

1 July 2004

CATALYST MEDIA GROUP PLC
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2004

Catalyst Media Group plc ("CMG"), formerly known as Newsplayer Group plc, the media company, today announces its unaudited interim results for the six months ended 30 April 2004.

Financial Highlights:

- Turnover of £1,655,071 compared to £151,017 for the six months ended 31 October 2003.
- Pre-tax loss of £709,883 compared to a loss of £4,102,240 for the six months ended 31 October 2003.
- Cash reserves of £1,356,073 at 30 April 2004 compared to £587,323 at 31 October 2003.

Operational Highlights:

- Acquisition of Betelgeuse Productions Inc. ("BPI") in New York completed on 27 February 2004.
- Placing of new shares to raise £2,750,000 in February 2004.
- Betelgeuse and GMS win \$6m ChampCar contract.
- CMG channels launched on NTL's Broadband Plus platform.
- Renewed licence for CMG consumer channels to KPN for one year.
- Signed distribution agreement with VOD Pty of Australia.

Commenting on the results, Paul Duffen, Chief Executive Officer, said:

"These results reflect the significant progress that the Group has made over the past year. We are now profitable and cash generative on a monthly basis and on course to make a profit for the current financial year. In February 2004 we acquired Betelgeuse Productions Inc in New York which followed the acquisition of GMS in September 2003. Both businesses are performing ahead of expectations and have demonstrated their synergy by winning the \$6 million contract to produce the Champ Car racing series both on-air and on-line. Adding value to live sport through the application of interactive technology is an area we will continue to focus on. As part of this strategy we are in the process of acquiring a 20% stake in Satellite Information Services, based in London, who are one of the world's largest producers of live sport. We expect this transaction to be completed by the middle of August 2004."

Enquiries:

CMG plc 020 7927 6699
Paul Duffen, CEO

Merlin PR 020 7653 6620
David Simonson/Rebecca Penney

Durlacher Limited 020 7459 3600
Richard Swindells/Marcus Jackson

CHIEF EXECUTIVE STATEMENT

OVERVIEW

Catalyst Media Group plc is a media company that manages, produces and distributes high quality audio-visual content using interactive digital technology. CMG provides clients with a comprehensive range of professional services to support their online strategies. CMG is becoming the partner of choice for media companies in the digitisation and distribution of broadcast content and interactive programme creation. Additionally, CMG supports corporations and organisations from other industrial sectors by enabling them to use streaming and download distribution to support communication with customers, investors and employees.

Furthermore, CMG is a rights holder on its own account specialising in historic entertainment and educational content. CMG generates revenues from the licensing of content globally to third parties, from consumer subscriptions and pay-per-view fees and from advertising revenue.

MEDIA CHANNELS AND LICENSED CONTENT

Footage.net - A leading stock footage portal which manages the databases of many of the world's leading stock footage libraries, including ABC News, CNN, Action Sports, National Geographic, and many others.

Newsplayer.com - A video-on-demand (VOD) consumer channel offering 1,000 hours of footage from ITN/ Reuters, including material from Paramount, Gaumont, British Empire News, Visnews, French Pathe et al. Features original video footage of some of the most important and notable news stories of the 20th century.

Frost.tv - A VOD channel featuring the unparalleled, 40-year archive of Sir David Frost's original interviews with the world's most famous public figures. The strategic partnership between CMG and Sir David extends also to marketing content in professional markets, both on- and off-line.

Screenplayer.com – A VOD channel offering the largest collection of Hollywood footage in the world from Passport International Productions. The archive includes more than 650 hours of movie-related documentaries comprised of film trailers, celebrity interviews and profiles of the stars.

Video.tv - A VOD channel providing an interactive collection of EMI music videos. Advanced negotiations are under way with other major record labels that have expressed an interest in having their material represented.

Birdstream.com - A VOD channel giving access to 100 hours of award-winning wildlife footage in the Film Collection of the Royal Society for the Protection of Birds (RSPB). Professionals in TV and advertising can also play, edit and license the material at www.rspbfilmcollection.com, managed by CMG.

