

**Catalyst Media Group Plc
(‘CMG’ or the ‘Group’)**

Interim Results for Six Months Ended 30 September 2010

Catalyst Media Group Plc (“CMG”) announces its interim results for the six months ended 30th September 2010

CMG is a 20.54% shareholder in Satellite Information Services (Holdings) Ltd (“SIS”) and the results include its share in the profits of SIS as an equity accounted associate.

Financial Highlights for the six months to 30 September 2010

- CMG profits after taxation of £1.8m (2009 (restated): £1.4m), an increase of 30% over prior year
- Earnings per share 6.3p (2009 (restated): 4.9p)
- Net Debt reduced to £485,000 (2009: £3.8m)
- Net asset value per share of 112p (2009 (restated): 97p) an increase of 15.4% over prior year
- Overheads further reduced
- SIS revenues of £110m (2009: £94.5m), an increase of 16.4% over prior year
- SIS EBITDA of £ 18.9m (2009:£16.2m)
- SIS profit on ordinary activities before tax of £12.5m (2009:£9.8m), an increase of 27.5% over prior year.

Michael Rosenberg, Chairman of CMG commented:

“We are pleased to report that the results of SIS are ahead of our expectations for the period under review.

Although SIS has a policy of declaring and paying dividends no decision has yet been taken on the timing or quantum of the next dividend payment. Once a decision has been taken shareholders of CMG will be informed.

As previously stated we have reorganized our capital structure so as to enable payment of dividends or other forms of distribution in the future as and when such distributions are received from SIS. The Court approval for this was granted on 28th October 2010.

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Chairman's statement

I am pleased to report that for the six months ended 30th September 2010 the Group has generated a net profit after taxation of £1,770,674 (2009 (restated): £1,362,708). Net assets at 30 September 2010 were £31,313,085 (2009 (restated): £27,068,197). Net assets per share were 112 pence per share (2009 (restated): 97 pence per share).

During the period under review the Company's net debt was reduced to approximately £485,000 (2009: £3.8 million).

SIS

The main asset of the Group remains the 20.54% stake in Satellite Information Services (Holdings) Ltd ("SIS"). CMG equity accounts for its share in the profits of SIS.

The revenues of SIS during the period included £76 million derived from the long established business of providing integrated television and data services to licensed betting offices in the UK, Ireland and overseas.

Revenues of £52 million were generated from the business of SISLIVE which provides satellite news gathering and associated transmission services to its customers and also provides outside broadcast television production units including sound support and communication.

In August 2010 SIS LIVE, which is Europe's largest outside broadcast and satellite uplink company, won a long term contract to supply the outside broadcast facilities on all of ESPN's football requirements. In September it was announced that it had upgraded the technical facilities for BBC Sport's coverage of Formula 1 motor racing. It has designed and built a brand new HD-ready flyaway unit and outside broadcast truck to capture the BBC Sport's race-weekend footage for BBC One, BBC Red Button and BBC online.

In August 2010 SISLIVE also upgraded and expanded the Sky Sports News Satellite News Gathering fleet for the launch of Europe's first fully High Definition sports service, Sky Sports News HD. It has secured a long term contract to supply Sky Sports News within its Satellite News Gathering outside broadcast capabilities consisting of six dedicated Satellite News Gathering outside broadcast trucks all built to the highest HD specifications. SIS now provides 21 dedicated Satellite News Gathering HD trucks across the Sky Group.

SIS LIVE provided full host broadcast television production facilities for the Commonwealth Games in India during October 2010. Whilst TV coverage was concluded successfully, this major event has not been without its challenges for SIS some of which still remain to be resolved.

In November it was announced that SIS and Peel Media, owners of MediaCityuk had agreed a major new joint venture to run MediaCityuk's state of the art studio facilities including post production, content and technical services as well as managing all connectivity. At the same time, the joint venture signed a ten year contract to deliver an enhanced range of production and technical services to the BBC when it moves to the new site in Manchester next year.

The services to the betting industry are supported in the main by fixed term contracts both with the retail owners of betting shops and with the racecourses that enable pictures to be delivered to those shops. Following the signing of long term rights agreements by SIS with Arena Leisure Plc and Northern Racing Limited, combined with other courses that have subsequently renewed contracts, SIS now holds long term media rights representing in excess of 50% of all UK horse racing fixtures. This ensures the supply of images and data from the coverage of horseracing fixtures at these racecourses until 2016 and 2017 respectively.

In June 2010 it was announced that the BAGS greyhound picture and data contract had been extended through to the end of 2015. In the same month an exclusive five year contract was agreed with PhumelelaGold Enterprises to supply South African horse racing pictures and data products to UK and Irish betting shops. This covers racing from South Africa's ten thoroughbred tracks with over 400 fixtures annually.

