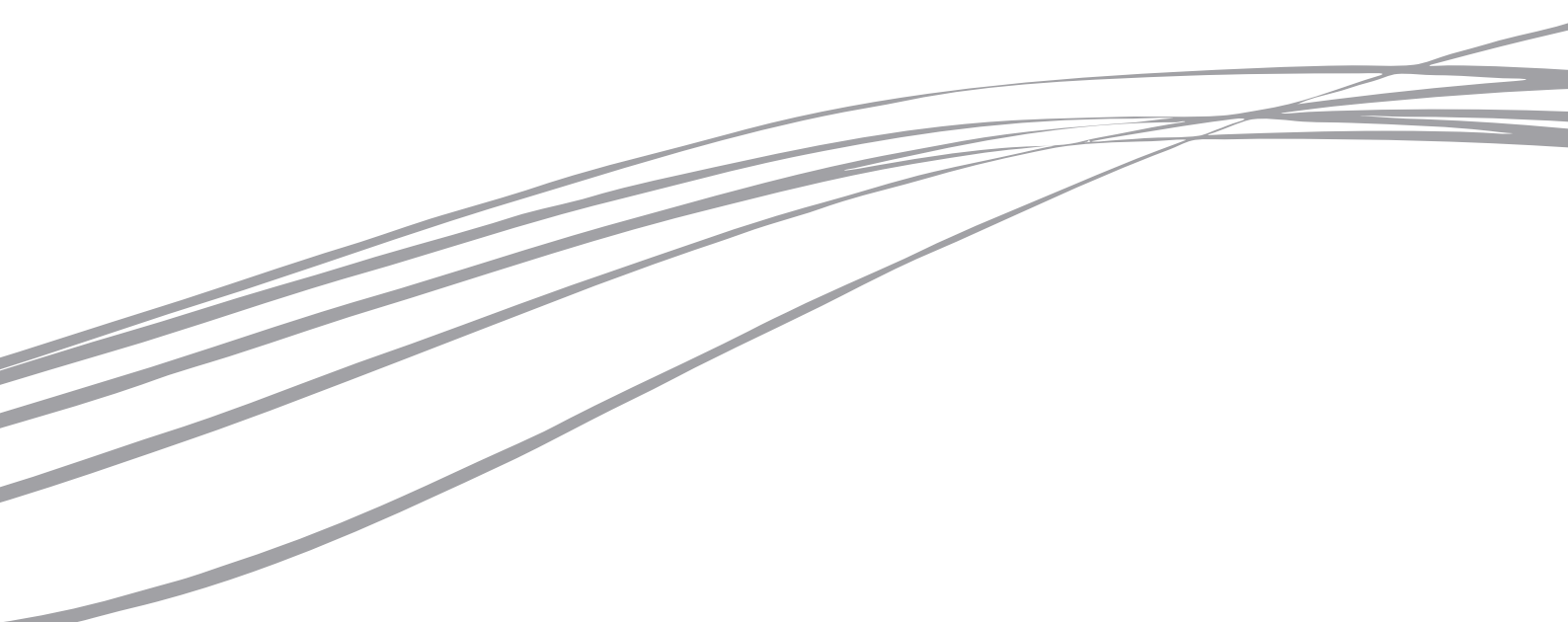


mediacorp
INTERNET MEDIA



ANNUAL
REPORT
& ACCOUNTS
2008

Media Corporation plc

Report and Accounts

For the year ended 30 September 2008

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Directors and Advisers

Directors: Jason Drummond *Non-Executive Chairman*
Justin Drummond *Chief Executive Officer*
Nilesh Jagatia *Group Finance Director*
Michael Hawkes *Non-Executive Director*

Company Secretary: Nilesh Jagatia

Registered Office: 77 Queen Victoria Street
London EC4V 4AY

Registered in England: Company number – 4058698

Nominated Advisor & Broker: Daniel Stewart & Co
Becket House
36 Old Jewry
London
EC2R 8DD

Solicitors to the Company: Bond Pearce LLP
77 Gracechurch Street
London
EC3V 0DL

Registered Auditors: Gerald Edelman
25 Harley Street
London
W1G 9BR

Registrars: Capita IRG plc
Bourne House
34 Beckenham Road
Beckenham, Kent
BR3 4TU

Bankers: Barclays Bank plc
Corporate Banking
Po Box 673, Town Gate House
Church Street East, Woking,
Surrey GU21 1XW

Chairman's Statement

Trading across the Group during the 2008 financial year has been difficult as was outlined in the trading update at the end of September 2008.

This is disappointing, as the Group has grown considerably and traded profitably since 2005.

The Group's principal publishing asset Gambling.com has continued to be adversely affected by the ongoing ban on online gambling in the US. Furthermore the ongoing Google penalty, which has affected both Gambling.com and Creditcardexpert.co.uk, has caused a further reduction in revenues. These external factors were initially highlighted in the interims and have continued to hamper the performance of this business despite the concerted efforts of the management and its advisers.

Since the financial year-end the Board has implemented a wide-ranging review of its businesses and approved a plan to reduce costs in-line with current revenues.

Despite the above, the Board remains positive that continued growth in the advertising network business will further enhance value for shareholders in the medium term and despite poor recent performance in the publishing division the portfolio of assets remains very valuable.

Jason Drummond

31 March 2009

Directors' Biographies

Jason Drummond, Chairman

Jason Drummond founded Virtual Internet, an online intellectual property protection and web hosting Company, in 1996. Virtual Internet was admitted to AIM in January 1999 and subsequently combined a £30 million fundraising with a move to the Official List of the London Stock Exchange in April 2000. Jason is a high profile investor and co-founder of a number of highly successful technology Companies which are listed on AIM.

Justin Drummond, Chief Executive

Justin Drummond founded Media Corporation in February 2000, six years after his first marketing business was established. Justin saw Media Corporation listed on the London Stock Exchange just a year after its formation via the reverse takeover of Chrome Technology plc in May 2001. Justin has overseen the rapid growth of Media Corporation and was instrumental in the £14 million institutional placing in March 2005 and the acquisitions of Eyeconomy Limited, a leading media agency, and Search Focus Limited, a specialist in sector-specific search technology and marketing.

Nilesh Jagatia, Group Finance Director

Nilesh Jagatia is a qualified accountant with over 15 years experience including senior financial roles in divisions of both Universal Music Group and Sanctuary Group Plc. He was also Finance Director for an independent record label that expanded in the US.

Michael Hawkes, Non-Executive Director

Michael Hawkes was Northern Europe Finance Director for the internet marketing company Overture Services Limited which is now part of Yahoo! In this role he helped to grow the company into a profitable multi-million pound European business. As well as overseeing the finance group, his responsibilities included contract negotiations, commercial management and enabling European expansion into a further 11 countries. He has had AIM director experience with Z Group PLC (ZGP), an internet technology services company. He is a chartered accountant, having qualified with KPMG in London.

Business Review

For the year ended 30 September 2008

Media Corporation has made good progress during 2008 whilst formulating and consolidating its ongoing strategy. As previously announced during the year, the ongoing strategy was to invest in the business. This investment took place in personnel and technology and has resulted in streamlined operations during the financial year. As identified in the Chairman's Statement, the Group's principal publishing asset Gambling.com has continued to be adversely affected by the ongoing ban on online gambling in the US. The business transformation has helped to reduced reliance on advertising revenues from the online gaming sector

The Group has two principal divisions, Advertising Network and Internet Publishing:

Advertising Network

The Advertising Network business Eyeconomy was established in 1996 and is a separate operating division of Media Corporation. Eyeconomy specialises in online media planning as well as buying and managing online media campaigns for clients including AOL, Dell, T-Mobile and American Express.

The division currently:

- produces dynamic and engaging online advertising solutions including exit traffic (Subsites), rich-media floating toolbar (SubLines) and has recently launched a new online advertising division
- offers a total reach of 32 million unique users every month, from over 800 quality host sites in all major channels including Finance, Travel, Motors, Sport, Male/Female, Student/Youth, Property, Entertainment, Film, Music and TV, Mobile/Gadget and Recruitment
- produces in-house creative media
- a wealth of new products on traditional display advertising following acquisition of Nash Digital
- launched a new Brand team with successful contract win with the Express Newspaper group with over £2 million potential revenue.
- is expanding – the sales team has more than doubled in size during the financial year.
- is seeing return value on significant presence at trade shows and in trade PR

Internet Publishing

Media Corporation has a diverse publishing division specialising in premium destinations and portals.

