Be United competition which resulted in the engagement of 2,000 young people across London, the sign up of the Founder 50 partners and key ambassadors is now successfully underway

Key Objectives for the next six months

The Group

- Further group integration and development of revenues in accordance with the company’s business plan

Creative Solutions

- Relative to achieve operational breakeven in FY2015, with reference to success with Sudler & Hennessey, and new revenue streams being established in partnership with Disorder UK and Passion Project initiatives

Mobile Business Solutions

- Expand mobile business solutions market-share, building on recent successes with OnSide and OnGuard
- Develop a mobile workforce sector-targeted sales strategy and realise sales pipeline

Media

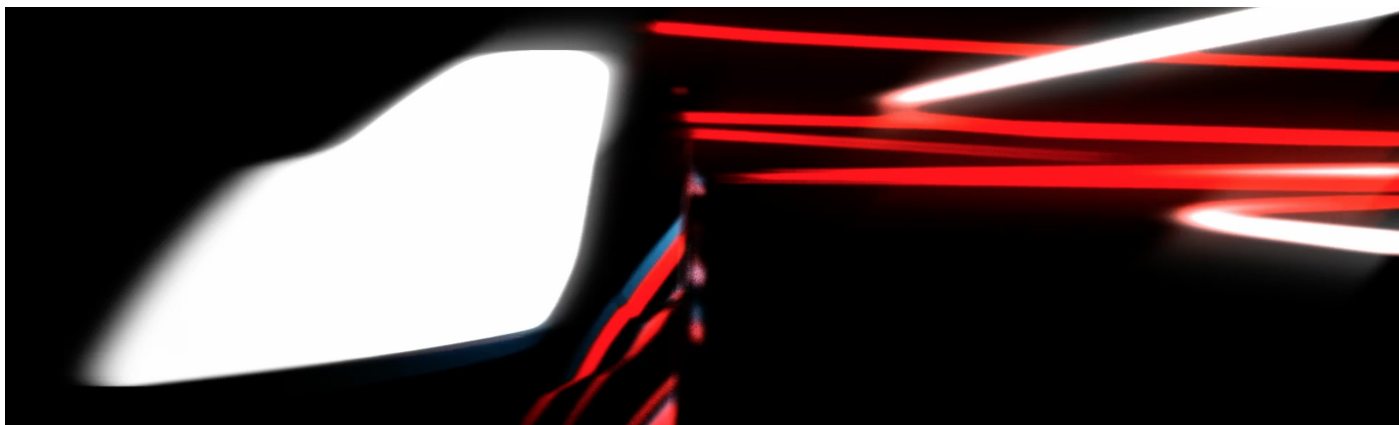
- Develop, commercialise and scale Disorder’s online offering
- Continue to develop new business opportunities and distribution potential offered via the growing network of Passion Project partners

Education & Training

- Training: Increase distribution partners
- Establish “The Ladder” a strategic framework of delivery partners and training materials for use throughout the Passion Project

Passion Project

- Formal launch of Passion Project at Cass Business School on 10th December 2014
- Founder 50 partners enrollment to be completed by end of Q4- 2014
- Completion of new events programme
- Integration and promotion framework agreed for all business units
- Unlock grant funding from Local Authorities and Job Centre Plus for training and engagement of young people
- Establish Passion Project as revenue and data hub for Milestone Group
- Engage 3 digital media apprentices to help build and create content for the project
- Realisation of first revenue streams from Corporate partners



