

FOR IMMEDIATE RELEASE

30 July 2003

**NEWSPLAYER GROUP PLC
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2003**

Newsplayer Group plc ("NPG"), the media company, today announces interim results for the six months ended 30 April 2003.

Financial Highlights:

- Turnover of £113,505 compared to £350,526 for the six months ended 31 October 2002.
- Pre-tax loss of £2,426,194 compared to a loss of £2,744,292 for the six months ended 31 October 2002.
- Cash reserves of £100,252 at 30 April 2003 compared to £438,874 at 31 October 2002.

Operational Highlights:

- Agreement signed with The Footballers Football Channel to enrich the content within Pure World Cup including the highlights of the 2002 tournament in Japan and South Korea.
- Agreement signed with Cross Media Entertainment to distribute NPG properties in North America.
- Mobile streaming video pilot programme launched with SFR in France.

Events subsequent to period under review:

- Agreement signed with EMI to act as a Digital Service Provider in Europe for the provision of downloaded audio tracks.
- 2-year agreement signed with NTL to provide two channels of content to their Broadband platform.
- Referral agreement signed with Global Media Services to provide professional services such as webcasting, encoding, storage, hosting and e-mail marketing.
- A placing of new shares to raise a minimum of £700,000 in progress.

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

"In addition to the distribution and content agreements we have signed during the period, the first half of the year has seen a focus on increasing efficiency and reducing costs. In February we completed the transfer of all Group technology resources to GMS in New York at an annualised cost saving of over £500,000 whilst at the same time securing a scalable solution to distribute our content globally at "industry best" service levels. As a result of this initiative and other efficiencies we have reduced the fixed cost base of the Group to less than £900,000 per annum. We are now in the process of completing

a placing of new shares, to raise a minimum of £700,000 before expenses to enable us to complete the all-paper acquisition of Global Media Services. As at 29 July 2003 we have commitments in hand for the minimum amount of £700,000 and anticipate the fundraising being completed by 1 August 2003.”

Enquiries:

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CHIEF EXECUTIVE STATEMENT

OVERVIEW

Newsplayer Group plc is a new media company that exploits rights and/or licenses to quality cultural and historical video content and markets them globally to business, educational and consumer audiences using interactive technology. Revenues are generated from the licensing of content to third parties, from subscription and pay-per-view fees paid by consumers, and from shared advertising revenues. NPG is becoming the partner of choice for the digitization and distribution of broadcast content and interactive programme creation.

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 - ITN/Reuters Archives. A subscription 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 events of the 20th century.

Frost.tv - The Frost Collection. A video-on-demand subscription channel featuring the unparalleled archive of 40 years of Sir David Frost's original interviews with the world's most famous public figures. Strategic partnership to develop commercial applications, both on- and off-line.

Screenplayer.com - Passport International Productions. A video-on-demand subscription channel offering the largest collection of Hollywood footage in the world, including more than 650 hours of movie-related documentaries comprised of film trailers, celebrity interviews and profiles of the stars.

Video.tv - EMI Catalogue. A video-on-demand subscription channel providing an interactive collection of EMI music videos featuring artists and groups spanning the 20th Century. Advanced negotiations are underway with other major record labels who have expressed an interest in having their material represented on VideoTV.

Birdstream.com - RSPB Film Collection. A video-on-demand subscription channel giving access to 100 hours of award-winning wildlife footage in the Film Collection of the Royal Society for the Protection of Birds. Professional programme makers can also license the material through RSPB's website.

Pure World Cup.com- A video-on-demand subscription channel providing World Cup highlights from 1958 to 1998.

Ucreate.tv - A unique editing tool allowing users to make their own films online using home video material and 1,000 hours of classic archive footage from newsplayer.com.

The Alison Mercer Collection- 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- 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 £2,426,194 compared to a loss of £720,304 for the equivalent period in 2002. No dividend has been paid or is proposed.

OUTLOOK

The outlook for the Group continues to focus on the strategy outlined in the annual report issued in April 2003. Our partnership with GMS in New York has enabled the Company to strengthen and consolidate our technical resource whilst at the same time providing us with the tools to pursue service-based revenues around the creation and distribution of streaming media assets. The USA is undoubtedly a very important market for the Company's products and services and the combination of our subsidiary company, NPG Inc., and our relationship with GMS provides an ideal platform for us to exploit that opportunity.