Our impressive portfolio of websites includes a number of market-leading sites including www.onthebox.com (UK's definitive TV listings and entertainment guide with over 1.5 million unique visitors per month), www.sport.co.uk (sport content site that within 8 months generated 1.2 million unique visitors), www.flightcomparison.co.uk (a leading flight booking portal), Gambling.com (a comprehensive gambling and sports portal providing industry news, tips and strategies) and www.creditcardexpert.co.uk (a credit card comparison website).

In addition the Group has over a thousand domain names. The Group has in depth expertise in developing and monetising online brands and has significant value in its publishing division. This was clearly illustrated in the value achieved by the sale of www.casino.co.uk in August 2007.

Financial Overview

The audited results for the year ended 30 September 2008 show a turnover of £3.9m (2007: 8.3m) and this is a direct result of reduced Gaming revenues during year. Gross profit has also reduced to £1.4m (2007:£2.5m); however the gross margin has increased to 35.9% (2007: 30%). The operating loss was £11.5m (2007: profit 2.8m) and the loss in the year includes exceptional costs of £8.9m that relate mainly to Impairment of intangible assets. Advertising Network Division's revenue increased during the year by 44% to £2.52 million (2007: £1.75 m) and was in line with management expectations. Net assets were £8.0m (2007: £19.5m) and the movement was largely attributable to the impairment of the intangible assets. Cash at the end of the financial year was £3.8 (2007: 6.3m)

Key Performance Indicators (KPI's)	FY2008	FY2007
	£million	£million
Revenue-Continuing Operations	3.9	3.9
Revenue – Discontinued Operations	-	4.4
Total Revenue	3.9	8.3
Gross Profit	1.4	2.5
Exceptional Costs	(8.9)	2.5
Operating (Loss) / Profit	(11.5)	2.8
Net Assets	8.0	19.5
Cash	3.8	6.3
Other non-financial KPI		
Employees - Number	42	26

Current trading and prospects incorporating principal risks and uncertainties

The Board is aiming for continued growth during 2009 as we seek to maximise the potential of the Group's internet publishing assets and media businesses. The Group clearly owns very valuable internet assets, as previously demonstrated by the sale of the Casino.co.uk business for £3.6 million.

The current growth in the online advertising sector and an existing significant web site portfolio still owned by the Group, the Board will continue to develop the business rapidly and enhance the value of its core Internet assets, and maximise their value for the benefit of shareholders.

Justin Drummond
Chief Executive

Nilesh Jagatia
Group Finance Director

Directors' Report

For the year ended 30 September 2008

The Directors have pleasure in presenting their report and the audited financial statements for the year ended 30 September 2008.

Principal Activities

Media Corporation plc is a leading internet media and advertising group focused on website publishing and online advertising.

Business review and future developments

The review of the year's operations, key risks, trading outlook and future developments is contained in the Chairman's Statement and the Business Review.

Where the Directors' Report (including the performance highlights, the Chairman's Statement and the Business Review) contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this report. Consequently, such statements should be treated with caution due to their inherent uncertainties, including both economic and business risk factors underlying such forward-looking statements or information.

Results and Dividends

The Group made a loss before tax for the year ended 30 September 2008 of £11.3 million (2007: profit of £2.8 million) with basic loss per share of 3.9p (2007: EPS of 1 p).

No dividends have been paid during the year.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The disclosures required by Financial Reporting Standard 18 in relation to the Directors' going concern assessment are set out in note 2 to the financial statements.

Shares issues

During the year the company issued 900,000 ordinary shares of 1p each at a premium of 1p.

Pursuant to the authority given at the Annual General Meeting of the Company held on 21 December 2007, the company purchased in total of 13,990,000 ordinary shares of 1p each at a price between 4.94p and 2.37p during the year. These shares are held in treasury representing 4.79% of the issued share capital at the year end.

Since the year end further ordinary shares totalling 15,112,728 have been purchased at a price between 0.85p and 2.45p. Total ordinary shares acquired by the company is 29,102,728 and this represents the full amount the company is authorised to acquire.

Directors and their interests

Details of the current Directors are given on Page 3. All the Directors served throughout the period.

In accordance with the Company's Articles of Association, Michael Hawkes retires by rotation and, being eligible, offers himself for re-election.

The number of shares in which the Directors had a beneficial interest as defined by the Companies Act 2006 were as follows:

	At 30 September 2008		At 1 October 2007	
	Ordinary shares Number	Warrants Number	Ordinary shares Number	Warrants Number
Jason Drummond	22,657,000	3,000,000	21,157,618	3,000,000
Justin Drummond	18,000,000	10,000,000	14,550,000	10,000,000
Nilesh Jagatia (appointed 24 October 2007)	100,000	500,000	100,000	500,000
Michael Hawkes	-	500,000	-	500,000

Following the year end the existing warrants were replaced by the following new warrants:

Jason Drummond	5,250,000
Justin Drummond	13,000,000
Nilesh Jagatia	2,250,000
Michael Hawkes	750,000

These warrants were granted on 29 October 2008 at exercise price of 1p. The warrants give a right to subscribe for new shares for a period of three years from the grant date.

Substantial Shareholdings

At the date of this report, the Company had been notified or was aware of the following holdings of 3% or more of the total voting rights of the Company:

Shareholder	Number of shares	Percentage of issued share capital
TD Waterhouse Investor Services	26,240,118	9.98%
Jason Drummond	22,657,000	8.62%
Justin Drummond	18,000,000	6.85%
Steve Egan	13,294,636	5.06%
Barclays Stockbrokers Limited	13,120,628	4.99%
Herald Investment Management Limited	12,650,000	4.81%
Squaregain	12,028,859	4.58%
Halifax Share Dealing	10,507,492	4.00%
Paul Fraser	10,357,500	3.94%

Risks and uncertainties

Risk is inherent in all business. Set out below are certain risk factors which could have an impact on the Group's long term performance. The actors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties facing the group.

Economic and business cycle: The Group's customers are principally corporates whose expenditure on services provided by the Group may be discretionary in nature and may therefore be affected by changes in the economic and business cycle. We have sought to minimise the effect of the economic slowdown by seeking, wherever practicable, to limit infrastructure obligations and other commitments to a level appropriate to the foreseeable needs of the business, after taking account of market trends and developments.

Reputation: The Group's reputation, in terms of the service we provide, the way in which we conduct our business and the financial results which we achieve, is central to our future success. Failure to meet the expectations of our clients, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Group. We therefore place a strong emphasis on the quality of our service, we invest in staff training and we operate systems of risk management and internal control.

Dependence on key personnel: The Group's future success will be dependent on key employees and their on-going relationships with clients and suppliers. It is believed that the Group is of a size that no one individual represents a significant risk to the Group. The Group also encourages client or supplier contacts to be maintained by more than one individual. Key staff are incentivised through a mixture of sales commission, profit related bonuses. Directors are incentivised as detailed in the Report of Remuneration Committee.

Competition: Competition in the internet media and advertising industry is intense and may limit the ability of the Group to increase its revenue share. Some competitors may have greater access to financial resources than the Group. Although the Group does aim to be competitive in its pricing, the Group may decline work where it is unable to make an adequate margin or where the services are not appropriate to the Group's available resources.

Reliance on third party technology: Hardware and software acquired by the Group for its key activities may not operate in accordance with its specification. However, the Group generally purchases only from approved suppliers and with the benefit of relevant warranties.

Exposure to counterparty credit risk: It is believed that no one customer represents a material risk to the Group.

Effect of foreign currency: The Group in general does not hedge the foreign currency risk arising from sales by an operation denominated in a currency other than its functional currency. The group also does not hedge against the translation of foreign currency assets.

Interest rate risk: The main risk arising from the Group's cash deposits is changes in interest rates. The Board's policy toward cash deposits is to deposit cash short term in interest bearing bank deposit accounts.

