5 August 2005

CATALYST MEDIA GROUP PLC
("CMG")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2005

Catalyst Media Group plc, the media company, today announces its unaudited interim results for the six months ended 30 April 2005, which should be read in conjunction with the preliminary announcement of results for the financial year ended 31 October 2004 also announced today.

OVERVIEW

CMG 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 and 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, generating revenues from the licensing of content globally to third parties, from consumer subscriptions, pay-per-view fees and from advertising revenue.

FINANCIAL RESULTS

The loss for the six month period ended 30 April 2005 was £1.43 million (EBITDA: loss £1.09 million) compared to a loss of £0.71 million (EBITDA: loss £0.45million) for the equivalent period in 2004. No dividend has been paid or is proposed.

Global Media Services Inc ("GMS") and NPG Inc. generated positive EBITDA for the period, and Newsplayer International Ltd broke even. Betelgeuse Productions Inc ("BPI") made a small loss during the period, which was mainly due to the negative impact of the final Champ Car race in November 2004, and the significant restructuring of that business. The EBITDA loss for the period of £1.09 million is stated after group infrastructure costs of approximately £0.57 million. Management focus during the period drove these costs down to this level through initiation of cost savings of approximately £0.1 million. Management expects these cost savings to be approximately £0.37 million on an annualised basis and expects to receive the full benefit of these by April 2006.

OPERATIONAL HIGHLIGHTS

GMS provides interactive digital video services to the North American motor sport industry. GMS has had success in developing the Race Director platform which delivers a whole new level of interaction and control to the motor sport fan. This work was rewarded by the recent renewal of the Internet production contract for the 2005 season and subsequent new business wins from three other US motor sport series. Meanwhile BPI has been re-structured and is focusing on its core strengths.

We have made a sustained investment in our original US subsidiary, NPG Inc., to develop Footage.net into a fully transactional platform. The new environment is expected to go live in October 2005 and will provide stock footage archives and production researchers with the first comprehensive exchange through which to buy and sell stock footage. In the UK we are seeing the genesis of a broadband infrastructure that will enable Internet Protocol Television to become reality within the next three years and thereby present an ideal opportunity to exploit the intellectual property assets to which we have rights.

We are seeing an increase in broadband content licensing activity and have begun to gain recognition in the US. We have recently won a distribution agreement with Microsoft's MSN Video in the US to provide a weekly package of topical clips from across CMG's archives. CMG will earn a share of revenues from the streamed advertising. In addition, I am pleased to announce that CMG has recently begun distributing Hollywood - related programming via broadband networks to TV in the home following an arrangement with VOD Pty in Australia and will earn revenue from this distribution.

CMG has also begun trials with Bell Canada, Canada's largest communications network, to distribute a weekly package of topical clips to their users in return for a share of revenues from streamed advertising.

ALTERNATEPORT

After more than a year since we first announced our intention to buy Alternateport Limited, the company that owns 20 per cent. of Satellite Information Services (Holdings) Limited ("SIS"), from United Business Media plc, we have concluded negotiations to complete the transaction. Further information on the SIS business is set out in the circular to shareholders accompanying the Annual Report for the financial year ended 31 October 2004 ("Annual Report"). SIS represents an important opportunity for CMG to apply our interactive technology to the world of horseracing and betting.

OUTLOOK

The Group has weathered the storm caused by the difficulties in New York which are discussed in detail in the Annual Report. It is now well placed to benefit from recent management initiatives and the anticipated dividend and profit contribution from our investment in SIS. The future for CMG is very exciting and I look forward to reporting further progress.

Paul Duffen

Chief Executive Officer

Unaudited results for the six months ended 30 April 2005

Consolidated profit and loss account

For the six months ended 30 April 2005

	Note	**Six months ended 30 April 2005 £**	Six months ended 30 April 2004 £	Year ended 31 Oct 2004 £
Turnover				
Continuing operations	1	**1,871,085**	1,655,071	7,044,535
Cost of sales		**(1,278,610)**	(980,081)	(6,843,917)
Gross profit		**592,475**	674,990	200,618
Operating expenses		**(2,046,139)**	(1,386,989)	(3,359,608)
Operating loss	2	**(1,453,664)**	(711,999)	(3,158,990)
Impairment of goodwill		**-**	-	(2,194,000)
Interest receivable		**74,843**	7,912	29,195
Interest payable		**(54,838)**	(5,796)	(80,660)
Loss on ordinary activities before taxation		**(1,433,659)**	(709,883)	(5,404,455)
Taxation		**(500)**	(500)	(1,166)
Loss on ordinary activities after taxation		**(1,434,159)**	(710,383)	(5,405,621)
Loss per ordinary share	3	**(0.82p)**	(0.56p)	(4.02p)

Statement of Total Recognised Gains and Losses

For the six months ended 30 April 2005

	Six months ended 30 April 2005 £	Six months ended 30 April 2004 £	Year ended 31 Oct 2004 £
Loss for the year	**(1,434,159)**	(710,383)	(5,405,621)
Currency translation difference	**89,712**	(36,458)	3,063
Total recognised losses for the year	**(1,344,447)**	(746,341)	(5,402,558)