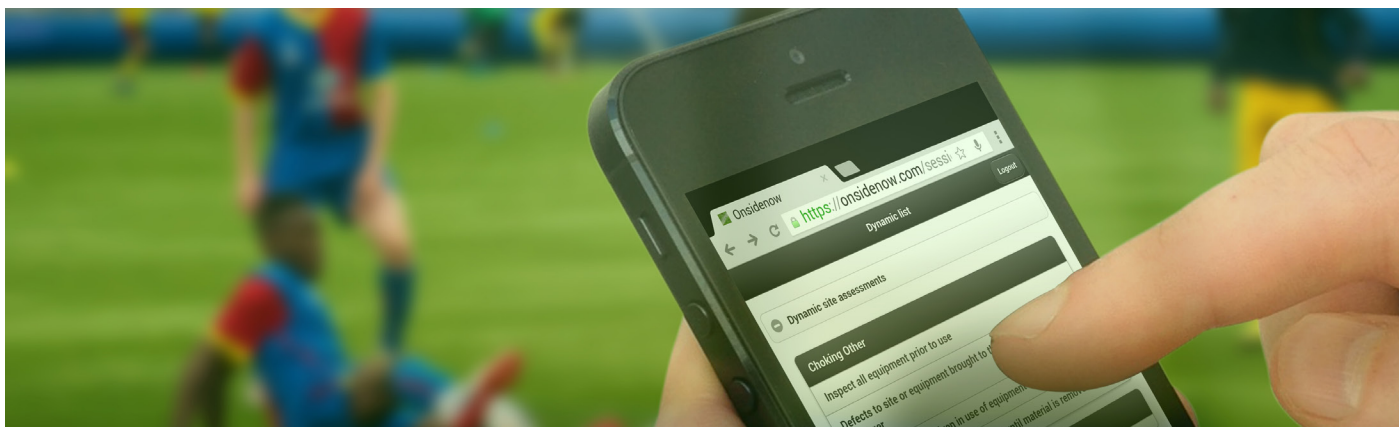
Creative Solutions Relative

Relative was commissioned by Sudler & Hennessey (a division of the Young & Rubicam Group) to work with them on a website for Animals Asia, which was nominated for Cannes Lion Award. Following this success, the relationship has continued to develop with a number of new projects instructed, some already in production and some planned to commence in early 2015.

A new client recently introduced to the Group, IP task force, charged the Creative Team with producing an innovative way of communicating the financial consequences and practical impact on daily life resulting from being unable to work as a result of long term illness. The team delivered a winning pitch to support the “7 families” initiative which has seen the IP Task force winning the Health Insurance and protection industry “Cover” magazine award for outstanding achievement.

Relative has now successfully built Phase 1 of the Passion Project and are in the process of filming and completing the initial show reels that will be used to showcase the Passion Project and its founding partner’s work to date. Phase 1 is set for release in December with Phase 2 of development scheduled to start production in January 2015.

Relative has been working with Milestone’s latest acquisition, Disorder Magazine, on the production of Issue 02 of the magazine. The team will continue to work with Disorder over the coming months to update the Disorder brand and develop a full online version of the magazine with an enhanced social media presence. This will build on the obvious synergies between the Passion Project and its wide range of strategic partners to help promote and expand the distribution network whilst helping create and unlock new commercial opportunities.



Mobile Business Solutions OnSide

Since its launch in early 2012, OnSide has been used by, and developed with, Charlton Athletic Community Trust with the product addressing an ever-increasing number of operational features.

Through the development phase, which is now complete, Milestone has established a reputation for innovation and quality. As a result the teams are now receiving attention from other sports as well as other clubs,

including Brentford FC Community Trust, who commenced a trial of the Onside product in September 2014.

Our activities in the sector have resulted in additional interest from the Premier League indicating a potential sports market opportunity in excess of 2,500 clubs’ Community Trusts and governing bodies in the Football sector alone. With a proven product that is market ready and tested we are well placed to scale to meet this demand.

OnGuard

OnGuard’s product development phase was successfully completed in August 2014. In September 2014, Intervictus, a specialist in the supply of Energy Management Solutions, agreed to license an adapted version of the OnGuard offering which has been configured as a new audit and assessment application.

It is anticipated that on successful completion of the recently announced pilot with a London Housing association, there will be up to 250 auditors using the application which, if sustained, would generate a £60,000 per annum revenue as the service carries a monthly user cost of £20 per person.

There is continued significant organic sector interest in the financial and social impact of the energy pilot with a number of discussions already underway with other housing associations and commercial organisations interested in replicating the pilot model in the near future.

The functionality demonstrated through OnGuard and OnSide, has led

to enquiries from a variety of sectors including Banking, Security and Transport along with a number of businesses with mobile workforces.