Creditors payment policy and practice

It is the Company's policy that payments to suppliers are made in accordance with agreed terms and conditions between the Company and its suppliers, provided that all the trading terms and conditions have been complied with. The average number of days credit taken by the Group as at the 30 September 2008 was 45 days (2007: 35 days).

Employees

The Group has continued to give full and fair consideration to applications made by disabled persons, having regard to their respective aptitudes and abilities, and to ensure that they benefit from training and career development programmes in common with all employees. The Group has continued its policy of employee involvement by making information available to employees through the medium of frequent staff meetings, together with personal appraisals and feedback sessions.

Environmental

Although the Group does not have a formal environmental policy, the Group does recognise the importance of environmental responsibility. The Group believes that its activities have a low impact on the environment.

Directors' Indemnities

The Company has purchased insurance to cover its Directors and officers against the costs of defending themselves in legal proceedings taken against them in that capacity and in respect of any damages resulting from those proceedings. The insurance does not provide cover where the Director has acted fraudulently or dishonestly.

The Company has also provided an indemnity for its Directors, which is a qualifying third party indemnity provision for the purposes of section 234 of the Companies Act 2006. A copy of the indemnity is available for inspection at the Company's registered office during normal working hours.

Political and charitable contributions

No contributions for charitable or political purposes were made during the year (2007: nil) by the Group.

Corporate Governance

Whilst the Company has not formally adopted the Combined Code, it does regard corporate governance as important and has therefore constituted audit and remuneration committees:

- ***Audit Committee***

An audit committee has been established, which is composed of the Company's non-executive directors and the finance director. It is charged with making recommendations to the Board on the appointment of auditors and the audit fee, for reviewing the conduct and control of the annual audit, and for reviewing the operation of the internal financial controls. It also has responsibility for reviewing financial statements prior to publication.

- ***Remuneration Committee***

A remuneration committee has been established, which is composed of the Company's non-executive Directors. It reviews the performance of the executive directors, sets the scale and structure of their remuneration and the basis of their service agreements with due regard to the interests of shareholders and reviews and approves any proposed bonus entitlement. It will also determine the allocation of share options to employees.

International Financial Reporting Standards (IFRS)

These results represent the first full set of financial statements that the Group has produced in accordance with its accounting policies under IFRS. The formal date of transition to IFRS was 1 October 2006.

The adoption of IFRS had no material impact on either equity or results of the Company for 2007. The only changes resulting from the transition to IFRS are of a presentational nature. Therefore no reconciliation statement between UK GAAP and IFRS is required.

Auditors

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Shareholders' consent is sought at the Annual General Meeting which propose the reappointment of Gerald Edelman as independent auditors of the Company and to authorise the Directors to determine the auditors' remuneration.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law. Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected prepare the Group and parent Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements are required by law requires to give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Group's report and accounts will be published on the Group's website and in this regard the Directors accept responsibility for the maintenance and integrity of the website, and any uncertainty arising as a result of the accounts being available via the web in different legal and accounting jurisdictions.

Annual General Meeting and recommendation

Notice of the Annual General Meeting, together with explanatory notes, is set out on pages 48 to 55.

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and it is unanimous recommendation that shareholders support these proposals as the Board intends to do in respect of their own holdings.

By the order of the Board:

Nilesh Jagatia

Company Secretary

31 March 2009

Report of Remuneration Committee

The members of the Remuneration Committee are:

Michael Hawkes (Chairman of the Remuneration Committee)
Jason Drummond

The Company Secretary, Nilesh Jagatia, attends the meetings of the Remuneration Committee as secretary. The Chief Executive Officer of the Group, Justin Drummond, may also be invited to attend certain meetings.

Role of the remuneration committee

The Remuneration Committee reviews and determines on behalf of the Board and shareholders of the Group the pay, benefits and other terms of service of the executive directors of the Group and the broad pay strategy with respect to senior Company employees.

Best practice

As the Group is AIM-listed, it is not legally required to set out its remuneration policy but is doing so on a voluntary basis. To the extent that such principles are relevant to the current circumstances of the Group, the provisions of, inter alia, the Directors' Remuneration Report Regulations 2002 and the Combined Code are taken into account.

Remuneration policy

The objective of the Group's remuneration policy is to attract and retain the directors and senior executives needed to run the Group in a cost-effective manner.

The remuneration policy of the Group has three principal components:

1. Basic salaries and benefits in kind

Basic salaries are determined by the Remuneration Committee bearing in mind the salaries paid in AIM-listed and other small market capitalisation media companies. Within that frame of reference, it is intended that pay should be at or attain the median level. The directors have received no other benefits in kind during the financial year. There is no pension scheme currently in place for directors or employees.

2. Bonuses

Bonuses will be payable according to the achievement by the Group of certain predetermined key performance indicators. The level of bonuses payable on achievement of the targets is set at the level perceived correct to provide the necessary incentives for executive directors and senior managers. There are appropriate adjustments to the bonus payable in the event of over- or under-achievement of the Group against those targets.

3. Warrants

The Group issues warrants to directors and senior management. The exercise price of the warrants granted under the scheme was equal to the market value of the Media Corporation plc's shares at the time of grant. The share scheme is overseen by the Remuneration Committee which shall determine the terms under which eligible individuals may be invited to participate.

Directors' remuneration

The particulars of the remuneration of the directors and their interests are as set out in the Directors' Report and in note 6 of the attached financial statements.

Directors' service contracts

All executive directors are employed under service contracts. The services of all executive directors may be terminated by the provision of a maximum of 12 months notice by the Group.

Directors' share warrants

Details of warrants for the directors who served during the year are as follows:

At the year end, the following warrants existed, which were issued to directors at exercise price of 5p each and exercisable within three years and on condition of the mid-market price of Media Corporation's ordinary shares closing at or above 10p:

Jason Drummond*	3,000,000
Justin Drummond*	10,000,000
Michael Hawkes*	500,000
Nilesh Jagatia**	500,000
	<hr/>
	14,000,000

* Issued 29th November 2006

** Issued 1st July 2007

Following the year end the existing warrants were replaced by the following new warrants:

Jason Drummond	5,250,000
Justin Drummond	13,000,000
Nilesh Jagatia	2,250,000
Michael Hawkes	750,000

These warrants were granted on 29 October 2008 at exercise price of 1p. The warrants give a right to subscribe for new shares for a period of three years from the grant date

Independent Auditors' Report to the Members of Media Corporation plc

We have audited the group and parent company financial statements of Media Corporation plc for the year ended 30 September 2008, which comprise the Consolidated Income Statement, the Group and Parent Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated and Parent Company Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the Company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Company and Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with those financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the Directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This information comprises only operational highlights, the Chairman's Statement, Business Review, Report of the Remuneration Committee and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of the group's affairs as at 30 September 2008 and of the Group's results and cash flows for the year then ended;
- the parent company's financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the company's affairs as at 30 September 2008 and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Gerald Edelman

31 March 2009

**Chartered Accountants
Registered Auditors**

25 Harley Street,
London,
W1G 9BR

Consolidated Income Statement

For the year ended 30 September 2008

	Notes	Total 2008 £000	Total 2007 £000
Revenue			
Continuing operations		3,912	3,945
Discontinued operations		-	4,364
Total revenue		3,912	8,309
Cost of sales			
Continuing operations		(2,507)	(1,430)
Discontinued operations		-	(4,364)
Gross profit		1,405	2,515
Selling and distribution costs		(638)	(281)
Administrative expenses		(3,318)	(1,941)
Exceptional (loss)/gain		(8,913)	2,513
<i>Impairment of Goodwill</i>		(7,776)	-
<i>Impairment of domain names</i>		(649)	-
<i>Impairment of computer software and website</i>		(686)	-
<i>Bad debt</i>		(79)	-
<i>Income from sale of non-current assets</i>		277	2,513
Total exceptional (loss)/gain		(8,913)	2,513
Operating (loss)/profit	4	(11,464)	2,806
Finance income	7	242	213
(Loss)/profit before income tax		(11,222)	3,019
Income tax expense	8	(57)	(184)
(Loss)/profit from continuing operations		(11,279)	2,835
Loss on discontinued operations		-	(5)
(Loss)/profit from continuing activities attributable to equity holder of the company.		(11,279)	2,830
(Loss)/earnings per share attributable to equity holders of the company		Pence per share	Pence per share
Basic	9	(3.87p)	0.97p
Diluted		(3.87p)	0.91p

The notes on pages 24 to 47 are an integral part of these financial statements.