Consolidated Balance Sheet

As at 30 April 2005

	Note	At 30 April 2005 £	At 30 April 2004 £	At 31 Oct 2004 £
Fixed assets				
Intangible assets	4	**4,984,238**	8,350,070	5,255,822
Tangible assets		**259,672**	254,733	258,216
		5,243,910	8,604,803	5,514,038
Current assets				
Debtors	5	**2,103,431**	2,057,932	1,744,291
Cash at bank		**6,519**	1,356,073	427,160
		2,109,950	3,414,005	2,171,451
Creditors: amounts falling due within one year	6	**(6,484,959)**	(4,146,286)	(6,557,561)
Net current liabilities		**(4,375,009)**	(732,281)	(4,386,110)
Total assets less current liabilities		**868,901**	7,872,522	1,127,928
Creditors: amounts falling due after more than one year	7	**(878,752)**	(2,559,860)	(1,012,122)
Total net (liabilities)/assets		**(9,851)**	5,312,662	115,806

		£	£	£
Capital and reserves				
Called up share capital		**1,771,889**	1,405,099	1,405,099
Shares to be issued		**476,000**	1,012,640	476,000
Share premium account		**16,155,683**	15,308,182	15,303,683
Merger reserve		**2,402,674**	2,402,674	2,402,674
Profit and loss account		**(20,816,097)**	(14,815,933)	(19,471,650)
Equity shareholders' funds	9	**(9,851)**	5,312,662	115,806

Consolidated Cash Flow Statement

For the six months ended 30 April 2005

	Note	**Six months ended 30 April 2005 £**	Six months ended 30 April 2004 £	Year ended 31 Oct 2004 £
Net cash outflow from operating activities	10	**(1,557,911)**	(1,238,742)	(2,087,355)
Returns on investment and servicing of finance		**20,005**	6,917	(51,465)
Taxation		**(500)**	(500)	(1,166)
Capital expenditure and financial investment		**(76,252)**	(9,992)	(133,806)
Acquisitions		**-**	(358,449)	(141,911)
Cash outflow before financing		**(1,614,658)**	(1,600,766)	(2,415,703)
Financing	11	**1,194,017**	2,369,516	2,255,540
Increase/(decrease) in cash	13	**(420,641)**	768,750	(160,163)

Notes to the Accounts

1. Accounting policies and additional information

These interim results for the six month period ended 30 April 2005 do not constitute statutory accounts and have been neither reviewed nor audited by our auditors. The financial information for the year 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.

Going concern

The directors have prepared the financial statements on the basis that the Group is a going concern as the forecasts the directors have prepared indicate that the company will have sufficient cash resources to satisfy liabilities as they fall due. The forecasts assume that the proposed acquisition of Alternateport Limited and associated fund raising, which are conditional upon, inter alia, the approval of shareholders in general meeting, are successfully concluded. The Company has secured, in aggregate, £28.75 million of new funding, of which £5.75 million will be applied for working capital and to meet the expenses of the transaction and £23 million for the consideration for the acquisition. The directors are confident that the transactions will be completed and therefore have prepared the financial statements on a going concern basis. If the fundraising is not successful the directors would need to raise further funds for the Group to continue as a going concern. The financial statements do not include any adjustments that would result if this going concern basis was not appropriate.

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

	Six months ended 30 April 2005 £	Six months ended 30 April 2004 £	Year ended 31 Oct 2004 £
Operating loss is stated after charging:			
Amortisation of goodwill	**297,489**	213,593	510,702
Depreciation	**63,031**	52,673	152,013

3. Loss per share

The calculation of loss per share has been based on the loss after taxation for the period of £1,434,159 and the weighted average number of ordinary shares in issue during the period of 174,437,369.

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	-	-	**30,467**
Exchange adjustments	-	(6,461)	-	**(6,461)**
At 30 April 2005	94,951	7,968,870	4,213,834	**12,277,655**
Amortisation				
At 1 November 2004	-	(2,783,993)	(4,213,834)	**(6,997,827)**
Charge for the 6 months	-	(297,489)	-	**(297,489)**
Exchange adjustments	-	1,899	-	**1,899**
At 30 April 2005	-	(3,079,583)	(4,213,834)	**(7,293,417)**
Net book value				
At 30 April 2005	94,951	4,889,287	-	**4,984,238**
At 31 October 2004	64,484	5,191,338	-	**5,255,822**

5. Debtors:

	At 30 April 2005	At 31 Oct 2004
	£	£
Debtors: amounts falling due within one year		
Trade debtors	**1,116,735**	658,335
Other debtors	**47,974**	100,287
Called up share capital not paid	**10,500**	10,500
Prepayments and accrued income	**913,746**	930,648
	2,088,955	1,699,770
Debtors: amounts falling due after more than one year		
Other debtors	**14,476**	44,521
	2,103,431	1,744,291