Pure World Cup.com- A VOD channel providing World Cup highlights from 1958 to 1998.

The Alison Mercer Collection- CMG has an exclusive licence for 80 hours, or 1400 video clips, of film-related material of cinema's golden age and US-focused archive news and features.

Stock Video of Boston- CMG has an exclusive licence for 150 hours of classic sports footage from Stock Video of Boston, sourced from Columbia Sports News, Castlefilms and a selection of private collections.

FINANCIAL RESULTS

The loss for the period was £710,383 compared to a loss of £2,426,194 for the equivalent period in 2003. No dividend has been paid or is proposed.

OUTLOOK

The recent acquisitions of GMS and Betelgeuse in New York have consolidated the Group's positioning as a full service, cross platform, digital content business and provide critical mass, infrastructure and efficiencies for the Group's activities in the USA. The collaboration between these two businesses has demonstrated how we can add value to traditional broadcast environments through the application of digital technology by winning the contract to produce the Champ Car racing series. We are now engaged in the process of acquiring a stake in Satellite Information Services, based in London, who are one of the world's largest producers of live sport and an ideal potential partner to develop interactive solutions for the horse racing and betting industries.

I am confident that the Group will make a profit for the current financial year and that we will continue to grow strongly.

Paul Duffen

Chief Executive Officer

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2004

Consolidated Profit and Loss Account

	Note	Six months ended 30 April 2004	Six months ended 30 April 2003	Year ended 31 Oct 2003
		£	£	£
Turnover	2			
Existing operations		420,317	113,505	226,751
Acquisitions		1,234,754	-	37,771
Continuing operations		<u>1,655,071</u>	<u>113,505</u>	<u>264,522</u>
Cost of sales		<u>(980,081)</u>	<u>(47,553)</u>	<u>(118,485)</u>
Gross profit		674,990	65,952	146,037
Operating expenses	3	(1,386,989)	(2,492,214)	(6,666,803)
Operating loss				
Existing operations		<u>(895,642)</u>	<u>(2,426,262)</u>	<u>(6,513,687)</u>
Acquisitions		183,643	-	(7,079)
		<u>(711,999)</u>	<u>(2,426,262)</u>	<u>(6,520,766)</u>
Interest receivable		7,912	1,068	7,673
Interest payable		(5,796)	(1,000)	(15,341)
Loss on ordinary activities before taxation		<u>(709,883)</u>	<u>(2,426,194)</u>	<u>(6,528,434)</u>
Taxation		(500)	-	204,269
Loss on ordinary activities after taxation		<u>(710,383)</u>	<u>(2,426,194)</u>	<u>(6,324,165)</u>
Loss per ordinary share - basic	4	(0.56p)	(3.49p)	(7.88p)

Consolidated Balance Sheet

	Note	At 30 April 2004 £	At 30 April 2003 £	At 31 Oct 2003 £
Fixed assets				
Intangible assets	5	8,350,070	2,071,624	3,342,067
Tangible assets		254,733	183,108	171,617
		<u>8,604,803</u>	<u>2,254,732</u>	<u>3,513,684</u>
Current assets				
Debtors	6	2,057,932	218,066	186,595
Cash at bank and in hand		1,356,073	100,252	587,323
Creditors: amounts falling due within one year	7	<u>(4,146,286)</u>	<u>(560,055)</u>	<u>(1,896,570)</u>
Net liabilities		<u>(732,281)</u>	<u>(241,737)</u>	<u>(1,122,652)</u>
Total assets less current liabilities		7,872,522	2,012,995	2,391,032
Creditors: amounts falling due after more than one year	8	(2,559,860)	(160,000)	(160,000)
Total net assets		<u>5,312,662</u>	<u>1,852,995</u>	<u>2,231,032</u>
Capital and Reserves				
		£	£	£
Called up share capital	9	1,405,099	722,688	1,214,624
Shares to be issued		1,012,640	-	1,012,640
Share premium account		15,308,182	11,827,380	12,775,192
Merger reserve		2,402,674	(509,386)	1,295,676
Profit and loss account		(14,815,933)	(10,187,687)	(14,069,092)
Equity shareholders' funds	10	<u>5,312,662</u>	<u>1,852,995</u>	<u>2,229,040</u>
Minority interest		-	-	1,992
		<u>5,312,662</u>	<u>1,852,995</u>	<u>2,231,032</u>