We have stated that it is our intention to acquire GMS. The process has taken longer than originally anticipated but should be completed in the summer of 2003. In the meantime we continue to work closely as strategic partners and I am confident that the combination of our two businesses with complementary products, skill sets, geographical location and a low cost base will enable the Company to reach monthly profitability by the end of 2003.

Paul Duffen

Chief Executive

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2003

Consolidated Profit and Loss Account

	Note	Six months ended 30 April 2003	Six months ended 30 April 2002	Year ended 31 Oct 2002
		£	£	£
Turnover	5	113,505	603,738	954,264
Cost of sales		<u>(47,553)</u>	<u>(171,723)</u>	<u>(526,737)</u>
Gross profit		65,952	432,015	427,527
Operating expenses before exceptional charges		(1,520,349)	(1,197,055)	(2,953,279)
Prepayment write off	6	(682,058)	-	-
Impairment charges	6	(289,807)	-	(998,699)
Total Operating expenses		<u>(2,492,214)</u>	<u>(1,197,055)</u>	<u>(3,951,978)</u>
Operating loss		<u>(2,426,262)</u>	<u>(765,040)</u>	<u>(3,524,451)</u>
Interest receivable		1,068	44,736	59,855
Interest payable		(1,000)	-	-
Loss on ordinary activities before taxation		<u>(2,426,194)</u>	<u>(720,304)</u>	<u>(3,464,596)</u>
Taxation		-	(500)	(1,000)
Loss on ordinary activities after taxation and retained profit for the period		<u>(2,426,194)</u>	<u>(720,804)</u>	<u>(3,465,596)</u>
Loss per ordinary share - basic	3	(3.49p)	(1.07p)	(5.03p)

All operations derive from continuing activities.

No statement of total recognised gains and losses has been presented as there are no recognised gains and losses other than the loss for the period.

Consolidated Balance Sheet

	Note	At 30 April 2003 £	At 30 April 2002 £	At 31 Oct 2002 £
Fixed assets:				
Intangible assets	7	2,071,624	3,218,746	2,727,455
Tangible assets		183,108	238,267	237,370
		<u>2,254,732</u>	<u>3,457,013</u>	<u>2,964,825</u>
Current assets:				
Debtors	8	218,066	2,132,230	1,067,839
Cash at bank and in hand		100,252	1,783,885	438,874
Creditors: amounts falling due within one year	9	<u>(560,055)</u>	<u>(499,147)</u>	<u>(342,349)</u>
Net current (liabilities)/assets		<u>(241,737)</u>	<u>3,416,968</u>	<u>1,164,364</u>
Total assets less current liabilities		2,012,995	6,873,981	4,129,189
Creditors: amounts falling due in more than one year	9	(160,000)	-	-
Total Net assets		<u>1,852,995</u>	<u>6,873,981</u>	<u>4,129,189</u>

Capital and Reserves

		£	£	£
Called up share capital	10	722,688	692,688	692,688
Share premium account		11,827,380	11,707,380	11,707,380
Merger reserve		(509,386)	(509,386)	(509,386)
Profit and loss account		(10,187,687)	(5,016,701)	(7,761,493)
Shareholders' funds	11	<u>1,852,995</u>	<u>6,873,981</u>	<u>4,129,189</u>

Consolidated Cash Flow Statement

	Note	Six months ended 30 April 2003	Six months ended 30 April 2002	Year ended 31 Oct 2002
		£	£	£
Net cash outflow from operating activities	12	(649,690)	(795,366)	(1,223,993)
Returns on investment and servicing of finance		1,068	45,313	59,855
Taxation paid		-	-	(1,500)
Capital expenditure and financial investment		-	(822,186)	(1,893,015)
Management of liquid resources		-	-	-
Acquisitions and disposals		-	(476,731)	(335,330)
Cash outflow before financing		(648,622)	(2,048,970)	(3,393,983)
Financing:				
New unsecured loan	9	160,000	-	-
Issue of ordinary share capital	10	150,000	34,634	34,636
Decrease in cash		(338,622)	(2,014,336)	(3,359,347)

Notes

1. Accounting policies and additional information

These interim results for the six month period ended 30 April 2003 do not constitute statutory accounts and have been neither reviewed nor audited by our auditors. The financial information for the year ended 31 October 2002 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 2002.

2. Going concern

The Directors have prepared this financial information on a going concern basis as the forecasts they have prepared indicate that the Group will have sufficient cash resources to satisfy its liabilities as they fall due for a period of at least twelve months from the date of this announcement. These forecasts are subject to a number of uncertainties.

