January 2006

CATALYST MEDIA GROUP PLC

("CMG" or the "Company")

UNAUDITED SECOND INTERIM RESULTS FOR THE TWELVE MONTHS ENDED 31 OCTOBER 2005

Catalyst Media Group plc, the media company, today announces its unaudited second interim results for the 12 months ended 31 October 2005.

OVERVIEW

CMG is a media company that manages and distributes high quality audio-visual content using interactive digital technology. Through its associated companies, CMG provides services to support clients' online strategies and is a partner for media companies in the digitalisation and distribution of broadcast content and interactive programme creation. CMG supports corporations enabling them to use streaming and download distribution to support communication with customers, investors and employees. CMG is also a rights holder on its own account specialising in historic entertainment and educational content, generating revenues from the licensing of content globally to third parties, from consumer subscriptions, pay-per-view fees and from advertising revenue.

CMG also owns a 17.6% stake in Satellite Information Services (Holdings) Limited ("SIS"), the leading producer of sports content in the UK, providing over 9,700 bookmakers with live television pictures, data display systems and other broadcast services.

OPERATIONAL HIGHLIGHTS

In September 2005 CMG completed the acquisition of a 20% stake in SIS through the acquisition of Alternateport Ltd from United Business Media plc (the "Acquisition") for £23 million in cash. The Acquisition was made through CMG's subsidiary, Catalyst Media Holdings Ltd ("CMH"), which is owned 80% by CMG and 20% by Eureka Interactive Fund Limited ("Eureka"). At the time of the Acquisition Alternateport owned 20% of SIS, giving CMG an effective 16% interest in SIS.

In November 2005 SIS purchased 20,638 of its own shares from the Racecourse Association for a consideration of £10.7 million in cash. As a consequence, CMG's interest in SIS increased from 16% to 17.6% at no cost to CMG.

In December 2005 SIS paid an interim dividend of £10 million. CMH's share of this dividend was £2.2 million which was applied to the early reduction of debt which was raised to part finance the Acquisition.

The Acquisition was partly financed by the issuance of secured deep discounted Bonds to Eureka for a subscription of £11.75 million. Whilst the Bonds have a nominal value on maturity of £16.7 million they may be redeemed at any time at a deep discount which equates to an interest rate of 10% per annum. Consequently, following application of the funds from this dividend, the outstanding balance was reduced from £12.1 million, including accrued interest, to £9.9 million.

SIS has, in the recent past, had a policy of declaring a substantial dividend every four years. The Directors of CMG expect the next dividend in line with this policy to be declared before the end of 2006.

Since the completion of the Acquisition, CMG has embarked on a strategy to de-risk and reduce costs in the Group so as to maximise the benefit to shareholders of its ownership in SIS. As part of this process Global Media Services ("GMS"), the New York based media services business, was sold to management in October 2005. As consideration CMG will receive 15 per cent. of the gross revenues of the holding company of GMS from 1 January 2006 to 31 December 2010. In addition BPI, the wholly owned New York based television production company, entered into a joint venture with PowPix Productions who assumed the responsibility for running the post production facility. As a result of this agreement BPI's annual cost base has been reduced to less than £50,000 from £1.1 million. CMG is currently in discussions with a number of interested parties with regard to the disposal of its remaining US subsidiary, NPG Inc., which operates the world's leading stock footage portal, Footage.net.

In the UK a comprehensive re-structuring was implemented which has reduced overheads by a further £500,000 annually. Consequently the Group now employs a total of 6 people worldwide. The cost of the Group restructuring amounted to £1.1m, which will be included in the results for the period ending 31 March 2006. Despite the significant reduction on the Group's cash resources and notwithstanding the reduction in overhead the Group continues to generate revenues from its on-going relationships with GMS, BPI and Footage.net as well as its content licensing activities in the UK and its investment in SIS.I am pleased to report that the Group is now profitable at the EBITDA level on a monthly basis.