Consolidated Cash Flow Statement

	Note	Six months ended 30 April 2004	Six months ended 30 April 2003	Year ended 31 Oct 2003
		£	£	£
Net cash outflow from operating activities	11	(1,238,742)	(649,690)	(1,355,300)
Returns on investment and servicing of finance		6,917	1,068	(1,013)
Taxation		(500)	-	204,436
Capital expenditure and financial investment		(9,992)	-	(76,922)
Acquisitions		(358,449)	-	(131,825)
Cash outflow before financing		(1,600,766)	(648,622)	(1,360,624)
Financing				
New unsecured loan		-	160,000	160,000
Issue of shares		2,665,202	150,000	1,349,073
Repayment of bank loan		(263,318)	-	-
Repayment of loan notes		(32,368)	-	-
Increase/(decrease) in cash		768,750	(338,622)	148,449

Notes

1. Accounting policies and additional information

These interim results for the six month period ended 30 April 2004 do not constitute statutory accounts and have been neither reviewed nor audited by our auditors. The financial information for the year ended 31 October 2003 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s237(2) or (3) Companies Act 1985.

The accounting policies are consistent with those applied in the preparation of the statutory accounts for the year ended 31 October 2003.

2. Turnover

Turnover represents amounts derived from the provision of services which fall within the group's ordinary activities after deduction of trade discounts and value added tax.

3. Operating expenses

	Six months ended 30 April 2004	Six months ended 30 April 2003	Year ended 31 Oct 2003
	£	£	£
Included in operating expenses:			
Amortisation of goodwill	213,593	14,693	65,358
Depreciation	52,673	54,262	92,827
	<u>266,266</u>	<u>68,955</u>	<u>158,185</u>

4. Loss per share

The calculation of loss per share has been based on the loss after taxation for the period of £710,383 and the weighted average number of ordinary shares in issue during the period of 125,990,580.

5. Intangible fixed assets

	Goodwill	Intellectual Property	Total
	£	£	£
Cost			
At 1 November 2003	3,426,899	4,213,834	7,640,733
Additions	5,254,466	-	5,254,466
Exchange adjustments	(36,193)	-	(36,193)
At 30 April 2004	<u>8,645,172</u>	<u>4,213,834</u>	<u>12,859,006</u>
Amortisation			
At 1 November 2003	(84,832)	(4,213,834)	(4,298,666)
Charge for the 6 months	(213,593)	-	(213,593)
Exchange adjustments	3,323	-	3,323
At 30 April 2004	<u>(295,102)</u>	<u>(4,213,834)</u>	<u>(4,508,936)</u>
Net book value			
At 30 April 2004	<u>8,350,070</u>	<u>-</u>	<u>8,350,070</u>
At 31 October 2003	<u>3,342,067</u>	<u>-</u>	<u>3,342,067</u>

6. Debtors

	At 30 April 2004	At 31 Oct 2003
	£	£
Trade debtors	1,347,638	89,069
Other debtors	367,522	53,608
Prepayments and accrued income	342,772	43,918
	<u>2,057,932</u>	<u>186,595</u>

7. Creditors: amounts falling due within one year

	At 30 April 2004	At 31 Oct 2003
	£	£
Trade creditors	1,238,353	275,370
Loan notes	399,205	-
Taxation and social security	42,329	32,419
Other creditors	1,536,352	905,031
Accruals and deferred income	930,047	683,750
	<u>4,146,286</u>	<u>1,896,570</u>