The Company has elected to take exemption under section 230 of the Companies Act 1985 to not present the parent Company income statement. The profit for the Company is shown in note 19.

Balance Sheets

As at 30 September 2008

	Notes	Group 2008 £000	Group 2007 £000	Company 2008 £000	Company 2007 £000
Assets					
Non current assets					
Property, plant and equipment	10	158	177	140	129
Intangibles	11	4,566	13,096	289	280
Investments	12	-	-	7,028	15,268
Deferred tax asset	17	-	57	-	32
		<u>4,724</u>	<u>13,330</u>	<u>7,457</u>	<u>15,709</u>
Current assets					
Trade and other receivables	13	753	898	1,322	1,024
Cash at bank and in hand	14	3,809	6,253	2,043	4,201
		<u>4,562</u>	<u>7,151</u>	<u>3,365</u>	<u>5,225</u>
Total assets		<u>9,286</u>	<u>20,481</u>	<u>10,822</u>	<u>20,934</u>
Liabilities					
Current liabilities					
Trade and other payables	15	(1,369)	(944)	(1,466)	(2,474)
Current tax liabilities	15	(24)	(53)	-	-
		<u>(1,393)</u>	<u>(997)</u>	<u>(1,466)</u>	<u>(2,474)</u>
Total liabilities		<u>(1,393)</u>	<u>(997)</u>	<u>(1,466)</u>	<u>(2,474)</u>
Total assets less liabilities		<u>7,893</u>	<u>19,484</u>	<u>9,356</u>	<u>18,460</u>
Equity					
Share capital	18	4,773	4,764	4,773	4,764
Share premium	19	12,927	12,917	12,927	12,917
Other Reserves	19	1,422	1,422	1,422	1,422
Translation reserve	19	(305)	(471)	-	-
Retained Earnings	19	(10,924)	852	(9,766)	(643)
Total shareholders equity		<u>7,893</u>	<u>19,484</u>	<u>9,356</u>	<u>18,460</u>

The notes on pages 24 to 47 are an integral part of these financial statements.

The financial statements were approved by the Board on 31 March 2009 and were signed on its behalf by:

Justin Drummond
Chief Executive Officer

Nilesh Jagatia
Group Finance Director

Consolidated statement of recognised income and expenses For the year ended 30 September 2008

	2008	2007
	£000	£000
Currency translation differences	166	(471)
Total income/(expense) recognised directly in equity	166	(471)
(Loss)/profit for the year	(11,279)	2,830
Total recognised (expense)/income for the year	(11,113)	2,359

All amounts attributable to equity holders of the company

Parent company statement of recognised income and expense For the year ended 30 September 2008

There are no movements to be recognised through the parent Company statement of recognised income and expense in 2008 or 2007.

Consolidated Cash Flow Statement

For the year ended 30 September 2008

	2008	2007
	£000	£000
Operating activities		
Operating (loss)/profit	(11,464)	2,806
Loss on discontinued operations	-	(5)
Depreciation and amortisation	168	228
Share based payment	-	13
Impairment of intangibles	9,111	-
Decrease/(increase) in receivables	172	(198)
Increase/(decrease) in payables	376	(288)
(Profit) on disposal of non-current asset	-	(2,513)
Taxes paid	(29)	-
Net cash (used in)/generated by operating activities	(1,666)	43
Investing activities		
Interest received	242	213
Purchase of property, plant and equipment	(101)	(647)
Purchase of intangibles	(513)	-
Proceeds from sale of property, plant and equipment	-	2,748
Acquisition of subsidiary undertaking (net cash acquired)	(166)	(1,087)
Net cash (used in)/generated by investing activities	(538)	1,227
Financing activities		
Issue of share capital	19	-
Purchase of treasury shares	(497)	-
Net cash used in financing activities	(478)	-
Net (decrease)/increase in cash and cash equivalents	(2,682)	1,270
Cash and cash equivalents at beginning of period	6,253	5,253
Effects on exchange movements	238	(270)
Cash and cash equivalents at end of period	3,809	6,253

The notes on pages 24 to 47 are an integral part of these financial statements.

Parent Company Cash Flow Statement For the year ended 30 September 2008

	2008 £000	2007 £000
Operating activities		
Operating (loss)/profit	(8,754)	2,554
Depreciation and amortisation	168	102
Share based payment	-	13
Impairment of investments and intangibles	8,543	-
(Increase)/decrease in receivables	(298)	1,169
(Decrease)/increase in payables	(1,008)	2,119
(Profit) on disposal of non-current asset	-	(2,513)
Net cash (used in)/generated by operating activities	(1,349)	3,444
Investing activities		
Interest received	160	93
Purchase of property, plant and equipment	(101)	(139)
Purchase of intangibles	(143)	(313)
Proceeds from sale of property, plant and equipment	-	2,748
Acquisition of subsidiary undertaking	(247)	(2,499)
Net cash used in investing activities	(331)	(110)
Financing activities		
Issue of share capital	19	-
Purchase of treasury shares	(497)	-
Net cash used in by financing activities	(478)	-
Net (decrease)/increase in cash and cash equivalents	(2,158)	3,334
Cash and cash equivalents at beginning of period	4,201	867
Cash and cash equivalents at end of period	2,043	4,201

The notes on pages 24 to 47 are an integral part of these financial statements

Notes to the Financial Statements

For the year ended 30 September 2008

1. General Information

Media Corporation plc (“the Company”) and its subsidiaries (together “the Group”) is engaged in Internet advertising and internet publishing. The Company is a public limited company which is listed on the Alternative Investment Market and is incorporated and domiciled in United Kingdom. The address of the registered office is 77 Queen Victoria Street, London EC4V 4AY.

The registered number of the Company is 4058698.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Media Corporation has the following subsidiaries:

Name of Company	Proportion Held	Class of shareholding	Nature of Business
Subsidiary undertakings			
Xworks Limited	100%	Ordinary	Internet Publishing
Eyeconomy Limited	100%	Ordinary	Internet Advertising
Search Focus Limited	100%	Ordinary	Internet Publishing
Newbold Publications Limited	51%	Ordinary	Internet Publishing
Result Online Limited	100%	Ordinary	Internet Publishing
Flight Comparison Limited	100%	Ordinary	Internet Publishing
Career Plus Limited *	100%	Ordinary	IT Recruitment Agency
Interactive Consulting Limited			
T/A Nash Digital	100%	Ordinary	Internet Advertising
Gambling.com Limited	100%	Ordinary	Dormant
Gaming Corporation (Curacao) Limited	100%	Ordinary	Internet Publishing

* - Indirectly held

2. Accounting policies

Adoption of IFRS

For all accounting periods up to and including the year ended 30 September 2007, the Group has prepared its financial statements under UK GAAP. For accounting periods from 1 October 2007, the Group is required to prepare its consolidated financial statements in accordance with IFRS as adopted by the European Union ("IFRS").

The Group's first results under this basis were its interim results for the six month period ended 31 March 2008. These results represent the first annual report and accounts the Group has prepared in accordance with its accounting policies under IFRS and the comparatives for the prior year have been restated from UK GAAP to comply with IFRS. A description of how the Group's reported performance and financial position were affected by the change can be found in note 24. For the purpose of the accounts, the date of transition to IFRS is 1 October 2006.

The rules for first time adoption of IFRS are set out in IFRS 1 'First time adoption of International Financial Reporting Standards'. In general, the Group is required to determine its IFRS accounting policies and apply these retrospectively to determine its opening balance sheet under IFRS. The standard allows a number of exemptions to this general principle to assist companies as they change to reporting under IFRS.

The Group has taken advantage of the following exemptions:

- Business combinations that took place prior to the date of transition have not been restated.
- All cumulative translation differences that existed at the date of transition are set to nil.
- To apply the requirements of IFRS 2 'Share Based Payments', to schemes granted after 7 November 2002.
- Investments held at the opening balance sheet date have been held at cost rather than revalued to market value.