We are now focused on the marketing and sales of these products and services, beginning with production of new collateral and a revised product website which will be released mid-October 2014.



Media Disorder

Disorder magazine was successfully re-launched with an initial 10,000-issue print-run for edition 01. In the coming months, as mentioned, the company aims to ensure that Disorder becomes a key physical and digital promotional vehicle for the Passion Project and its activities through the generation of original content, events and competitions supported and promoted by influential guest editors and contributors.

As well as working with up and coming talent in the music and fashion industry as evidenced with Catfish and the Bottlemen on the cover of edition 02, the team will also be working with the Passion Project partners (Job Centre Plus, Department of Work and Pensions) to access further grant funding and to build the digital presence to increase reach, relevance and value.

Edition 02 is set for release in October with a digital Graduate Fashion

week special available for digital download. Edition 02 will be distributed in collaboration with the Central St Martins and the University of Creative Arts, with the digital version free to download as part of the PR / Marketing strategy underpinning the population of the Passion Project programme.

During the Graduate Fashion Week edition, Disorder worked with almost every creative college in the UK, and, in conjunction with the Passion Project and their educational advisers, are now working to establish work-based learning as part of their course requirements.

As a result of these recent activities, Disorder is now receiving commercial enquiries with interest being shown from Vogue Italia, London Fashion Week and a number of UK colleges.



Education & Training

Winning in the Game of Life was launched in July 2014 to an audience from the educational and youth services sectors, featuring results of our 2013 UK pilot, which can be found in full with samples of the materials on www.milestone-sfk.co.uk.

We are continuing to develop the relationship with Prospects, one of the UK's leading academy improvement service providers, for social impact and evaluation purposes and the product's commercial distribution to 22,000 UK primary schools.

We have successfully completed a pilot of a newly created emotional intelligence course as part of the nationwide Talent Match Programme at Poplar HARCA, one of the capital's largest Housing Associations. Milestone has been contracted to deliver 2 such pilots with additional enquiries in the pipeline.

As anticipated, our pilots have extended our reach, and raised awareness of the company's educational and training offering which was demonstrated by the recent commercial agreement to provide training to the energy monitoring company, Intervictus.



Passion Project

As the Project matures, it is anticipated that the Passion Project related revenues will be realised and evidenced through the Group's internal business units in early Q1 2015, with Disorder Magazine being used as a key vehicle for the raising of brand awareness as well as marketing and promotion incomes. This increased distribution and reach made possible by working in conjunction with the programmes partners will help to build advertising value, whilst attracting further funding for training. It is expected that this will accelerate a multitude of social outcomes that the Milestone Foundation can then further monetise.

Under the guidance of the Passion Project's Programme Director, Frank Sweeney and Youth Engagement Director, Ximo Peris, the Foundation, and in partnership with the Greater London Authority Youth Engagement Office (GLA), development consultants Connective Communications and Lancaster University's Innovation Unit, the team has been developing a programme of knowledge exchange workshops (Creative Exchange, CX).

The CX workshops will enable the Foundation to forge pan-London, cross sector, youth-arts partnerships with public, not-for-profit, commercial and academic organisations, who will work together to deliver on individual internal strategic objectives, which in turn will

deliver the common goal of creating better and increased opportunities for young people.

In June 2014, the Foundation received a £15,000 grant from the Arts Council of England (ACE), which enabled the Foundation to work in partnership with Artaha Productions, Relative, GLA, London Legacy Development Corporation, the Legacy List, 5 of the countries leading Carnival organisations and a network of over 50 grassroots arts organisations, in the delivery of "CarnivalXtra" a creative learning and participation programme that engaged over 20,000 young East Londoners as part of the Great British Carnival, which played to an audience of audience of 50,000 at the Queen Elizabeth Olympic Park in July. Due to its success this initiative has continued to meet and it is expected to expand further in the coming months.

We are currently in the process of accessing various additional grants across a wide range of providers to help accelerate development and growth. This initiative will be led by Chris Yiannakou, who will be joining us as the Training and Development Director for the Passion Project programme bringing with him over 25 years' experience and relationships in London's employment, training and further education sector.

Some of the Founder Partners include:



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