SIS has also announced plans to relocate its London operation to MediaCityUK in Salford Quays, Manchester. This will be a phased move and is due to be completed by 2013. SIS will take a minimum of 25,000 sq ft of space and expects to have in excess of 100 staff working in Salford.

Strategic Review

After some months of discussions with various parties interested in the possible acquisition of our stake in SIS the board has concluded that the best interests of shareholders would be served by retaining this stake and continuing as a quoted company for the immediate future. Accordingly the board has terminated all such discussions and all parties have withdrawn their interest.

As stated above the SIS business continues to perform well and it is expected that dividends will continue to be paid by SIS subject to its cash flow needs for the foreseeable future. On that assumption the remaining borrowings within the CMG group should be eliminated within the next 12 months or possibly sooner, it would then be the intention to utilize free cash flow to make appropriate distributions to our own shareholders.

Notes to Editors

SIS principal activities are

- the provision of satellite news-gathering and associated transmission services through its market-leading SISLink division (Uplink Services);
- the provision of outside broadcast television production units, including sound, support and communication (Outside Broadcast);
- its long-established business of providing integrated television and information services delivered via satellite to licensed betting offices in the United Kingdom, Ireland and overseas (Racing Services); and
- the provision of television production services for other broadcasters (Other Services)

Uplink Services and Outside Broadcast are managed under the common brand of SIS LIVE.

Consolidated interim statement of comprehensive income

	Notes	6 months to 30 September 2010 £ Unaudited	6 months to 30 September 2009 (As restated) £ Unaudited	Year to 31 March 2010 £ Audited
Revenue		12,500	26,875	43,909
Cost of sales		-	-	(95,292)
Gross (loss) profit		12,500	26,875	51,383
Administrative expenses		(91,808)	(140,253)	(290,212)
Operating loss		(79,308)	(113,378)	(341,595)
Financial income		47	23	88
Financial costs	4	(20,951)	(127,627)	(201,569)
Net financial costs		(20,904)	(127,604)	(201,481)
Share of profit of equity-accounted associate	1	1,835,249	1,454,232	3,812,224
Profit before taxation		1,735,037	1,213,250	3,269,148
Taxation		35,637	149,458	752,840
Profit for the period		1,770,674	1,362,708	4,021,988
Share of other comprehensive (loss) / income of associate		-	411	(184,655)
Total comprehensive income for the period		1,770,674	1,363,119	3,837,333
Attributable to equity holders of the company		1,770,674	1,363,119	3,837,333
Earnings per share:	5			
Basic		6.29p	4.84p	14.29p
Diluted		6.29p	4.84p	14.29p

Consolidated interim statement of financial position

	30 September 2010	30 September 2009 (As restated)	31 March 2010
	£ Unaudited	£ Unaudited	£ Audited
Assets			
Non-current assets			
Intangible assets	-	-	-
Property, plant and equipment	-	111	-
Investment in associate	31,790,597	30,697,424	29,955,348
	<u>31,790,597</u>	<u>30,697,535</u>	<u>29,955,348</u>
Current assets			
Trade and other receivables	30,463	156,978	82,592
Corporation tax receivable	12,233	104,377	327,198
Cash and cash equivalents	132,951	35,628	46,444
	<u>175,647</u>	<u>296,983</u>	<u>456,234</u>
Total assets	<u>31,966,244</u>	<u>30,994,518</u>	<u>30,411,582</u>
Equity and liabilities			
Capital and reserves attributable to equity holders of the parent			
Share capital	9,243,197	9,243,197	9,243,197
Share premium	38,904,450	38,904,450	38,904,450
Merger reserve	2,402,674	2,402,674	2,402,674
Retained deficit	(19,237,236)	(23,482,124)	(21,007,910)
	<u>31,313,085</u>	<u>27,068,197</u>	<u>29,542,411</u>
Non-current liabilities			
Interest-bearing loans and borrowings	617,787	3,834,649	806,854
Current liabilities			
Interest-bearing loans and borrowings	-	-	-
Trade and other payables	35,372	91,672	62,317
	<u>35,372</u>	<u>91,672</u>	<u>62,317</u>
Total equity and liabilities	<u>31,966,244</u>	<u>30,994,518</u>	<u>30,411,582</u>

Notes to the interim financial statements

1 Investment in associate	Share of net assets Group £	Fair Value of Intangibles Group £	Total Group £
Cost			
At 1 April 2010	8,777,307	21,178,041	29,955,348
Additions – share of profit	1,835,249	-	1,835,249
Additions – share of other comprehensive income	-	-	-
Dividend received	-	-	-
At 30 September 2010	<u>10,612,556</u>	<u>21,178,041</u>	<u>31,790,597</u>