Basis of preparation

The annual report and accounts of Media Group plc have been prepared in accordance with IFRS as adopted by the European Union, IFRIC interpretations, the Companies Act 1985 applicable to Companies reporting under IFRS and the AIM listing rules. The annual report and accounts have been prepared under the historic cost convention as modified by available for sale financial assets and financial assets and financial liabilities at fair value through profit or loss.

The annual report and accounts have been prepared on a going concern basis in accordance with the Group's accounting policies set out below which are based on the recognition and measurement principles of IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are shown below.

Fundamental accounting concept – going concern

The financial statements have been prepared on the assumption that the Group is a going concern. The accounts of the Group for the year ended 30 September 2008 show a loss including exceptional items for the year of £11.3 million. Exceptional items include an impairment charge of £8.9million and since the financial year end the Board has implemented a wide ranging review of its businesses and approved a plan to reduce costs in line with current revenues.

At the date of these financial statements the Group's ability to continue as a going concern reflects the net funds of £3.8 million cash available to the Group at the year end and the forecasts for the Group for the current financial year. On this basis, in the opinion of the Directors, the financial statements have been properly prepared on the assumption that the Group is a going concern.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group (directly or indirectly) has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from the consolidation from the date on which control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement for the year.

Intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and Minority Interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those in segments operating in other economic environments.

Foreign currency

The individual financial statements of each Group Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in Pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual Companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at rates of exchange prevailing on the dates of the transactions. At the balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit and loss account for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such monetary items, any exchange component of the gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income and expense in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Sales of services are recognised when the service has been completed and invoiced to the customer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Leased assets

Where the assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as a liability. Where a finance lease has been awarded to a group entity at a non-commercial interest rate is applied. Depreciation on the relevant assets is charged to the income statement.

All other leases are treated as operating leases. Their annual rentals are charged to the income statement on a straight line basis over the term of the lease.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

The cost of property, plant and equipment includes those costs which are directly attributable to purchasing the assets and bringing them into working condition. The Group does not capitalise interest as part of the cost of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on the following tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life as follows:

Fixtures and fittings	25% reducing balance
Office equipment	25% reducing balance
Computer equipment	33.3% per annum

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Operating expenses' in the Income Statement.

The Group reviews its depreciation rates regularly to take account of any changes in circumstances. When setting useful economic lives, the principal factors the Group takes into account are the expected rate of technological developments and the intensity at which the assets are expected to be used.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the acquisition date. Goodwill on acquisition of subsidiaries is included in goodwill and intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units that are expected to benefit from the business combination in which the goodwill arose.

In accordance with IFRS 3 'Business Combinations', any excess of acquirer's interest in the fair value of acquiree's identifiable net assets is immediately recognised in the income statement.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their useful economic lives (3 to 5 years). Costs associated with developing and maintaining computer software programmes are recognised as an expense when incurred, subject to the capitalization criteria of IAS 38.

Trade names/Domain names

Acquired trade names/domain names are recognised where their fair value can be reliably measured. These assets are considered to have finite lives and are tested annually for impairment and carried at cost less accumulated impairment losses.

Website costs

Acquired websites are capitalised where their fair value can be reliably measured. Development of these websites are also capitalise as long as there are considered generating revenues. These assets are considered to have finite lives and are amortised on a straight line basis over their useful economic lives of 3 years.

Impairment of non current assets

The carrying amount of the Group's assets, other than deferred income tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. Assets that have an indefinite economic life are not subject to amortisation and are tested annually for impairment.

If an indicator of a possible impairment is noted, the need for any asset impairment provision is assessed by comparing the carrying value of the asset against the higher of fair value less costs to sell or value in use (recoverable amount). An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which they have separately identifiable cash flows (cash generating units).

Impairment losses recognised in the income statement in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then, to reduce the carrying amount of the other assets of the unit (group of units) on a pro rata basis.

Impairment charges are included in the administrative expenses line item in the income statement, except to the extent they reverse gains previously recognised in the statement of recognised income and expenses.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade and other receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'Operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to 'Operating expenses' within the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. Loans and receivables are initially recognised at cost, being the fair value of consideration together with any associated issue costs. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated taking into account any issue costs and discount or premium on settlement.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental costs (net of income taxes), is included in equity attributable to the Company's equity holders

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are expensed to the income statement unless used to fund a qualifying asset as described by IAS 23.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Share based payments

Where share warrants are awarded to employees, the fair value of the warrants are charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of warrants that eventually vest. Marketing vesting conditions are factored into the fair value of the warrants granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Research and development costs

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects.

Accounting Standards issued but not yet effective and/ or adopted.

Listed below are new or amended Accounting Standards, or new interpretation guidelines that are not yet effective and/ or adopted that may have an impact on the Group, together with the year in which they become applicable to our financial statements.

■ IFRS 8:	Operating Segments	2009 Financial Year
■ IAS 1:	Presentation of Financial Statements	2009 Financial Year
■ IFRS 3 Revised:	Business combinations	2009 Financial Year
■ IFRS 2 Amended:	Share based payments	2009 Financial Year
■ IAS 27 Amended:	Consolidated and Separate Financial Statements	2009 Financial Year
■ IAS 23 Amended:	Borrowing costs	2010 Financial Year
■ IFRIC 14 – IAS 19:	The limit on a defined benefit asset, minimum funding requirements and their interaction	2009 Financial Year
■ IFRIC 12:	Service concession arrangements	2009 Financial Year
■ IFRIC 13:	Customer loyalty programmes	2009 Financial Year
■ IFRIC 15:	Agreements of construction of real estates	2010 Financial Year
■ IFRIC 16:	Hedges on net investment in a foreign operation	2009 Financial Year
■ IFRIC 17:	Distribution of non-cash assets to shareholders	2010 Financial Year

Whilst the adoption of these new Accounting Standards and interpretations will undoubtedly, lead to additional or modified levels of disclosure and presentation of financial information, we do not anticipate that they will significantly alter the reported earnings of the Group.

Significant judgments, key assumptions and estimates

In the course of the preparation of the financial statements, the Group has made the following significant estimates:

- Estimates of the future cash flows of the Group's subsidiaries upon which goodwill is carried, in order to arrive at whether an impairment provision is required. These have been based on each subsidiary's budgets for 2009 and projections for 2010 and 2011 with expected growth rates and discount rates.
- Judgements made on the estimates of the useful life of property, plant and equipment, as set out in the relevant accounting policies above.

3. Segmental analysis

As at 30 September 2008, the Group's continuing business is classified by management into two main segments.

The primary segment results for the year ended 30 September 2008 are as follows:

	Advertising Network £'000	Internet Publishing £'000	Group £'000
Revenue			
Total segment revenue	<u>2,529</u>	<u>1,383</u>	<u>3,912</u>
Trading profit	(413)	(2,157)	(2,570)
Impairment of intangibles	-	(9,170)	(9,170)
Net Gain on sale of non current assets	-	276	276
Operating (loss)/profit	<u>(413)</u>	<u>(11,051)</u>	<u>(11,464)</u>
Net finance income			242
Loss before income tax expense			(11,222)
Income tax expense			(57)
Loss from continuing activities			<u>(11,279)</u>
Balance sheet			
Assets	891	8,399	9,290
Liabilities	<u>(1,224)</u>	<u>(173)</u>	<u>(1,397)</u>
Net assets/(liabilities)	<u>(333)</u>	<u>8,226</u>	<u>7,893</u>
Other information			
Depreciation and amortisation	<u>(120)</u>	<u>(9,159)</u>	<u>(9,279)</u>

The segment results for the year ended 30 September 2007 are as follows:

Revenue			
Total segment revenue	<u>1,752</u>	<u>2,193</u>	<u>3,945</u>
Operating profit	<u>127</u>	<u>166</u>	<u>293</u>
Net finance income			213
Profit before income tax			506
Income tax expense			(184)
Profit from continuing activities			322
Loss from discontinued operations			(5)
Gain on disposal of discontinued operations			2,513
Profit for the year			<u><u>2,830</u></u>
Balance sheet			
Assets	673	19,788	20,461
Liabilities	<u>(595)</u>	<u>(382)</u>	<u>(977)</u>
Net assets/(liabilities)	<u>78</u>	<u>19,406</u>	<u>19,484</u>
Other information			
Depreciation and amortisation	<u>(74)</u>	<u>(154)</u>	<u>(228)</u>

The above disclosures are consistent with how management reports information internally for the purpose of evaluating the Group's performance and for making decisions about future allocations of resources to the Group.