FINANCIAL RESULTS

CMG recorded a loss for the twelve month period ended 31 October 2005 of £7.3 million (EBITDA: loss £2.3million) compared to a loss of £5.4 million (EBITDA: loss £4.7 million) for the equivalent period in 2004. The loss being reported for this period includes the goodwill write off in respect of GMS and BPI of £4.1million. Net assets increased to £11.6 million at the end of the period from £0.1 million in the prior year, primarily as a result of the acquisition of SIS. No dividend has been paid or is proposed.

For the financial year ended 31 March 2005 SIS generated revenue of £117.7 million (2004: £110.4 million) and profit before tax of £17.1million (2004: £14.9million). For the 12 months ended 31 October 2005 under Associate accounting rules CMG recorded a two month net contribution from SIS of £500,000.

CHANGE OF YEAR END

Following completion of the SIS acquisition, the current financial year of CMG was extended to 31 March 2006. CMG will publish its audited results for the seventeen month period ending 31 March 2006 by 30 September 2006.

OUTLOOK

The acquisition of a significant stake in SIS is a very positive development for the Group which, combined with the subsequent extensive re-structuring, offers excellent prospects for the future. The outstanding debt in respect of this investment should be substantially reduced over the next 12 months from the dividends which the Directors expect to be paid. This will result in both a significant increase in net assets of the Group and in its future earnings.

Paul Duffen

Chief Executive Officer

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Unaudited results for the year ended 31 October 2005

Consolidated profit and loss account

For the twelve months ended 31 October 2005

	Note	**12 months ended 31 Oct 2005 £**	Six months ended 30 April 2005 £	Year ended 31 Oct 2004 £
Turnover				
Existing operations	1	**224,786**	106,363	794,623
Discontinued operations		**2,414,354**	1,764,722	6,249,912
		2,639,140	1,871,085	7,044,535
Cost of sales		**(2,176,576)**	(1,278,610)	(6,843,917)
Gross profit		**462,564**	592,475	200,618
Operating expenses		**(4,165,246)**	(2,046,139)	(3,359,608)
Operating loss	2			
Existing operations		**(3,130,077)**	(1,346,424)	(1,870,208)
Discontinued operations		**(572,605)**	(107,240)	(1,288,782)
		(3,702,682)	(1,453,664)	(3,158,990)
Impairment of goodwill		**(4,093,016)**	-	(2,194,000)
Share of associates' operating profit		**592,167**		
Profit on ordinary activities before finance charges		**(7,203,531)**	(1,453,664)	(5,352,990)
Interest receivable		**93,452**	74,843	29,195
Interest payable		**(282,507)**	(54,838)	(80,660)
Loss on ordinary activities before taxation		**(7,392,586)**	(1,433,659)	(5,404,455)
Taxation		**151,999**	(500)	(1,166)
Loss on ordinary activities after taxation		**(7,240,587)**	(1,434,159)	(5,405,621)
Minority Interests		**(68,793)**	-	-
Profit for the financial year		**(7,309,380)**	(1,434,159)	(5,405,621)
Loss per ordinary share	3	**(3.85p)**	(0.82p)	(4.02p)

Statement of Total Recognised Gains and Losses

For the 12 months ended 31 October 2005

	12 months ended 31 Oct 2005	Six months ended 30 April 2005	Year ended 31 Oct 2004
	£	£	£
Loss for the year	**(7,309,380)**	(1,434,159)	(5,405,621)
Currency translation difference	**(165,822)**	89,712	3,063
Total recognised losses for the year	**(7,475,202)**	(1,344,447)	(5,402,558)

