30 November 2006

CATALYST MEDIA GROUP PLC

(“CMG” or the “Company”)

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

Catalyst Media Group plc, the media company, today announces its interim results for the 6 months ended 30 September 2006.

OVERVIEW

CMG is a media company that manages and distributes high quality audio-visual content using interactive digital technology. Through its subsidiary and associated companies, CMG provides services to support clients’ online strategies and is a partner to media companies in the digitalisation and distribution of broadcast content. CMG also holds its own rights, specialising in historic entertainment and educational content, generating revenues from the licensing of content globally to third parties.

CMG also owns a 22.2% stake in Satellite Information Services (Holdings) Limited (“SIS”), the leading producer of video, audio and data to over 9,700 licensed betting offices in the UK and Ireland. SIS is also the leading satellite uplink contractor in Europe, providing link units to a variety of clients including television news companies and sports event organisers.

OPERATIONAL HIGHLIGHTS

In September 2006, the Company exercised its call option to acquire the 20% interest not held by it in its subsidiary Catalyst Media Holdings Limited (“CMHL”) from Eureka Interactive Fund Ltd (“Eureka”), for a cash consideration of £5.5 million. CMHL is now a wholly owned subsidiary of CMG. As a result of this transaction CMG now owns a 22.2% stake in SIS and will therefore receive 22.2% of future dividends paid by SIS. The Board are confident that the enhanced interest will strengthen our earnings and net asset base.

In September 2006 CMG also repaid the balance of £10.64 million to redeem the Deep Discount Bonds held by Eureka, which were issued to Eureka at the time of CMG’s acquisition of an interest in SIS. In order to finance these transactions and the associated costs, CMG has drawn down £17.3 million of an £18.625 million facility that has been arranged with Investec Bank (UK) Limited (“Investec”), on terms which are more favourable than those provided by Eureka.

SIS continues to perform ahead of expectations and the Board believes that a substantial dividend is to be paid in the first quarter of 2007, which, if paid, would be applied to the repayment of a significant proportion of the Investec facility. For the financial year ended 31 March 2006, SIS generated turnover of £127.6 million (2005: £117.7 million) and profit after tax of £14.6 million (2005: £11.8 million).

In June 2006, the Company announced its intention to launch an on-line gaming platform complete with a suite of fixed odds and exclusive head to head games. CMG acquired an exclusive five year licence from YooMedia plc (“YooMedia”) for the head to head version of Tringo and acquired the entire issued share capital of Spoof.com Limited which has developed a head to head version of the traditional pub game “Spoof”. YooMedia are developing the technology platform and integrating the games which will enable players to compete across mobile phones, television and computers. The platform is expected to be launched in the second quarter of 2007.

FINANCIAL RESULTS

The Company recorded a loss for the six month period ended 30 September 2006 of £0.5 million (compared to a loss of £1.4 million for the first six months to 30 April 2005 of the previous 17 month accounting period to 31 March 2006). This reflects the Board’s continued commitment to reduce costs and de-risk the business following the acquisition of a stake in SIS in September 2005. There is no contribution in these results from the investment in SIS as no dividend was received during the period. SIS has, in the recent past, had a policy of declaring a dividend every four years. In line with this policy, the Board believes a significant dividend from SIS will be paid in the first quarter of 2007 which, if paid will have a direct impact on profits and earnings. No dividend has been paid or is proposed by the Company.

OUTLOOK

The acquisition of the remaining stake in SIS is a very positive development for the Group enhancing both asset value and dividend earnings potential. CMG is well placed to seek opportunities that will leverage our existing operating businesses and drive value for shareholders and is now actively examining ways to achieve this objective.