Under the definitions contained in IAS 14 the only material geographic segment that the Group operates in is the UK.

4. Operating (loss)/profit

Operating (loss)/profit has been arrived at after charging/(crediting):

	2008	2007
	£000	£000
Staff costs (see note 5)	1,485	1,034
Depreciation of property, plant and equipment	120	76
Amortisation of intangibles and impairment review	9,159	152
Share based payment	-	13
Operating lease expenditure:		
- property	123	123
Auditors' remuneration:		
- statutory audit	23	22
- Tax compliance services	2	2
Foreign Currency loss/(gain)	118	(123)

5. Staff costs

Staff costs (including Directors) consist of:

	2008	2007
	£000	£000
Wages and salaries	1,314	925
Social security costs	171	96
Share based payment	-	13
	1,485	1,034

	Number	Number
Management	8	6
Distribution and sales	21	9
Technical	6	6
Administration	7	5
	42	26

6. Directors' emoluments

	Group	Group
	2008	2007
	£000	£000
Emoluments	338	250

The emoluments of the Directors and former directors are analysed as follows:

	Salary	Bonus*	Total	Salary	Bonus	Total
	2008	2008	2008	2007	2007	2007
	£000	£000	£000	£000	£000	£000
Jason Drummond	40	21	61	30	-	30
Justin Drummond	132	40	172	142	-	142
Nilesh Jagatia	80	8	88	-	-	-
Michael Hawkes	17	-	17	12	-	12
Paul Tuson (resigned)	-	-	-	66	-	66
	<u>269</u>	<u>69</u>	<u>338</u>	<u>250</u>	<u>-</u>	<u>250</u>

The Directors do not receive any other benefits paid for by the Company, such as pension contributions or healthcare.

*the bonus relates to the successful sale of Casino.co.uk for £3.6m.

7. Finance income and costs

	2008	2007
	£000	£000
Finance income		
Interest on short term bank deposits	<u>241</u>	<u>213</u>

8. Income tax expense

	2008	2007
	£000	£000
Current tax	-	14
Deferred tax (Note 16):	57	170
	<u>57</u>	<u>184</u>

Factors affecting tax charge

The difference between the total tax expense shown above and the amount calculated by applying the standard UK rate of corporation tax is explained below:

	2008	2007
	£000	£000
Profit (loss) before tax	(11,222)	3,019
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 – 30%)	(3,142)	906
Effects of:		
Expenses that are not deductible in determining taxable profit	38	14
Tax losses utilised	(36)	(129)
Other tax adjustments	3,197	(607)
Total tax expense	<u>57</u>	<u>184</u>

9. (Loss)/earnings per share

	2008 £000	2007 £000
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted earnings per share	<u>(11,279)</u>	<u>2,830</u>
Numbers		
Weighted average number of ordinary shares for the purpose of basic earnings per share	291,927,298	291,027,298
Effective of dilutive potential ordinary shares:		
Share warrants	-	20,400,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>291,927,298</u>	<u>311,427,298</u>
	Pence	Pence
(Loss)/earnings per share – basic	(3.87p)	0.97
(Loss)/earnings per share – diluted	(3.87p)	0.91

Basic (loss)/earnings per share have been calculated by dividing (loss)/profit for the year by the weighted average number of ordinary shares in issue during the year.

Diluted (loss)/earnings per share have been calculated by dividing (loss)/profit for the year by the weighted average number of ordinary shares in issue during the year adjusted to assume conversion of all dilutive potential options/warrants. Losses are not subject to dilution.

10. Property, plant and equipment

Group

	Short leasehold £000	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 October 2007	3	81	135	226	445
Additions	-	57	2	42	101
At 30 September 2008	<u>3</u>	<u>138</u>	<u>137</u>	<u>268</u>	<u>546</u>
Depreciation					
At 1 October 2007	3	51	95	119	268
Charge for year	-	28	28	64	120
At 30 September 2008	<u>3</u>	<u>79</u>	<u>123</u>	<u>183</u>	<u>388</u>
Carrying amount					
At 30 September 2008	<u>-</u>	<u>59</u>	<u>14</u>	<u>85</u>	<u>158</u>

Group

	Short leasehold £000	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 October 2006	3	59	105	114	281
Additions	-	22	5	112	139
On acquisition of subsidiaries	-	-	25	-	25
At 30 September 2007	<u>3</u>	<u>81</u>	<u>135</u>	<u>226</u>	<u>445</u>

Depreciation

At 1 October 2006	2	39	58	78	177
Charge for year	1	12	22	41	76
On acquisition of subsidiaries	-	-	15	-	15
At 30 September 2007	<u>3</u>	<u>51</u>	<u>95</u>	<u>119</u>	<u>268</u>

Carrying amount

At 30 September 2007	<u>-</u>	<u>30</u>	<u>40</u>	<u>107</u>	<u>177</u>
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Company

	Short leasehold £000	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 October 2007	3	50	52	112	217
Additions	-	57	3	41	101
At 30 September 2008	<u>3</u>	<u>107</u>	<u>55</u>	<u>153</u>	<u>318</u>

Depreciation

At 1 October 2007	3	24	34	27	88
Charge for year	-	26	13	51	90
At 30 September 2008	<u>3</u>	<u>50</u>	<u>47</u>	<u>78</u>	<u>178</u>

Carrying amount

At 30 September 2008	<u>-</u>	<u>57</u>	<u>8</u>	<u>75</u>	<u>140</u>
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Company

	Short leasehold £000	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 October 2006	3	28	47	-	78
Additions	-	22	5	112	139
At 30 September 2007	<u>3</u>	<u>50</u>	<u>52</u>	<u>112</u>	<u>217</u>
Depreciation					
At 1 October 2006	2	13	22	-	37
Charge for year	1	11	12	27	51
At 30 September 2007	<u>3</u>	<u>24</u>	<u>34</u>	<u>27</u>	<u>88</u>
Carrying amount					
At 30 September 2007	<u>-</u>	<u>26</u>	<u>18</u>	<u>85</u>	<u>129</u>

11. Intangibles

Group

	Goodwill £000	Domain names £000	Trade marks £000	Computer Software and website £000	Total £000
Cost					
At 1 October 2007	11,825	3,728	2	1,004	16,559
Additions	188	135	-	378	701
Exchange differences	-	(72)	-	-	(72)
At 30 September 2008	<u>12,013</u>	<u>3,791</u>	<u>2</u>	<u>1,382</u>	<u>17,188</u>
Depreciation					
At 1 October 2007	3,086	-	2	375	3,463
Charge for year	-	-	-	48	48
Impairment review	7,776	649	-	686	9,111
At 30 September 2008	<u>10,862</u>	<u>649</u>	<u>2</u>	<u>1,109</u>	<u>12,622</u>
Carrying amount					
At 30 September 2008	<u>1,151</u>	<u>3,142</u>	<u>-</u>	<u>273</u>	<u>4,566</u>

Group

	Goodwill £000	Domain names £000	Trade marks £000	Computer Software and website £000	Total £000
Cost					
At 1 October 2006	11,862	2,646	2	502	15,012
Additions	156	-	-	508	664
On acquisition of subsidiaries	-	1,317	-	4	1,321
Exchange differences	(193)	-	-	(10)	(203)
Disposal	-	(235)	-	-	(235)
At 30 September 2007	<u>11,825</u>	<u>3,728</u>	<u>2</u>	<u>1,004</u>	<u>16,559</u>
Depreciation					
At 1 October 2006	3,086	-	2	225	3,313
Charge for year	-	-	-	152	152
Exchange differences	-	-	-	(2)	(2)
At 30 September 2007	<u>3,086</u>	<u>-</u>	<u>2</u>	<u>375</u>	<u>3,463</u>
Carrying amount					
At 30 September 2007	<u>8,739</u>	<u>3,728</u>	<u>-</u>	<u>629</u>	<u>13,096</u>

Company

	Domain names	Computer Software and website	
	£000	£000	£000
Cost			
At 1 October 2007	-	335	335
Additions	135	8	143
At 30 September 2008	<u>135</u>	<u>343</u>	<u>478</u>
Depreciation			
At 1 October 2007	-	55	55
Charge for year	-	78	78
Impairment review	-	56	56
At 30 September 2008	<u>-</u>	<u>189</u>	<u>189</u>
Carrying amount			
At 30 September 2008	<u>135</u>	<u>154</u>	<u>289</u>

Company

	Domain names	Computer Software and website	Total
	£000	£000	£000
Cost			
At 1 October 2006	235	22	257
Additions	-	313	313
Disposal	(235)	-	(235)
At 30 September 2007	<u>-</u>	<u>335</u>	<u>335</u>
Depreciation			
At 1 October 2006	-	4	4
Charge for year	-	51	51
At 30 September 2007	<u>-</u>	<u>55</u>	<u>55</u>
Carrying amount			
At 30 September 2007	<u>-</u>	<u>280</u>	<u>280</u>

12. Investments

Company

	2007	2007
	£000	£000
At 1 October	15,268	12,769
Addition	247	2,499
Provision for impairment	(8,487)	-
At 30 September	<u>7,028</u>	<u>15,268</u>

The investments in Group undertakings are recorded at cost which is the fair value of the consideration paid.