The Group's interest in the associate, Satellite Information Services (Holdings) Limited, a company incorporated in Great Britain, ('SIS') is held by Alternateport Limited. Alternateport Limited holds an investment of 20.54% in the equity share capital of SIS and is entitled to appoint a director and alternate director to the SIS board. This right has been exercised since acquisition. Alternateport Limited is a wholly owned subsidiary of Catalyst Media Holdings Limited a wholly-owned subsidiary of the Company. The intangible assets represent the value attributable to the ongoing business activities of SIS. These are subject to an annual impairment review.

Share of profit of associate	30 September 2010 SIS Total £'000	30 September 2010 CMG share £'000	30 September 2009 (As restated) CMG share £'000	31 March 2010 CMG share £'000
Revenue:				
Racing services	66,969	13,755	12,591	29,286
SIS live services	43,063	8,845	7,011	11,424
Total revenue	<u>110,032</u>	<u>22,600</u>	<u>19,602</u>	<u>40,710</u>
Operating profit from ongoing operations	12,794	2,628	2,009	5,457
Net interest receivable	-	-	-	-
Net interest payable	(1,249)	(257)	(114)	(298)
Gain on disposal of subsidiary	-	-	-	203
Profit before tax	11,545	2,371	1,895	5,362
Taxation	(2,610)	(536)	(441)	(1,550)
Share of profit after taxation	<u>8,935</u>	<u>1,835</u>	<u>1,454</u>	<u>3,812</u>
Net income from associate	8,935	1,835	1,454	3,812
Other comprehensive income				
Actuarial (loss) /gain	-	-	-	(257)
Deferred tax	-	-	-	72
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(185)</u>
Share of gross assets and liabilities of associate				
Gross assets	114,416	23,501	21,353	29,005
Gross liabilities	<u>(62,749)</u>	<u>(12,889)</u>	<u>(11,835)</u>	<u>(20,228)</u>
Net equity	<u>51,667</u>	<u>10,612</u>	<u>9,518</u>	<u>8,777</u>

Notes to the interim financial statements

2 Corporate information

Catalyst Media Group Plc ("the Company") is a company incorporated in England and Wales and quoted on the London Stock Exchange's Alternative Investment Market.

3 Basis of preparation

These interim financial statements of the Company and its subsidiaries ("the Group") for the six months ended 30 September 2010 have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) as adopted by the European Union and also in accordance with the Companies Act 2006.

The accounting policies adopted for the preparation of this interim statement are consistent with the accounting policies adopted in the financial statements for the year ended 31 March 2010.

The financial information set out above does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. Statutory accounts for the twelve months to 31 March 2010, on which the report of the auditors was unqualified and did not contain a statement under section 498 of the Companies Act 2006, have been filed with the Registrar of Companies.

	6 months to 30 September 2010 £	6 months to 30 September 2009 £	Year to 31 March 2010 £
4 Finance expenses			
Interest payable	15,322	75,641	121,009
Amortisation of transaction costs and other loan redemption fees	5,629	51,986	80,560
	<u>20,951</u>	<u>127,627</u>	<u>201,569</u>

Notes to the interim financial statements

5 Earnings per share

The calculation of the basic earnings per share is based upon the following:

	6 months to 30 September 2010 £	6 months to 30 September 2009 (As restated) £	Year to 31 March 2010 £
Basic and Diluted			
Earnings per share – pence	6.29p	4.84p	14.29p
Profit attributable to equity shareholders	£1,770,674	£1,362,708	£4,021,988
Weighted average number of shares in issue	28,143,197	28,143,197	28,143,197

6 Dividend

The Directors have not declared a dividend for the interim period ended 30 September 2010.

7 Restatement

The financial statements to 31 March 2010 included a prior year adjustment as a result of an alignment of accounting policies between the Group's equity accounted associate, SIS; a Group which prepares its financial statements in accordance with UK GAAP. The adjustments required as a result of this alignment have given rise to the restatement as detailed below.

The Group's opening retained earnings as at 30 September 2009 have been increased by £486,182 from the previously reported figure of £23,968,306.