Consolidated Balance Sheet

As at 31 October 2005

	Note	At 31 October 2005 £	At 30 April 2005 £	At 31 Oct 2004 £
Fixed assets				
Intangible assets	4	**10,486,394**	4,984,238	5,255,822
Tangible assets		**283,872**	259,672	258,216
Investments		**16,393,443**	-	-
		27,163,709	5,243,910	5,514,038
Current assets				
Debtors	5	**1,655,547**	2,103,431	1,744,291
Cash at bank		**630,048**	6,519	427,160
		2,285,595	2,109,950	2,171,451
Creditors: amounts falling due within one year	6	**(5,103,990)**	(6,484,959)	(6,557,561)
Net current liabilities		**(2,818,395)**	(4,375,009)	(4,386,110)
Total assets less current liabilities		**24,345,314**	868,901	1,127,928
Creditors: amounts falling due after more than one year	7	**(12,710,447)**	(878,752)	(1,012,122)
Total net (liabilities)/assets		**11,634,867**	(9,851)	115,806

	Note	£	£	£
Capital and reserves				
Called up share capital		**6,272,361**	1,771,889	1,405,099
Shares to be issued		**-**	476,000	476,000
Share premium account		**29,906,684**	16,155,683	15,303,683
Merger reserve		**2,402,674**	2,402,674	2,402,674
Profit and loss account		**(26,878,059)**	(20,816,097)	(19,471,650)
Minority Interest`		**(68,793)**		
Equity shareholders' funds	9	**11,634,867**	(9,851)	115,806

Consolidated Cash Flow Statement

For the 12 months ended 31 October 2005

	Note	**12 months ended 31 Oct 2005 £**	Six months ended 30 April 2004 £	Year ended 31 Oct 2004 £
Net cash outflow from operating activities	10	**(3,289,643)**	(1,557,911)	(2,087,355)
Returns on investment and servicing of finance	11	**(189,054)**	20,005	(51,465)
Taxation		**151,999**	(500)	(1,166)
Capital expenditure and financial investment	11	**(184,076)**	(76,252)	(133,806)
Acquisitions		**(26,430,901)**	-	(141,911)
Cash outflow before financing		**(29,941,675)**	(1,614,658)	(2,415,703)
Financing	11	**30,144,563**	1,194,017	2,255,540
Increase/(decrease) in cash	13	**202,888**	(420,641)	(160,163)

Notes to the Accounts

1. **Accounting policies and additional information**

These interim results for the 12 months ended 31 October 2005 do not constitute statutory accounts and have been neither reviewed nor audited by our auditors. The financial information for the 12 months ended 31 October 2004 is derived from the statutory accounts for that year. 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 2004.

Basis of accounting

The financial statements are prepared under the historical cost convention.

During the year, the company acquired Alternateport Limited whose single asset was 20% stake in Satellite Information Services (Holdings) Limited. Alternateport Limited is a 100% subsidiary of Catalyst Media Holdings Limited which is 80% owned by CMG and 20% owned by Eureka Interactive Fund Limited. Catalyst Media Holdings Limited is accounted for under Subsidiary accounting rules and Eureka’s minority interest is shown separately on the face of the Profit and Loss statement. Alternateport Limited is accounted for under Associate accounting rules, where its attributable profits are included in the Profit and Loss statement, and shown as an investment on the Balance sheet.

The directors have prepared the financial statements on the basis that the Group is a going concern.

Revenue recognition and turnover

Revenue is recognised under an exchange transaction with a customer, when, and to the extent that, the Group obtains the right to consideration in exchange for its performance.

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. Those services include internet web design, television programme editing and production, website administration and revenues from streamed advertising.

2. **Operating loss on ordinary activities before taxation**

	12 months ended 31 Oct 2005 £	Six months ended 30 April 2005 £	Year ended 31 Oct 2004 £
Operating loss is stated after charging:			
Amortisation of goodwill	**706,555**	297,489	510,702
Depreciation	**139,151**	63,031	152,013

3. Loss per share

The calculation of loss per share has been based on the loss after taxation for the period of £7,309,380 and the weighted average number of ordinary shares in issue during the period of 488,640,167.

The diluted loss per share calculation is identical to that used for basic earnings per share as the exercise of share options would have the effect of reducing the loss per ordinary share and therefore is not dilutive under the terms of the Financial Reports Standard 14 "Earnings per Share".