Paul Duffen

Chief Executive Officer

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Results for the 6 months ended 30 September 2006

Consolidated profit and loss account
For the 6 months ended 30 September 2006

	Note	**6 months ended**	5 months ended	17 months ended
		30-Sep-06	31-Mar-06	31-Mar-06
		(Unaudited)	(Unaudited)	(Audited)
		£	£	£
Turnover				
Continuing operations	1	138,949	166,217	391,003
Discontinued operations		-	74,583	2,488,937
		138,949	240,800	2,879,940
Cost of sales		(11,695)	(60,643)	(2,237,219)
Gross profit		127,254	180,157	642,721
Operating expenses:				
- goodwill impairment		-	-	(2,457,021)
- other		(661,558)	(73,353)	(4,238,600)
Dividend income		-	-	2,205,403
Operating profit /(loss)	2			
Continuing operations		(534,304)	(1,406,367)	(2,331,041)
Discontinued operations		-	1,513,171	(1,516,456)
		(534,304)	106,804	(3,847,497)
Loss on disposal of subsidiary		-	(310,519)	(1,946,513)
Interest receivable and similar income		3,112	1,619,488	99,704
Interest payable		(493,771)	(427,827)	(710,334)
Profit/(loss) on ordinary activities before taxation		(1,024,963)	987,946	(6,404,640)
Taxation		329,500	547,250	699,249
Profit/(loss) on ordinary activities after taxation		(695,463)	1,535,196	(5,705,391)
Minority Interest		198,371	(150,957)	(219,750)
Profit/(loss) for the period		(497,092)	1,384,239	(5,925,141)
Note 3:				
Basic and diluted loss per ordinary share		(0.07p)	0.28p	(1.21p)
Basic and diluted loss per ordinary share: continuing operations		(0.07p)	(0.45p)	(0.94p)
Basic and diluted loss per ordinary share: discontinued operations		-	0.74p	(0.27p)

Consolidated Statement of Total Recognised Gains and Losses

For the six months ended 30 September 2006

	6 months ended 30 Sept 2006	17 months ended 31 March 2006
	£	£
Loss for the period	(497,092)	(5,925,141)
Currency translation difference	32,848	(69,746)
Total recognised loss for the period	(464,244)	(5,994,887)

Consolidated Balance Sheet
As at 30 September 2006

	Note	At 30-Sep 2006 £	At 31-Mar 2006 £
Fixed assets			
Intangible assets	4	10,072,760	3,067,352
Tangible assets		68,636	89,367
Investments		22,240,000	22,193,670
		32,381,396	25,350,389
Current assets			
Debtors	5	414,908	472,438
Cash at bank		773,636	634,250
		1,188,544	1,106,688
Creditors: amounts falling due within one year	6	(1,732,185)	(4,022,475)
Net current liabilities		(543,641)	(2,915,787)
Total assets less current liabilities		31,837,755	22,434,602
Creditors: amounts falling due after more than one year	7	(17,305,000)	(9,049,491)
Net assets		14,532,755	13,385,111
Capital and reserves			
Called up share capital		7,143,196	6,272,361
Share premium account		30,896,287	27,928,193
Merger reserve		2,402,674	2,402,674
Profit and loss account		(25,909,402)	(25,466,537)
Equity shareholders' funds	9	14,532,755	11,136,691
Minority interest		-	2,248,420
		14,532,755	13,385,111

Consolidated Cash Flow Statement

For the six months ended 30 September 2006

	Note	6 months ended 30 Sept 2006	17 months ended 31 March 2006
		£	£
Net cash inflow/(outflow) from operating activities	10	190,240	(2,236,529)
Returns on investment and servicing of finance	11	(490,659)	(610,630)
Taxation		329,500	334,249
Capital expenditure	11	(616)	(20,482)
Acquisitions	11	(5,979,695)	(23,115,000)
Cash outflow before financing		(5,951,230)	(25,648,392)
Financing	11	6,090,616	25,855,482
Increase in cash	12	139,386	207,090

Notes to the Accounts

1. Accounting policies and additional information

These interim results for the six month period ended 30 September 2006 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 and have been neither reviewed nor audited by our auditors. The financial information for the 17 month period ended 31 March 2006 is derived from the statutory accounts for that period and have been delivered to the Registrar and included the auditors' report which was unqualified and did not contain a statement either under section 237(2) or 237(3) of the Companies Act 1985.

The accounting policies are consistent with those applied in the preparation of the statutory accounts for the 17 month period ended 31 March 2006.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of Catalyst Media Group plc and all of its subsidiaries at the period end.

Newsplayer Limited has been consolidated using acquisition accounting principles but the difference between the nominal value of the shares issued by Catalyst Media Group plc in exchange for shares in Newsplayer Limited and the nominal value of the shares held in Newsplayer Limited has been transferred to a merger reserve. The interest in Satellite Information Services (Holdings) Limited is held as a fixed asset investment reflecting the underlying nature and purpose of the stake. All other subsidiaries have been consolidated using acquisition accounting principles.