Effect on Balance Sheet	As previously stated 30 Sept 2009 £	As restated 30 Sept 2009 £	Restatement 30 Sept 2009 £
Investment in associate	30,211,242	30,697,424	486,182
Retained earnings	(23,968,306)	(23,482,124)	486,182
Increase in equity	(23,968,306)	(23,482,124)	486,182

Effect on Income Statement	As previously stated 2009 £	As restated 2009 £	Restatement 2009 £
Increase in share of profit from equity accounted investment:			
Year to 31 March 2009	3,102,773	3,402,657	299,884
6 months to 30 September 2009	1,268,345	1,454,643	186,298
Increase in profit from continuing operations	4,371,118	4,857,300	486,182

Notes to the interim financial statements

7 Restatement – cont/d

Effect on Earnings per share	As previously stated 6 months to 30 Sept 2009 p	As restated 6 months to 30 Sept 2009 p	Restatement 6 months to 30 Sept 2009 p
Earnings per share	4.20	4.84	0.64

There was no cash flow impact as a result of the restatement. Additionally, there was no material difference arising from the above restatement of the Group's Statement of Financial Position as at 1 October 2008 compared with that previously reported as at 30 September 2008. Therefore no Statement of financial position as at 1 October 2008 has been prepared.

Consolidated interim cashflow statement

	6 months to 30 September 2010 £ Unaudited	6 months to 30 September 2009 (As restated) £ Unaudited	Year to 31 March 2010 £ Audited
Cash flow from operating activities			
Profit before taxation including discontinued operations	1,663,969	1,213,250	3,269,148
Adjustments for:			
Depreciation, amortisation and impairment	-	167	278
Share of profit from associate	(1,764,181)	(1,454,232)	(3,812,224)
Finance income	(47)	(23)	(88)
Finance expense	20,951	70,750	201,569
Corporation taxes recovered	350,602	163,471	544,032
Net cash flow from operating activities before changes in working capital	271,294	(6,617)	202,715
(Increase)/decrease in trade and other receivables	46,498	75,341	69,167
Increase/(decrease) in trade and other payables	(26,943)	(106,070)	(135,967)
Net cash flow used in operating activities	290,849	(37,346)	135,915
Investing activities			
Dividend received	-	-	2,915,002
Interest received	47	23	88
Net cash flow from investing activities	47	23	2,915,090
Financing activities			
Proceeds from long-term borrowings	-	-	200,000
Repayment of long-term borrowings	(189,067)	-	(3,157,045)
Interest and early redemption fees paid	(15,322)	-	(120,467)
Net cash outflow from financing activities	(204,389)	-	(3,077,512)
Net increase/(decrease) in cash and cash equivalents in the period	86,507	(37,323)	(26,507)
Cash and cash equivalents at the beginning of the period	46,444	72,951	72,951
Cash and cash equivalents at the end of the period	132,951	35,628	46,444

Notes to the interim financial statements

	Share capital	Share Premium	Merger reserve	Retained deficit	Total shareholders equity
	£	£	£	£	£
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
At 1 April 2009	9,243,197	38,904,450	2,402,674	(25,145,127)	25,405,194
Prior period adjustment (1)	-	-	-	299,884	299,884
At 1 April 2009 restated	9,243,197	38,904,450	2,402,674	(24,845,243)	25,705,078
Profit for the 6 month period to 30 September 2009	-	-	-	1,176,821	1,176,821
Share of other comprehensive income of associate	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,176,821	1,176,821
At 30 September 2009 (2)	9,243,197	38,904,450	2,402,674	(23,668,422)	26,881,899
Prior period adjustment (1)	-	-	-	186,298	186,298
At 30 September 2009 restated	9,243,197	38,904,450	2,402,674	(23,482,124)	27,068,197
Profit for the 6 month period to 31 March 2010	-	-	-	2,658,869	2,658,869
Share of other comprehensive income of associate	-	-	-	(184,655)	(184,655)
Total comprehensive income for the period	-	-	-	2,474,214	2,474,214
At 31 March 2010	9,243,197	38,904,450	2,402,674	(21,007,910)	29,542,411

Notes to the interim financial statements

	Share capital	Share Premium	Merger reserve	Retained deficit	Total shareholders equity
	£ Unaudited	£ Unaudited	£ Unaudited	£ Unaudited	£ Unaudited
At 1 April 2010	9,243,197	38,904,450	2,402,674	(21,007,910)	29,542,411
Profit for the 6 month period to 30 September 2010	-	-	-	1,770,674	1,770,674
Share of other comprehensive income of associate	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,770,674	1,770,674
At 30 September 2010	9,243,197	38,904,450	2,402,674	(19,237,236)	31,313,085

(1) Total prior period adjustment for the period to 30 September 2009 is £485,771.

(2) The retained deficit stated as at 30 September 2009 was as follows:

As above	£ (23,668,422)
Prior period adjustment as at 1 April 2009	(299,884)
As stated as at 30 September 2009	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/> (23,968,306)