6. Creditors: amounts falling due within one year

	At 30 April 2005 £	At 31 Oct 2004 £
Bank loan	**726,204**	759,640
Loan notes	**391,890**	387,138
Obligations under finance leases	**251,155**	191,012
Trade creditors	**2,868,974**	2,234,625
Taxation and social security	**1,500**	238,657
Other creditors	**1,252,696**	1,314,948
Accruals and deferred income	**992,540**	1,431,541
	6,484,959	6,557,561

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

	At 30 April 2005 £	At 31 Oct 2004 £
Bank loan	**41,540**	51,494
Loan notes	**590,663**	637,507
Obligations under finance leases	**43,854**	122,263
Convertible loan note	**160,000**	160,000
Other creditors	**42,695**	40,858
	878,752	1,012,122

8. Changes in share capital

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

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

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

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

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

9. Reconciliation of movement in shareholders' funds

	Six months ended 30 April 2005 £	Six months ended 30 April 2004 £	Year ended 31 Oct 2004 £
Loss for the period	**(1,434,159)**	(710,383)	(5,405,621)
Issue of shares	**366,790**	2,723,465	2,718,966
Premium on issue of shares (net of issue costs)	**852,000**	1,106,998	1,106,998
Currency translation difference	**89,712**	(36,458)	3,063
Shares to be issued	**-**	-	(536,640)
Net increase/(reduction) in shareholders' funds	**(125,657)**	3,083,622	(2,113,234)
Opening shareholders' funds	**115,806**	2,229,040	2,229,040
Closing shareholders' funds	**(9,851)**	5,312,662	115,806

10. Reconciliation of operating loss to operating cashflows

	Six months ended 30 April 2005 £	Six months ended 30 April 2004 £	Year ended 31 Oct 2004 £
Operating loss	**(1,453,664)**	(711,999)	(5,352,990)
Impairment of intellectual property rights	**-**	-	2,194,000
Depreciation	**63,031**	52,673	152,013
Amortisation of goodwill on acquisition	**297,489**	213,593	510,702
Loss on disposal of fixed assets		-	803
Increase in debtors	**(359,140)**	(790,862)	(478,873)
(Decrease)/increase in creditors	**(102,224)**	85,161	875,955
Exchange adjustment	**(3,403)**	(87,308)	11,035
Net cash outflow from operating activities	**(1,557,911)**	(1,238,742)	(2,087,355)

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

	At 30 April 2005 £	At 31 Oct 2004 £
Returns on investments and servicing of finance		
Interest paid	**74,843**	29,195
Interest paid on finance leases	**(12,169)**	(66,559)

Interest received	**(42,669)**	(14,101)
	20,005	(51,465)

Capital expenditure and financial investment		
Purchase of intangible assets	**(30,647)**	(73,811)
Purchase of tangible assets	**(45,605)**	(59,995)
	(76,252)	(133,806)

Financing		
Capital element of finance lease payments	**(8,028)**	(63,868)
Repayment of bank loan	**(16,744)**	(263,318)
Repayment of loan notes	**-**	(129,470)
Issue of ordinary share capital	**1,218,789**	2,660,702
Issue of bank loan	**-**	51,494
	1,194,017	2,255,540

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

	At 30 April 2005 £	At 31 Oct 2004 £
Decrease in cash in the period	**(420,641)**	(160,163)
Loans and finance leases acquired with subsidiary	-	(2,551,366)
Repayment of loan notes	-	129,470
Repayment of bank loan	**16,744**	263,318
Repayment of finance leases	**8,028**	63,868
New bank loan	-	(51,924)
Translation	**78,976**	(2,850)
Movement in debt in the period	**(316,893)**	(2,309,217)
Net (debt)/funds at start of period	**(1,884,894)**	427,323
Net (debt) at end of period	**(2,198,787)**	(1,884,894)

13. Analysis of net (debt)/funds

	At 31 October 2004 £	Cash flow £	Acquired £	Exchange Movement £	**At 30 April 2005 £**
Cash at bank	427,160	(420,641)	-	-	**6,519**
Bank loan	(811,134)	16,744	-	26,646	**(767,744)**
Convertible loan note	(160,000)	-	-		**(160,000)**
Finance leases	(313,275)	8,028	-	10,238	**(295,009)**
Loan notes	(1,024,645)	-	-	42,092	**(982,553)**
	(1,881,894)	(395,869)	-	78,976	**(2,198,787)**

14. Post balance sheet events

In May 2005 the Group raised a £450,000 secured loan from Reef Securities Limited ("Reef"), a company which is wholly owned by Steven Smith. The loan is secured by a charge over certain assets of the Catalyst Group. Reef has also been issued with 18,000,000 warrants to subscribe for ordinary shares at 2.5p per share at any time prior to 27 May 2010 .

This Interim Report was approved by the Directors on 4 August 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.

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