4. Intangible fixed assets

	Development Expenditure	Goodwill	Intellectual Property	**Total**
	£	£	£	**£**
Cost				
At 1 November 2004	64,484	7,975,331	4,213,834	**12,253,649**
Additions	30,467	10,037,458	-	**10,067,925**
Write down contingent revaluation		(42,000)		**(42,000)**
Exchange adjustments	-	7,103	-	**7,103**
At 31 October 2005	94,951	17,977,892	4,213,834	**22,286,677**
Amortisation				
At 1 November 2004	-	(2,783,993)	(4,213,834)	**(6,997,827)**
Charge for the 6 months	(60,000)	(646,555)	-	**(706,555)**
Impairment		(4,093,016)		**(4,093,016)**
Exchange adjustments	-	(2,885)	-	**(2,885)**
At 31 October 2005	(60,000)	(7,526,449)	(4,213,834)	**(11,800,283)**
Net book value				
At 31 October 2005	34,951	10,451,443	-	**10,486,394**
At 31 October 2004	64,484	5,191,338	-	**5,255,822**

5. Debtors:

	At 31 Oct 2005	At 31 Oct 2004
	£	£
Debtors: amounts falling due within one year		
Trade debtors	**987,883**	658,335
Other debtors	**502,071**	144,808
Called up share capital not paid	**1,000**	10,500
Prepayments and accrued income	**164,593**	930,648
	1,655,547	1,744,291

6. Creditors: amounts falling due within one year

	At 31 Oct 2005 £	At 31 Oct 2004 £
Bank loan	**201,500**	759,640
Loan notes	**391,890**	387,138
Obligations under finance leases	**263,550**	191,012
Trade creditors	**2,660,969**	2,234,625
Taxation and social security	**60,236**	238,657
Other creditors	**654,004**	1,314,948
Accruals and deferred income	**871,841**	1,431,541
	5,103,990	6,557,561

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

	At 31 Oct 2005 £	At 31 Oct 2004 £
Bank loan	**33,710**	51,494
Loan notes	**12,422,597**	637,507
Obligations under finance leases	**49,869**	122,263
Convertible loan note	**160,000**	160,000
Other creditors	**44,271**	40,858
	12,710,447	1,012,122

8. Changes in share capital

In September 2005, 3,055,555 new ordinary shares of 1p were issued to Paradine Productions, a company owned by Sir David Frost OBE at 4p per share.

In September 2005, 425,000,000 new ordinary shares of 1p were placed with institutional and other investors at 4p per share, in order to finance the acquisition of Alternateport Limited, whose sole asset is its 20% holding in SIS. The holding increased to 22.05% in November 2005 after the share buy back by SIS.

In September 2005, 8,750,000 new ordinary shares of 1p were issued to Strand Partners at 4p per share in part consideration of their professional fees for the acquisition of SIS.

In July 2005, 367,404 new ordinary shares of 1p were issued to Entendre in settlement of a legal claim based on a closing price of 7.75p.

In May 2005 7,274,286 new ordinary shares of 1p were placed with institutional and other investors at 3.5p per share.

In May 2005 5,600,000 new ordinary shares of 1p were issued to Adam Cohen (2,856,000) and Jennifer Sultan (2,744,000), in full and final settlement of all deferred consideration on the acquisition of GMS.

In November 2004 15,000,000 new ordinary shares of 1p were placed with Gartmore Investment Management Limited at 5p per share.

In November 2004 7,000,000 new ordinary shares of 1p were placed with Williams De Broe at 5p per share.

In December 2004 14,678,968 new ordinary shares of 1p were issued to Champ Car World Series LLC, based on closing price of 7.75p.