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

	6 months ended 30 Sept 2006	17 months ended 31 March 2006
	£	£
Operating loss is stated after charging:		
Amortisation of goodwill	9,783	677,334
Depreciation	12,939	185,301

3. Loss per share

The calculation of basic loss per share has been based on the loss after taxation and minority interest for the period 6 months to 30 September 2006 of £497,092 (17 months to 31 March 2006; £5,925,141) and the weighted average number of ordinary shares in issue during the period of 686,217,802 (17 months to 31 March 2006; 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 22 "Earnings per Share".

4. Intangible fixed assets

	Development Expenditure	Licences	Goodwill	Intellectual Property	Total
	£	£	£	£	£
Cost					
At 1 April 2006	94,951	-	8,267,498	4,213,834	12,576,283
Additions	1,212,845	950,000	4,860,354	-	7,023,199
Disposals	-	-	-	-	0
Foreign exchange adjustments	-	-	(14,449)	-	(14,449)
At 31 March 2006	1,307,796	950,000	13,113,403	4,213,834	19,585,033
Amortisation					
At 1 April 2006	(94,951)	-	(5,200,146)	(4,213,834)	(9,508,931)
Charge for the period	-	-	(9,783)	-	(9,783)
Disposals	-	-	-	-	0
Foreign exchange adjustments	-	-	6,441	-	6,441
At 31 March 2006	(94,951)	0	(5,203,488)	(4,213,834)	(9,512,273)
Net book value					
At 30 Sept 2006	1,212,845	950,000	7,909,915	0	10,072,760
At 31 March 2006	0	0	3,067,352	0	3,067,352

Analysis of Acquisition

During the period, Catalyst Media Group plc purchased the remaining 20% of its subsidiary Catalyst Media Holdings Limited ("CMHL") for £5.5 million , with costs total consideration was £5.97 million. The group also acquired the entire issued share capital of Spoof.com Limited for total consideration of £1.16 million. The fair value and book value of these company's assets were;

	At 30 Sept 2006	At 30 Sept 2006	At 30 Sept 2006
	£	£	£
	CMHL	Spoof.com Limited	Total
Fixed Assets	4,623,000	150,287	4,773,287
Current Assets	-	42,871	42,871
Creditors	(2,548,000)	-	(2,548,000)
Net Assets	2,075,000	193,158	2,268,158
Goodwill arising on consideration	3,892,137	968,217	4,860,354
Consideration	5,967,137	1,161,375	7,128,512

5. Debtors:

	At 30 Sept 2006	At 31 March 2006
	£	£
Trade debtors	99,316	112,547
Other debtors (including £116,717 due in greater than one year)	209,177	201,478
Prepayments and accrued income	106,415	158,413
	414,908	472,438

6. Creditors: amounts falling due within one year

	At 30 Sept 2006	At 31 March 2006
	£	£
Bank loan and overdraft	47,457	121,028
Other loans (including convertible loan note)	390,000	1,640,612
Obligations under finance leases	116,562	285,134
Trade creditors	363,294	296,980
Other taxation and social security	93,198	61,799
Other creditors	338,522	516,390
Accruals and deferred income	383,152	1,100,532
	1,732,185	4,022,475

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

	At 30 Sept 2006	At 31 March 2006
	£	£
Loan	17,305,000	-
Deep Discount bonds	-	9,049,491
	17,305,000	9,049,491

8. Changes in share capital

In May 2006, 437,500 new 1p ordinary shares were issued to Paradine Productions Limited, a company owned by Sir David Frost OBE at 4p per share, 3,100,264 new 1p ordinary shares at 3.39p per share and 97,222 new 1p ordinary shares at 18p per share.

In June 2006, 13,751,375 new 1p ordinary shares were issued at 4 pence per share to settle the sum of £1,085,612 payable to J. Servidio and S. Domenico under the Betelgeuse Stock Purchase Agreement resulting in a cash saving of £535,557.

In July and September 2006, 32,777,782 and 11,666,664 respectively, new 1p ordinary shares were issued at 4.5 pence per share to YooMedia plc.

