

INTERIM RESULTS

Six months ended 31 March 2008

The Board of Media Corporation plc, a leading internet advertising network and publisher, is pleased to announce interim results for the period ended 31 March 2008.

Financial Highlights

Overall group results inline with management forecasts

Comparative figures exclude discontinued interactive gaming operations (Note 2)

- Revenues in continuing operations increased by 18% to £1.7 million (2007 £1.4 million)
- Gross profit in continuing operations was £0.9 million (2007: £0.9 million)
- Consolidated Group net assets of £18.9 million (2007: £17.1 million)
- Cash balances at the period end of £4.9 million (2007: £3.9 million)

Other Highlights

- Acquisition of Nash Digital expands Media Corp's Advertising Network
- Acquisition of Sport.co.uk to create leading sports information site

Commenting on the interim results, Justin Drummond, CEO, said:

"The first six months of the financial year has been a period of inward investment giving the Group a platform for growth. The Group's advertising network Eyeconomy|Nash has made a number of senior appointments and now has the technical platform and product offering to grow significantly. Trading in this business division has gained momentum during the period with revenues increasing 75% in the second quarter to £0.8 million. It is anticipated that this division of the Group will continue to grow rapidly during the current financial year".

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Justin Drummond, Chief Executive Officer
Nilesh Jagatia, Group Finance Director

Mark Williams, Managing Director

Charles Ryland, Director

Chairman's Statement

Introduction

The Board is pleased to present the interim results for the period ended 31 March 2008 which show overall Group results in line with management forecasts. There has been a marked shift in the Group's divisional split, as the Advertising network has outperformed management expectations and the publishing division has continued to be adversely impacted by external factors.

Advertising Network

The Group's advertising network business Eyeconomy/Nash has undergone a period of significant investment and is now the Group's primary focus. Following a number of senior appointments in this division and an investment in both the advertising platform and server infrastructure there is now an excellent platform for continued growth.

There has been a marked shift from Eyeconomy's historical subsite business to a more balanced product offering including both mass reach banner advertising and video advertising. In March 2008 the Advertising Network delivered 32 million Subsites and video Subsites (2007: 15 million) to unique consumers and over 70 million banner advertisements (2007: Nil). As the Eyeconomy/Nash sales team continues to grow, banner and video ad delivery will continue to increase rapidly.

Publishing

The Group's publishing division has continued to be challenging during the financial period and the Board is reviewing its strategic options in relation to its publishing division. While the publishing assets still have significant asset value the operating performance has been impacted by regulatory factors and search engine results.

The Board believes there is still significant value in its internet real estate and is continuing to develop its entire web portfolio with a view to maximising its revenue potential and value. During the next few months the Group's flagship websites will be continually improved as we seek to improve revenues from these sites and greatly improve the consumer product offering. In addition, the Group will continue to develop its portfolio of top tier internet domain names into revenue generating websites.

Trading outlook

The Board is very pleased with the performance of its advertising network business, which is continuing to deliver organic growth. Whilst the publishing division remains challenging significant management resource will continue to be focussed on improving its operating performance in the coming months.

The Board continues to evaluate a number of acquisition opportunities that will either enhance the Group's revenues or geographical reach.

Jason Drummond
Chairman

**Consolidated unaudited income statement
for the six months ended 31 March 2008**

	Six months ended 31 March 2008 £'000	Six months ended 31 March 2007 £'000	Year ended 30 September 2007 £'000
Revenue	1,696	5,836	8,309
Cost of sales	(814)	(4,518)	(5,799)
	-----	-----	-----
Gross profit	882	1,318	2,510
Administrative expenses	(1,213)	(1,194)	291
Analysis of Administrative expenses:			
Distribution costs	(243)	(136)	(281)
Administrative expenses	(1,234)	(1,058)	(1,941)
Exceptional gain on asset disposal	264	-	2513
	-----	-----	-----
Total Administrative expenses	(1,213)	(1,194)	291
Operating profit	(331)	124	2,801
Finance income	141	95	213
	-----	-----	-----
(Loss)/profit before taxation	(190)	219	3,014
Taxation (note 3)	-	-	(184)
	-----	-----	-----
(Loss)/profit on after taxation	(190)	219	2,830
Minority interest	-	1	(3)
	-----	-----	-----
(Loss)/profit for the year attributable to equity shareholders	(190)	220	2,827
	=====	=====	=====
Loss/earnings per share (note 4)			
Basic	(0.07p)	0.08p	0.97p
Diluted	(0.06p)	0.08p	0.91p
	=====	=====	=====

