

22 December 2008

PNC TELECOM PLC

("PNC" or the "Company")

#### CHAIRMAN'S STATEMENT

Interim accounts for the six months ended 30 September 2008

#### Results

The Group made an operating loss for the period of £109,000 and loss per share of 0.02p. The increase in turnover compared to the prior period mainly reflected the opening by the Company's optical glass subsidiary, Specs and Lenses, of its factory outlet store in June 2008.

Our investment in SIM 4 Travel Holdings Limited, a company quoted on PLUS Markets, is currently valued at £150,000, at the mid-price, as at 21 November 2008.

#### Outlook

Trading was initially very good at Specs and Lenses' store in Freeport but with the downturn in the economy, trading has slowed at present.

PNC Telecom is now waiting a tribunal hearing from HMRC for our VAT reclaim for both VAT repayment and loss of income.

In the meantime we are looking for further business opportunities.

L.E.V. Knifton

Executive Chairman

22 December 2008

PNC TELECOM PLC:  
Leo Knifton, Chairman

Tel: 0207 251 3762

Nominated Adviser:  
Beaumont Cornish Limited  
Michael Cornish

Tel: 0207 628 3396

PNC TELECOM PLC

#### Group Income Statement

for the six months ended 30 September 2008

Six months to 30	Year ended	Six months to 30
September 2007	31 March	September 2008
Unaudited	2008	Unaudited
audited		

£'000s	£'000s	£'000s
Revenue		618
28	179	
Cost of Sales		(552)
-	(144)	
Gross Profit		66
28	35	
232	314	-
Other operating income		
Administrative expenses		(175)
(132)	(346)	
Operating Profit/(Loss)		(109)
128	3	
Investment revenues		48
1	96	
Finance costs		(75)
(138)	(151)	
Profit/(Loss) before tax		(136)
(9)	(52)	
Income tax recovery (charges)		-
-	-	
Profit/(Loss) for the period from continuing		(136)
(9)	(52)	
operations attributable to shareholders		
Profit/(Loss) per share		
From continuing operations:		
Basic and diluted		(0.02)p
(0.004p)	(0.02p)	

The company's turnover and operating loss arise from continuing operations.

There were no recognised gains or losses other than those recognised in the income statement above.

PNC TELECOM PLC

Group Balance Sheet as at 30 September 2008

As at	As at	As at
31 March	30 September 2008	30 September 2007
2008	Unaudited	Unaudited

Audited	£'000s	£'000s
£'000s		
Assets		
Non-current assets		
Property, plant and equipment	105	9
74		
Investments	100	100
100		
Goodwill	429	-
429		
	634	109
603		
Current assets		
Inventories	53	3
18		
Trade and other receivables	1,336	1,564
1,326		
Cash and cash equivalents	122	7
191		
	1,511	1,574
1,535		
Total assets	2,145	1,683
2,138		
Equity and liabilities		
Capital and reserves		
Share capital	2,999	2,604
2,999		
Share Premium	48,013	48,033
48,013		
Merger Reserve	324	-
324		
Retained earnings	(50,984)	(50,805)
(50,848)		
Total equity	352	(168)
488		
Current liabilities		
Trade and other payables	1,408	1,426
1,265		
	1,408	1,426
1,265		
Non-current liabilities		
Long term loans	385	425
385		
	385	425
385		

Total liabilities	1,793	1,851
1,650		
Total equity and liabilities	2,145	1,683
2,138		

PNC TELECOM PLC

Group Cash Flow Statement

For the Six months ended 30 September 2008

	Six months to
Six months to 30 September 2007	30 September 2008 Unaudited
Unaudited	Year ended 31 March

2008

Audited

£'000	Note	£'000	£'000
Operating activities	3	(33)	
103		103	
Investing activities			
Interest received		1	
1		2	
Interest paid		-	
(98)		-	
Capital expenditure		(37)	
-		(65)	
(97)		(63)	
Financing activities			
Issue of new shares		-	
50		190	
Loan notes		-	
(50)		(40)	
-		-	
-		150	
Net cash inflow/(outflow)		(69)	
6		190	
Cash and cash equivalents at the beginning of the period		191	
1		1	
Bank balances and cash at end of period		122	
7		191	

Group statement of changes in equity

As at	As at	As at
31 March 2008	30 September 2008	30 September 2007

£'000s	£'000s	£'000s
As at beginning of period (209)	488	(209)
(Deficit) for the period (52)	(136)	(9)
Issue of share capital net of expenses 425	-	50
Merger reserve on acquisition of subsidiary 324	-	
As at end of period 488	352	(168)

PNC TELECOM PLC

Notes to the Interim Report

1. Significant Accounting Policies

These interim accounts have been prepared in accordance with International Financial Reporting Standards and on the historical cost basis, using generally recognised accounting principles and using the accounting policies which are consistent with those set out in the Company Annual Report and Accounts for the year ended 31 March 2008.

This interim report for the six months to 30 September 2008, which complies with IAS34, was approved by the Board on 22 December 2008.

2. Loss per Share

Year ended	Six months to 30 September 2008	Six months to 30 September 2007
31 March 2008		
Earnings per ordinary shares Basic and diluted (0.02p)	(0.02)p	(0.004p)

The Earnings per ordinary share is based on the company's loss for the period of £136,000 (30 September 2007 - loss £9,000; 31 March 2008 - loss £52,000) and a basic and diluted weighted average number of shares in issue of 653,084,000 (30 September 2007 - 244,696,254; 31 March 2008 - 287,442,000).

3. Reconciliation of operating loss to net cash outflow from operating activities.

Year ended	Six months to 30 September 2008	Six months 30 September 2007
31 March 2008		

£'000s	£'000s	£'000s
Profit/(Loss) for the period	(110)	128
3		
Adjustments for:		
Depreciation of property,	6	1
1		
plant and equipment		
(Increase)/Decrease in stock	(35)	-
(15)		
(Increase)/Decrease in	38	(275)
(37)		
receivables		
Increase/(Decrease) in	68	249
302		
payables		
Net cash from operating	(33)	103
254		
activities		

PNC TELECOM PLC

Notes to the Interim Report

#### 4. Called up Share Capital

The issued share capital as at 31 March 2008, per the audited accounts, was 653,084,000 Ordinary Shares of 0.1p each and 48,084,000 Deferred Ordinary Shares of 4.9p each.

5. The unaudited results for period ended 30 September 2008 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The comparative figures for the year ended 31 March 2008 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and which contain an unqualified audit report and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.

6. Copies of this interim statement are available from the Company at its registered office at Finsgate, 5-7 Cranwood Street, London EC1V 9EE. The interim statement will also be available on the company website [www.telecom-plc.co.uk](http://www.telecom-plc.co.uk).

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