In August 2006, 25,252,776 new 1p ordinary shares were issued at 4.5 pence per share for the acquisition of Spoof.com Limited.

At 30 September 2006, there were 8,245,083 (2004: 9,164,000) unapproved share options under the Executive Share Option Scheme and 27,385,869 EMI share options. There were 18 million warrants in issue, exercisable at any time up to and including 27 May 2010 and further warrants in issue for 1 per cent of the issued share capital of the company at the time of exercise of the warrant exercisable at any time up to and including 4 August 2010.

9. Reconciliation of movement in shareholders' funds

	6 months ended 30 Sept 2006	17 months ended 31 March 2006
	£	£
Loss for the period	(497,092)	(5,925,141)
Issue of shares	870,835	4,867,262
Premium on issue of shares	2,968,094	12,624,510
Finalisation of deferred consideration	-	(476,000)
Minority Interest	21,379	-
Currency translation difference	32,848	(69,746)
Net increase in shareholders' funds	3,396,064	11,020,885
Opening shareholders' funds	11,136,691	115,806
Closing shareholders' funds	14,532,755	11,136,691

10. Reconciliation of operating loss to operating cash flows

	6 months ended 30 Sept 2006	17 months ended 31 March 2006
	£	£
Operating loss	(534,353)	(3,847,497)
Impairment of goodwill	-	2,457,021
Depreciation	12,939	185,301
Amortisation of goodwill on acquisition	9,783	677,334
Decrease in debtors	75,401	1,314,051
Increase/(decrease) in creditors	577,158	(2,919,925)
Exchange adjustment	49,312	(102,814)
Net cash inflow/(outflow) from operating activities	190,240	(2,236,529)

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

	At 30 Sept 2006	At 31 March 2006
	£	£
Returns on investments and servicing of finance		
Interest paid	(493,771)	(692,406)
Interest paid on finance leases	-	(17,928)
Interest received	3,112	99,704
	(490,659)	(610,630)
Capital expenditure and financial investment		
Purchase of intangible assets	-	(161,446)
Purchase of tangible assets	(616)	(30,467)
Proceeds on the disposal of fixed assets	-	171,431
	(616)	(20,482)
Financing		
Capital element of finance lease payments	(168,572)	(28,141)
Repayment of bank loan	(73,571)	(690,106)
Repayment of loan notes	(10,972,241)	(2,700,509)
Issue of ordinary share capital	-	17,068,272
Issue of loans	17,305,000	12,205,966
	6,090,616	25,855,482
Acquisition		
Purchase of business	(5,979,695)	(23,115,000)
	(5,979,695)	(23,115,000)

12. Reconciliation of net cash flow to movement in net debt

	At 30 Sept 2006	At 31 March 2006
	£	£
Increase in cash in the period	139,386	207,090
Repayment of loan notes	10,465,103	-
Repayment of bank loan	68,578	699,301
Repayment of finance leases	113,977	44,161
Disposal of finance leases	15,153	-
Increase in loans	(17,305,000)	(9,444,491)
Exchange adjustments	44,439	(86,182)
Movement in debt in the period	(6,455,954)	(8,580,121)
Net debt at start of period	(10,462,015)	(1,881,894)
Net debt at end of period	(16,920,379)	(10,462,015)

13. Analysis of net debt

	At 31 March 2006	Cash flow	Decrease in Debt	Exchange Movement	At 30 Sept 2006
	£	£	£	£	£
Cash at bank	634,250	139,386	-	-	773,636
Bank loan	(121,028)	68,578	-	4,998	(47,452)
Convertible loan note	(160,000)	-	-	-	(160,000)
Finance leases	(285,134)	113,977	15,153	39,441	(116,563)
Loan notes	(1,085,612)	-	1,085,612	-	-
Other Loans	(9,444,491)	(7,925,509)	-	-	(17,370,000)
	(10,462,015)	(7,601,158)	1,100,765	44,439	(16,920,379)

14. Post balance sheet events

There have been no post balance events.

This Interim Report was approved by the Directors on 29 November 2006.

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 Portland House, 4 Great Portland Street, London W1W 8QJ and online from the Company's corporate website at www.CMG-plc.com.