**Consolidated unaudited statement of recognised income and expenses
for the six months ended 31 March 2008**

	Six months ended 31 March 2008 £'000	Six months ended 31 March 2007 £'000	Year ended 30 September 2007 £'000
Exchange Difference on foreign currency			
Net investment	(511)	(273)	(471)
	-----	-----	-----
Net loss directly recognised in equity	(511)	(273)	(471)
(Loss)/profit for period	(191)	220	2,827
	-----	-----	-----
Total recognised income and expenditure for the period attributable to equity holders of the parent	(702)	(53)	2,356
	=====	=====	=====

**Consolidated unaudited balance sheet
as at 31 March 2008**

	As at 31 March 2008 £'000	As at 31 March 2007 £'000	As at 30 September 2007 £'000
Assets			
Non-current assets			
Intangible assets	12,620	12,426	12,467
Plant and equipment	964	533	806
Deferred Taxation	58	227	227
	-----	-----	-----
Total non-current assets	13,642	13,186	13,500
Current assets			
Trade and other receivables	2,049	851	955
Cash and cash equivalents	4,873	3,980	6,253
	-----	-----	-----
Total current assets	6,922	4,831	7,208
Current liabilities			
Trade and other payables	(1,630)	(959)	(1,199)
Taxation	(25)	-	(25)
	-----	-----	-----
Total current liabilities	5,267	3,872	5,984
	-----	-----	-----
Net assets	18,909	17,058	19,484
	=====	=====	=====
Equity			
Called-up share capital	4,764	4,764	4,764
Share premium account	12,917	12,917	12,917
Ordinary Shares in Treasury	(387)	-	-
Other reserve	1,422	1,422	1,422
Retained earnings	190	(2,045)	377
	-----	-----	-----
Equity attributable to equity holders of the parent	18,906	17,058	19,480
Minority interests	3	-	4
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Total Equity	18,909	17,058	19,484
	=====	=====	=====

Consolidated unaudited cash flow statements
for the six months ended 31 March 2008

	Six months ended 31 March 2008 £'000	Six months ended 31 March 2007 £'000	Year ended 30 September 2007 £'000
Cash flows from operating activities			
(Loss)/profit from operations before taxation	(331)	124	2,801
Depreciation of plant and equipment	162	87	228
Share based payments	–	–	13
Decrease (increase) in trade and other receivables	(1,095)	63	(198)
Increase/(decrease) in trade payables	705	(189)	(288)
Profit on disposal of investment	(264)	–	(2,513)
	-----	-----	-----
Net cash from operating activities	(823)	85	43
	-----	-----	-----
Cash flows from investing activities			
Payments to acquire plant and equipment	(322)	(225)	(647)
Payments to acquire intangible assets	(135)	–	–
Proceeds from disposal of intangible asset	–	–	2,748
Payments to acquire subsidiary undertakings net of cash	(154)	(1,065)	(1,087)
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Interest received	141	95	213
	-----	-----	-----
Net cash flow from investing activities	(470)	(1,195)	1,227
	-----	-----	-----
Net cash flow from financing activities			
Purchase of treasury shares	(49)	–	–
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Net cash flow from financing activities	(49)	–	–
	-----	-----	-----
Net (decrease)/increase in cash and cash equivalents	(1,342)	(1,110)	1,270
	-----	-----	-----
Cash & cash equivalents at beginning of period	6,253	5,253	5,253
Effects on exchange movements	(38)	(163)	(270)
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Cash & cash equivalents at end of period	4,873	3,980	6,253
	=====	=====	=====

Notes to the accounts

1. Basis of preparation

The interim financial information for the six months ended 31 March 2008 has been prepared on an historical cost basis and in accordance with the accounting policies that will apply for the year ended 30 September 2008, which will follow the International Financial Reporting Standards (IFRS) and the interpretations as endorsed by the European Union.