Firstly, the forecast contains a significant increase in revenues that are dependent upon the completion of a number of deals that are in the final stages of negotiation. Significant contracts have been signed after the review period, most notably with NTL, and the Directors are confident that they will be successful in securing further deals. Furthermore, the Group has made a claim for more than £150,000, after expenses, in tax credits in relation to research and development expenditure. At the date of approval of the accounts, this tax claim had been submitted although the outcome of the claim is still uncertain.

In addition, the Group is in the process of raising additional funding that is necessary to fund the operations and expansion of the Group. The Directors have agreed to defer a proportion of their entitlement to further salary payments until this fund raising has been completed and have agreed to accept payment in Newsplayer Group plc shares to conserve further the cash available to the Group. With commitments already secured for the minimum amount required, the Directors are confident that this fundraising will be successful and as a result that the Group will remain a going concern.

The financial information does not include any adjustments that would result if the going concern basis of preparation was not appropriate.

3. Loss per share

The calculation of loss per share has been based on the loss after taxation for the period of £2,426,194 and the weighted average number of ordinary shares in issue during the period of 71,942,393.

Diluted EPS is not presented in respect of outstanding share options since none of the options are dilutive.

4. Dividend

The directors do not recommend the payment of a dividend for the period.

5. Turnover

Turnover comprises subscription income for access to the company's web sites, fees from licensing of media rights and licensing fees for software.

6. Prepayment write off and intangible asset impairment

In June 2003 Management performed an impairment review of the intangible assets held by group. As a result of that review it was determined that certain intangible assets should be impaired due to insufficient future expected earnings relating to those assets. Consequently the intellectual property rights were impaired by £289,807.

In July 2003 a prepayment with Hollinger became non-recoverable due to timing restrictions on the use of the prepayment. As a result the total amount outstanding of £682,058 was written off.

7. Intangible fixed assets

	Goodwill	Intellectual Property	Total
	£	£	£
Cost as at 1 November 2002 and at 30 April 2003	233,687	4,176,741	4,410,428
Amortisation as at 1 November 2002	(19,474)	(1,663,499)	(1,682,973)
Charge for the year	(14,693)	(351,331)	(366,024)
Impairment	-	(289,807)	(289,807)
Amortisation as at 30 April	(34,167)	(2,304,637)	(2,338,804)
Net book value as at 30 April 2003	199,520	1,872,104	2,071,624
Net book value as at 31 October 2002	214,213	2,513,242	2,727,455

8. Debtors

	At 30 th April 2003 £	At 31 st Oct 2002 £
Trade debtors	61,491	64,866
Prepayments and accrued income	50,813	750,023
Other debtors	105,762	252,950
Total debtors	218,066	1,067,839

9. Creditors

	At 30 th April 2003 £	At 31 st Oct 2002 £
Trade creditors	199,284	89,670
Other creditors	33,409	21,491
Accruals and deferred income	327,362	231,188
Creditors falling due within one year	560,055	342,349
Creditors falling due after more than one year (convertible loan)	160,000	-
Total creditors	720,055	342,349

10. Changes in share capital

There has been a total of 3,000,000 1p ordinary shares issued since 1 November 2002. These shares were issued as a part of the consideration in respect of an agreement with Hollinger Advertising. £150,000 cash was received in consideration for these shares.

11. Reconciliation of movement in shareholders' funds

	Six months ended 30 April 2003 £	Six months ended 30 April 2002 £	Year ended 31 Oct 2002 £
Loss on ordinary activities after taxation	(2,426,194)	(720,804)	(3,465,596)
Issue of ordinary share capital	150,000	1,089,255	1,089,255
Net increase/(reduction) in shareholders' funds	(2,276,194)	368,451	(2,376,341)
Opening shareholders' funds	4,129,189	6,505,530	6,505,530
Closing shareholders' funds	1,852,995	6,873,981	4,129,189

12. Reconciliation of operating loss to operating cashflows

	Six months ended 30 April 2003 £	Six months ended 30 April 2002 £	Year ended 31 Oct 2002 £
Operating loss	(2,426,262)	(765,040)	(3,524,451)
Exceptional non-cash charges	971,865	-	998,699
Depreciation	54,262	36,171	82,600
Amortisation	366,024	135,756	376,582
Decrease /(increase) in debtors	167,714	(338,830)	805,891
(Increase)/decrease in creditors	216,707	136,577	30,696
Net cash outflow from operating activities	(649,690)	(795,366)	(1,223,993)

This Interim Report was approved by the Directors on 29 July 2003.

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.npg-plc.com.