The Group's principal subsidiary undertakings at 30 September 2008, all of which are included in the consolidation, were as follows:

Name of Company	Proportion Held	Class of shareholding	Nature of Business
Subsidiary undertakings			
Xworks Limited	100%	Ordinary	Internet Publishing
Eyeconomy Limited	100%	Ordinary	Internet Advertising
Search Focus Limited	100%	Ordinary	Internet Publishing
Newbold Publications Limited	51%	Ordinary	Internet Publishing
Result Online Limited	100%	Ordinary	Internet Publishing
Flight Comparison Limited	100%	Ordinary	Internet Publishing
Career Plus Limited *	100%	Ordinary	IT recruitment agency
Interactive Consulting Limited /TA			
Nash Digital	100%	Ordinary	Internet Advertising
Gaming Corp (Curacao) Limited	100%	Ordinary	Internet Publishing
Gambling.com Limited	100%	Ordinary	Dormant

* Indirectly held

The holder of the minority interest in Newbold Publications Limited is not liable for the losses incurred. Therefore no amount is attributed to the minority interest in the financial statement.

On 12 November 2007, the Company acquired 100% of the issued capital of Interactive Consulting Limited Trading as Nash Digital for an initial consideration of approximately £247,000 satisfied by cash. Analysis of the acquisition acquired is as follows:

	Interactive Consulting Limited £000
Debtors	27
Cash at bank and in hand	81
Creditors	(49)
Fair value of net assets acquired	59
Goodwill	188
Total consideration	<u>247</u>
Satisfied by	
To the vendor - by cash	214
Acquisition costs	33
	<u>247</u>

13. Trade and other receivables

	Group 2008 £000	Group 2007 £000	Company 2008 £000	Company 2007 £000
Trade debtors	555	552	23	74
Other debtors	62	258	62	77
Amounts owed by the group undertakings	-	-	1,153	830
Prepayments and accrued income	136	88	84	43
	<u>753</u>	<u>898</u>	<u>1,322</u>	<u>1,024</u>

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Included in trade receivables above are provisions for impairment of receivables of £79,000 (2007 - £18,000)

Company amounts owed by other Group companies are unsecured, repayable on demand and bear no interest charge.

14. Cash and cash equivalents

	Group 2008 £000	Group 2007 £000	Company 2008 £000	Company 2007 £000
Cash and equivalents	<u>3,809</u>	<u>6,253</u>	<u>2,043</u>	<u>4,201</u>

All of the Group's cash and cash equivalents are at floating rate.

The Directors consider that the carrying amount of cash and cash equivalents approximates to their fair value.

15. Trade and other payables

	Group 2008 £000	Group 2007 £000	Company 2008 £000	Company 2007 £000
Trade payables	463	264	135	143
Other taxation and social security	166	73	98	39
Other payables	460	364	408	362
Accrued expenses and deferred income	279	243	25	22
Amount payable to group undertakings	-	-	801	1,908
Tax liability	25	53		
	<u>1,393</u>	<u>997</u>	<u>1,467</u>	<u>2,474</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days (2007 - 35 days)

The Directors consider that the carrying of trade and other payables approximates to their fair value.

16. Financial instruments – Risk management

The Group in principal does not use or trade in derivative financial instruments.

The main risks arising from Group's financial instruments are credit risk, interest rate risk, liquidity risk and fair value risk. The Board reviews and agrees policies for managing these risks and they are summarised below. These policies have remained unchanged throughout the financial period.

Credit risk

The Group is mainly exposed to credit risk from credit sales. It is the Group's policy to assess the credit risk of its customers. The Group closely monitors the creditability of its customers and will require an advance payment if necessary. The Group will terminate business with customers with a poor credit history. Management considers the above measures to be sufficient to control the credit risk exposure.

Liquidity risk

The group's objective is to maintain a balance between continuity of funding and flexibility through cash pooling and shareholder funding. The Group monitors its liquidity risk on an ongoing basis by undertaking rigorous cash flow forecasting procedures.

Interest rate risk

The Group finances itself using its own cash balances which comprise cash and short-term deposits, and therefore has no significant interest rate risk.

The carrying value of all other financial instruments equate to their fair value.

17. Deferred taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority.

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2006 – 30%). The movement on the deferred tax accounts is shown below:

Group	2008	2007
	£000	£000
At 1 October	57	227
Tax charge for the year	(57)	(170)
At 30 September	-	57

Deferred taxation assets provided in the financial statements is as follows:

Tax losses carried forward	-	78
Other timing differences	-	(21)
	-	57

Deferred taxation asset not provided in the financial statements is as follows:

Tax losses carried forward	1,364	660
Other timing differences	2	3
	1,366	663

Company

	2008	2007
	£000	£000
At 1 October	32	162
Tax charge for the year	(32)	(130)
At 30 September	-	32

Deferred taxation assets not provided in the financial statements are as follows

Tax loss carried forward	1,165	1,000
Other timing differences	8	40
	1,173	1,040

18. Share Capital

	Group 2008 Number	Group 2008 £000	Company 2007 Number	Company 2007 £000
Authorised				
Ordinary shares of 1p each	814,566,400	8,146	814,566,400	8,146
Deferred shares of 4p each	46,358,400	1,854	46,358,400	1,854
		<u>10,000</u>		<u>10,000</u>
Allotted, called up and fully paid				
Ordinary shares of 1p each	291,927,298	2,919	291,027,298	2,910
Deferred shares of 4p each	46,358,400	1,854	46,358,400	1,854
		<u>4,773</u>		<u>4,764</u>

Share warrants

As at 30 September 2008, the company had a total of 21,000,000 warrants in issue. Of these 1,000,000 are exercisable at an exercise price of 2p per share, 18,500,000 are exercisable at 5p per share and 1,500,000 are exercisable at 14p per share.

Following the year end 16,500,00 warrants exercisable at 5p per share were replaced with new 27,250,000 warrants at exercisable price of 1p which were granted to employees and directors. The warrants give right to subscribe for new shares for a period of three years from the grant date.

During the year the company issued 900,000 ordinary shares of 1p at premium of 1p upon the exercise of warrants.

19. Capital and reserves

Group

	Share capital £000	Share premium £000	Currency translation reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 1 October 2006	4,764	12,917	-	1,422	(1,991)	17,112
Profit for the year	-	-	-	-	2,830	2,830
Currency translation differences	-	-	(471)	-	-	(471)
Share based payments	-	-	-	-	13	13
At 30 September 2007	4,764	12,917	(471)	1,422	852	19,484
Loss for the year	-	-	-	-	(11,279)	(11,279)
Currency translation differences	-	-	166	-	-	166
Purchase of own shares	-	-	-	-	(497)	(497)
Issue of shares	9	10	-	-	-	19
At 30 September 2008	4,773	12,927	(305)	1,422	(10,924)	7,893

Company

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total £000
At 1 October 2006	4,764	12,917	1,422	(3,173)	15,930
Profit for the year	-	-	-	2,517	2,517
Share based payments	-	-	-	13	13
At 30 September 2007	4,764	12,917	1,422	(643)	18,460
Loss for the year	-	-	-	(8,626)	(8,626)
Purchase of own shares	-	-	-	(497)	(497)
Issue of shares	9	10	-	-	19
At 30 September 2008	4,773	12,927	1,422	(9,766)	9,356

The loss for the parent company for the year was 8,626,000 (2007: profit of £2,517,000)

During the year the company purchased 13,990,000 ordinary shares of 1p each at a price between 4.94p and 2.37p.