The comparative figures included in this report for the six months ended 31 March 2007 and the full year ended 30 September 2007 are restated for IFRS and are unaudited.

IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. Accordingly business combinations prior to the date of transition to IFRS have not been restated to comply with IFRS 3 'Business Combinations'. Changes resulting from the adoption of IFRS 2 had already been recognised in the accounts for the year ended 30 September 2007.

The comparatives for full year ended 30 September 2007 are based on the latest published audited accounts, but are subject to unaudited restatement to IFRS as endorsed for use in the European Union. Accordingly they are not the company's full statutory accounts for the year. A copy of the statutory accounts for that year was prepared in accordance with UK GAAP and has been delivered to the Register of Companies. The auditors' report on those accounts was unqualified, did not include any references to matters to which the auditors drew attention by way of emphasis without qualifying their report; and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985. As permitted, the Company has chosen not to adopt IAS34 "Interim Financial Reporting".

The directors undertake an impairment review of goodwill at the end of each annual reporting period.

2. Segmental analyses

	Six months ended 31 March 2008 (unaudited) £'000	Six months ended 31 March 2007 (unaudited) £'000	Year ended 30 September 2007 (unaudited) £'000
Turnover analysis by business segment:			
Advertising Network	1,192	747	1,752
Internet Publishing	504	692	2,193
	-----	-----	-----
Total continuing operations	1,696	1,439	3,945
Discontinued operations – Interactive Gaming	–	4,397	4,364
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Total Turnover	1,696	5,836	8,309
	=====	=====	=====
Operating (loss)/profit by business segment:			
Advertising Network	(45)	5	127
Internet Publishing	(550)	23	166
Interactive Gaming – discontinued	–	96	(5)
Exceptional gain on asset disposal	264		2,513
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Operating (loss)/profit	(331)	124	2,801
	=====	=====	=====

3. Taxation

There is no provision for UK Corporation tax due to tax losses. Taxation £nil (2007: full year £184,000).

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of the deferred tax asset is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted. The Group has a deferred tax asset of £57,693 (2007: £227,000).

4. Earnings per ordinary share

	Six months ended 31 March 2008 (unaudited) £'000	Six months ended 31 March 2007 (unaudited) £'000	Year ended 30 September 2007 (audited) £'000
(Loss)/profit attributable to shareholders	(190)	220	2,827
	000's	000's	000's
Weighted average number of shares in issue	281,727	291,027	291,027
Dilution effect of warrants	20,900	1,900	20,400
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Diluted weighted average number of shares in issue	302,627	292,927	311,427
Basic earnings per share	(0.07p)	0.08p	0.97p
Diluted earnings per share	(0.06p)	0.08p	0.91p

Basic earnings per share is calculated on the results attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

Diluted earnings per share calculations reflect the dilutive effect of unexercised warrants. The dilution effect of warrants on the weighted average number of shares in issue reflects those warrants with an exercise price lower than the prevailing share price of the Company at the end of the period.

5. Dividends

The Directors do not recommend the payment of a dividend.

6. First time adoption of IFRS

The Group reported under UK GAAP in its previously published financial statements for the year ended 30th September 2007. There are no reporting differences between UK GAAP and IFRS.

7. Copies of interim results

Copies are available at the Group's web site at www.mediacorpplc.com. Copies may also be obtained from the Group's registered office: Media Corporation plc, Ground Floor, 77 Queen Victoria Street, London EC4V 4AY.