9. Reconciliation of movement in shareholders' funds

	12 months ended 31 Oct 2005 £	Six months ended 30 April 2005 £	Year ended 31 Oct 2004 £
Loss for the period	**(7,309,380)**	(1,434,159)	(5,405,621)
Issue of shares	**4,867,262**	366,790	2,718,966
Premium on issue of shares (net of issue costs)	**14,603,001**	852,000	1,106,998
Currency translation difference	**(165,822)**	89,712	3,063
Shares to be issued	**(476,000)**	-	(536,640)
Net increase/(reduction) in shareholders' funds	**11,519,061**	(125,657)	(2,113,234)
Opening shareholders' funds	**115,806**	115,806	2,229,040
Closing shareholders' funds	**11,634,867**	(9,851)	115,806

10. Reconciliation of operating loss to operating cashflows

	12 months ended 31 Oct 2005 £	Six months ended 30 April 2005 £	Year ended 31 Oct 2004 £
Operating loss	**(3,702,682)**	(1,453,664)	(5,352,990)
Impairment of intellectual property rights	**-**	-	2,194,000
Depreciation	**139,151**	63,031	152,013
Amortisation of goodwill on acquisition	**706,555**	297,489	510,702
Loss on disposal of fixed assets			803
(Decrease)/Increase in debtors	**680,910**	(359,140)	(478,873)
(Decrease)/increase in creditors	**(1,015,551)**	(102,224)	875,955
Exchange adjustment	**(98,026)**	(3,403)	11,035
Net cash outflow from operating activities	**(3,289,643)**	(1,557,911)	(2,087,355)

11. Analysis of cash flows for headings netted in the cash flow statement

	At 31 Oct 2005 £	At 31 Oct 2004 £
Returns on investments and servicing of finance		
Interest paid	**(220,690)**	29,195
Interest paid on finance leases	**(61,816)**	(66,559)
Interest received	**93,452**	(14,101)
	(189,054)	(51,465)
Capital expenditure and financial investment		
Purchase of intangible assets	**(30,467)**	(73,811)
Purchase of tangible assets	**(158,811)**	(59,995)
Disposal of fixed assets	**5,202**	
	(184,076)	(133,806)
Financing		
Capital element of finance lease payments	**(58,233)**	(63,868)
Repayment of bank loan	**(583,467)**	(263,318)
Repayment of loan notes	**-**	(129,470)
Issue of ordinary share capital	**19,036,263**	2,660,702
Issue of bank loan	**-**	51,494
Issue of loan	**11,750,000**	-
	30,144,563	2,255,540

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

	At 31 Oct 2005 £	At 31 Oct 2004 £
Decrease in cash in the period	**202,888**	(160,163)
Loans and finance leases acquired with subsidiary	**-**	(2,551,366)
Repayment of loan notes	**-**	129,470
Repayment of bank loan	**585,470**	263,318
Repayment of finance leases	**58,233**	63,868
New bank loan	**-**	(51,924)
Loan note issue	**(11,750,000)**	-
Translation	**(77,493)**	(2,850)
Movement in debt in the period	**(10,980,902)**	(2,309,217)
Net (debt)/funds at start of period	**(1,881,894)**	427,323
Net (debt) at end of period	**(12,862,796)**	(1,884,894)

13. Analysis of net (debt)/funds

	At 31 October 2004 £	Cash flow £	Acquired £	Exchange Movement £	**At 31 Oct 2005 £**
Cash at bank	427,160	202,888			**630,048**
Bank loan	(811,134)	585,470		(9,545)	**(235,209)**
Convertible loan note	(160,000)				**(160,000)**
Finance leases	(313,275)	58,233		(35,829)	**(290,871)**
Loan	-	(11,750,000)			**(11,750,000)**
Loan notes	(1,024,645)			(32,119)	**(1,056,764)**
	(1,881,894)	(10,903,409)	0	(77,493)	**(12,862,796)**

14. Post balance sheet events

In November 2005, SIS bought back shares from the Race Course Association, which led to CMG's stake in SIS increasing to 17.6% from 16%. SIS also declared a £10 million dividend of which CMH received £2.205 million. These monies have been used to pay down part of the £11.75 million debt.

In December 2005, BPI entered into a joint venture with PowPix Productions who assumed the responsibility for running the post production facility. As a result of this agreement BPI's annual cost base was reduced to less than £50,000 from £1.1 million

This Interim Report was approved by the Directors on 26th January 2005.

15. 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-plc.com.