20. Leases

Operating leases

The Group has an operating lease on its head office. The annual commitment under non-cancellable operating lease is as follows:

	2008	2007
	£000	£000
Land and Buildings		
Later than one year and not later than five years	<u>123</u>	<u>123</u>

21. Related party disclosures

Directors' emoluments are disclosed in note 6.

22. Events after balance sheet date

2,509,091 Ordinary 1p shares were issued to Rivington Street Holdings pursuant to contractual obligations for services provided to the Company.

23. Contingent liabilities

There are no contingent liabilities.

24. First time adoption of International Financial Reporting Standards (IFRS)

This is the first year end that the Group has presented its financial statement under International Financial Reporting Standards (IFRS). The last financial statements under UK GAAP were for the year ended 30 September 2007 and the date of transition to IFRS was therefore 1 October 2006.

The adoption of IFRS had no material impact on either the equity or results of the Company for 2007. The only changes resulting from the transition to IFRS are of a presentational nature. Therefore no reconciliation statement between UK GAAP and IFRS is required.

MEDIA CORPORATION PLC

NOTICE OF ANNUAL GENERAL MEETING

27 APRIL 2009

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Media Corporation plc (**Company**), please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents on to the person who now holds the shares.

Notice is hereby given that the Annual General Meeting (**Meeting**) of the Company will be held at **Daniel Stewart & Co, Becket House, 36 Old Jewry, London EC2R 8DD** on **27th April 2009** at **11am** to transact the following business:

Ordinary Business

1. **TO** receive the Company's annual accounts for the financial year ended 30 September 2008 together with the last directors' report and the auditors' report on those accounts.
2. **TO** reappoint Gerald Edelman as auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company at a remuneration to be determined by the directors.
3. **TO** re-appoint the following director who retires by rotation: Michael Hawkes

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions which will be proposed as to resolution 4 as an ordinary resolution and as to resolution 5 as a special resolution:

4. **That** the Directors are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the “Act”) to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) up to the aggregate nominal amount of £1,733,766.70. The authority hereby conferred shall expire, unless previously varied, renewed or revoked by the Company in general meeting, on the date of the Company’s next annual general meeting, provided that the Company may, prior to such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry in which case the Directors may allot such securities pursuant to such offer or agreement as if such authority had not expired.

5. **That** subject to the passing of resolution 4 set out above, the Directors are hereby empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94(2) of the Act) as if Section 89(1) of the Act did not apply to any such allotment provided that:

5.1 the authority hereby conferred shall expire, unless previously varied, renewed or revoked by the Company in general meeting, on the date of the Company’s next annual general meeting;

5.2 the Company may, prior to such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry in which case the Directors may allot such securities pursuant to such offer or agreement as if such authority had not expired; and

5.3 is limited to:

5.3.1 allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the Company’s capital in proportion (as nearly as may be) to their existing holdings of ordinary shares but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offer as they deem necessary or expedient to deal with equity securities representing fractional entitlements and/or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;

5.3.2 allotments of equity securities for cash up to an aggregate nominal amount of £557,565.

By order of the Board

Nilesh Jagatia

Company secretary
Media Corporation plc

Registered office:

77 Queen Victoria Street

London

EC4V 4AY

31 March 2009

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - 6.00 pm on 24th April 2009 ; or
 - if this Meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting

shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please notify the Company's registrars, Capita IRG Plc at PO Box 25, Beckenham, Kent BR3 4BR.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will abstain from voting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered Capita IRG Plc at PO Box 25, Beckenham, Kent BR3 4BR ; and
- received by Capita IRG Plc no later than 48 hours before the time fixed for the meeting or any adjournment thereof.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita IRG Plc at PO Box 25, Beckenham, Kent BR3 4BR.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Company Secretary, Media Corporation Plc, 77 Queen Victoria Street, London EC4V 4AY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - By sending an e-mail to info@mediacorpplc.com quoting valid Share certificate number and number of Shares as the reference.

In either case, the revocation notice must be received by Capita IRG Plc 48 hours before the time fixed for the meeting or any adjournment thereof.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

10. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:
 - (i) if a corporate member has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
 - (ii) if more than one corporate representative for the same corporate member attends the Meeting but the corporate member has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (i) above.

Issued shares and total voting rights

11. As at 6pm on 20th March 2009, the Company's issued share capital comprised 294,436,389 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 11am on 27th April 2009 is 294,436,389.

Documents on display

12. The following documents will be available for inspection for at least 15 minutes prior to the Meeting and during the Meeting:
 - Copies of the service contracts of executive directors of the Company; and
 - Copies of the letters of appointment of the non-executive directors of the Company.

Communication

13. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
 - calling our shareholder helpline on 0207 618 9000 or
 - email info@mediacorpplc.com

You may not use any electronic address provided either:

- in this notice of annual general meeting; or
- any related documents including the chairman's letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.

MEDIA CORPORATION PLC (Company)

Annual General Meeting

Proxy Form

[NAME AND ADDRESS OF SHAREHOLDER WITH REFERENCE DETAILS]

Before completing this form, please read the explanatory notes below

I /We being a member of the Company appoint the Chairman of the meeting or (see note 3)

--

as my/our proxy to attend, speak and vote on my/our behalf at the Annual General Meeting of the Company to be held on **27th April 2009 at 11am** and at any adjournment of the meeting.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

RESOLUTIONS	For	Against	Vote withheld
ORDINARY BUSINESS			
1. TO receive the Company's annual accounts for the financial year ended 30 September 2008 together with the last directors' report and the auditors' report on those accounts.			
2. TO reappoint Gerald Edelman as auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company at a remuneration to be determined by the directors.			
3. TO re-appoint the following director who retires by rotation:- Michael Hawkes			
Special Business			
4. That the Directors are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) up to the aggregate nominal amount of £1,733,766.70. The authority hereby conferred shall expire, unless previously varied, renewed or revoked by the Company in general meeting, on the date of the Company's next annual general meeting, provided that the Company may, prior to such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry in which			

<p>case the Directors may allot such securities pursuant to such offer or agreement as if such authority had not expired.</p>			
<p>5. That subject to the passing of resolution 4 set out above, the Directors are hereby empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94(2) of the Act) as if Section 89(1) of the Act did not apply to any such allotment provided that:</p> <p>5.1 the authority hereby conferred shall expire, unless previously varied, renewed or revoked by the Company in general meeting, on the date of the Company's next annual general meeting;</p> <p>5.2 the Company may, prior to such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry in which case the Directors may allot such securities pursuant to such offer or agreement as if such authority had not expired; and</p> <p>5.3 is limited to:</p> <p>5.3.1 allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the Company's capital in proportion (as nearly as may be) to their existing holdings of ordinary shares but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offer as they deem necessary or expedient to deal with equity securities representing fractional entitlements and/or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;</p> <p>5.3.2 allotments of equity securities for cash up to an aggregate nominal amount of £557,565.</p>			

Signature	Date

Notes to the proxy form

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please notify the Capita IRG Plc at PO Box 25, Beckenham, Kent BR3 4BR.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To appoint a proxy using this form, the form must be:
 - completed and signed;
 - sent or delivered to Capita IRG Plc at PO Box 25, Beckenham, Kent BR3 4BR.
 - received by Capita IRG Plc no later than 48 hours before the time fixed for the meeting or any adjournment thereof
7. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.

Operational Highlights

Financial highlights

Gross Profit of £1.4m (£2.5m)

Cash Balances at the year end £3.8m (£6.3m)

Consolidated Net Assets £8.0m (19.5m)

Business highlights

Acquisition and successful launch of Sport.co.uk

Partnership with Yahoo! provides search results across the Group's extensive network of websites

Contract with Express Newspapers to sell ads on online titles including the Express, Daily Star and OK magazine