8. Creditors: amounts falling due after more than one year

	At 30 April 2004	At 31 Oct 2003
	£	£
Bank loan	789,221	-
Loan notes to BPI vendors	765,144	-
Convertible loan notes 2005	160,000	160,000
Other creditors	845,495	-
	<u>2,559,860</u>	<u>160,000</u>

9. Changes in share capital

In November 2003 David Holdgate subscribed for 125,000 new shares at a price of 20p per share. On 27 February 2004 the authorised share capital of the Company was increased to £2,000,000. On 21 April 2004 the Company issued 5,826,305 ordinary 1p shares at a price of 20p per share for a total consideration of £1,165,261 in respect of vendor consideration of Betelgeuse Productions Inc.

10. Reconciliation of movement in shareholders' funds

	Six months ended 30 April 2004	Six months ended 30 April 2003	Year ended 31 Oct 2003
	£	£	£
Loss for the period	(710,383)	(2,426,194)	(6,324,165)
Issue of shares (net of issue costs)	2,723,465	150,000	1,589,748
Premium on issue of shares for acquisition	1,106,998	-	1,805,062
Currency translation difference	(36,458)	-	16,566
Shares to be issued	-	-	1,012,640
Net increase/(reduction) in shareholders' funds	<u>3,083,622</u>	<u>(2,276,194)</u>	<u>(1,900,149)</u>
Opening shareholders' funds	2,229,040	4,129,189	4,129,189
Closing shareholders' funds	<u>5,312,662</u>	<u>1,852,995</u>	<u>2,229,040</u>

11. Reconciliation of operating loss to operating cashflows

	Six months ended 30 April 2004 £	Six months ended 30 April 2003 £	Year ended 31 Oct 2003 £
Operating loss	(711,999)	(2,426,262)	(6,520,766)
Impairment of Intellectual property rights	-	-	1,995,235
Amortisation of Intellectual property rights	-	351,331	555,101
Prepayment write off	-	-	682,058
Depreciation	52,673	54,262	92,827
Exceptional non-cash charges	-	971,865	-
Loss on disposal of fixed assets	-	-	12,755
Amortisation of goodwill on acquisition	213,593	14,693	65,358
(Increase)/decrease in debtors	(790,862)	167,714	199,019
Increase in creditors	85,161	216,707	1,549,559
Exchange adjustment	(87,308)	-	13,554
Net cash outflow from operating activities	<u>(1,238,742)</u>	<u>(649,690)</u>	<u>(1,355,300)</u>

12. Reconciliation of net cash flow to movement in net (debt)/funds

	At 30 April 2004 £	At 31 Oct 2003 £
Increase in cash in the period	768,750	148,449
Issue of convertible loan note	-	(160,000)
Loans and finance leases acquired with subsidiary	(2,177,830)	-
Translation difference	(71,426)	-
Repayment of loan notes	32,368	-
Repayment of bank loan	263,318	-
Movement in debt in the period	<u>(1,184,820)</u>	<u>(11,551)</u>
Net funds at start of period	427,323	438,874
Net (debt)/funds at end of period	<u>(757,497)</u>	<u>427,323</u>

13. Analysis of net (debt)/funds

	At 31 October 2003 £	Cash flow £	Acquired £	Exchange Movement £	At 30 April 2004 £
Cash at bank	587,323	768,750	-	-	1,356,073
Bank loan	-	263,318	(1,012,598)	(39,942)	(789,222)
Convertible loan note	(160,000)	-	-	-	(160,000)
Loan notes	-	32,368	(1,165,232)	(31,484)	(1,164,348)
	427,323	1,064,436	(2,177,830)	(71,426)	(757,497)

This Interim Report was approved by the Directors on 30 June 2004.

The report will be sent to all registered shareholders and will be available to members of the public from the Company's registered office at 12 Gough Square, London EC4A 3DW and online from the Company's corporate website at www.CMG-plccom.