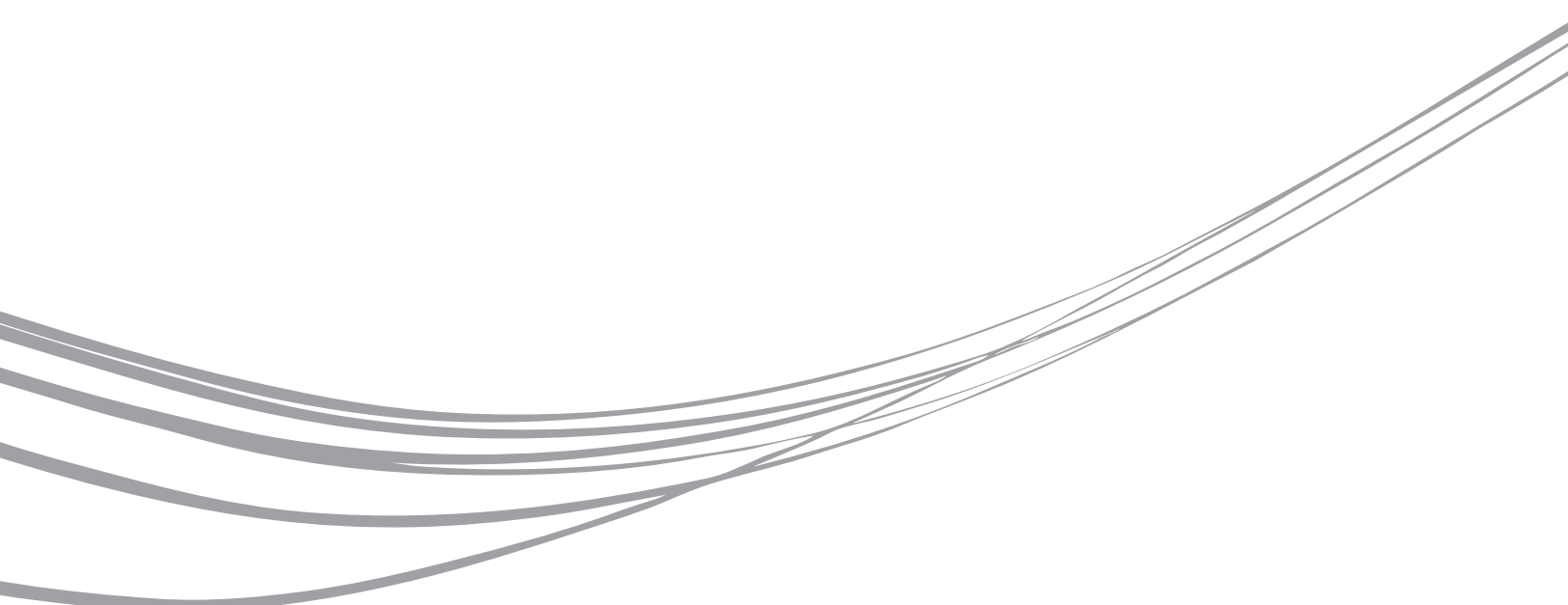


mediacorp
INTERNET MEDIA



ANNUAL
REPORT
& ACCOUNTS
2011

Media Corporation plc

Report and Accounts

For the year ended 30 September 2011

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Directors and Advisers

Directors:	Jason Drummond	Non-Executive Chairman
	Justin Drummond	Chief Executive Officer
	Nilesh Jagatia	Group Finance Director
	John Palmer	Non-Executive Director
	Chris Gorman OBE	Non-Executive Director
	Stephen Pettman	Non-Executive Director

Company Secretary: Nilesh Jagatia

Registered Office: No 1 Poultry, London, EC2R 8JR

Registered in England: Company number – 4058698

Nominated Adviser & Broker: Northland Capital Partners Limited
60 Gresham Street,
London, EC2V 7BB

Solicitors to the Company: Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

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

Operational Highlights

Financial highlights

- Group Revenue of £35m (2010: £ 24m) an increase of 46%
- Gross Profit of £5.7m (2010: £5m) an increase of 14%
- Operating loss before exceptional costs £1.38 (2010: £1.40m)
- Exceptional cost of £1.4m, resulting in an operating loss of £2.9m (2010: £1.4m)
- Adjusted EBITDA * Loss £0.96m (2010: Loss £1.20m)
- Cash Balances at the year-end of £2m (2010: £2.2m)
- Wholly owned subsidiary Purple Lounge revenues of £27.5 million (2010: £21.3 million) an increase of 29%
- Wholly owned subsidiary Eyeconomy revenues of £7.3 million (2010: £2.8 million) an increase of 160%

*"Adjusted EBITDA" (Adjusted net income before interest income, provision for income taxes expense, depreciation and amortization and gaming software levy)

Business highlights

- Purple Lounge achieved significant revenue growth during the year with registered customer numbers reaching 120,000 (2010: 100,000) by the year end
- Eyeconomy signed a partnership deal with Digital Sports Group adding a further 150 million monthly impressions and doubled the scale of Eyeconomy's exclusive site representation business from August 2011
- Eyeconomy signed an extension to its contract with Express Newspapers in December 2011
- The sale of Gambling.com and Sport.co.uk for £1.5m net during the financial year

The Directors continue to consider appropriate bolt on, profitable and cash generative acquisitions, particularly in the online gaming arena.

Chairman's Statement

Chairman's Statement

The Group grew revenues considerably during 2011, and continues the stated aim of restoring profitability. Eyeconomy, the Group's wholly owned advertising network had an excellent year with record revenues and returned to profitability. Purple Lounge has demonstrated significant growth in both revenues and player numbers.

The Group operating loss includes £0.225m increased costs in relation to some of its software suppliers/ gaming levy; these costs will reduce substantially in the next financial year.

As announced during the year, the Group successfully completed the sale of some of underperforming publishing assets, namely Gambling.com and Sport.co.uk for a net amount of £1.5million. Both of these businesses had been loss making for some time and the completion of the sales will reduce costs going forward and contribute to a return to profitability for the Group.

During the current financial year there has, overall, been a marked improvement in both Company specific and wider market conditions and in particular we have benefited from a very strong performance from Eyeconomy. We continue to feel very positive about the outlook and we look forward to providing further updates during the course of the year.

Jason Drummond

16 January 2012

Directors' Biographies

Jason Drummond, Non- Executive 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 successful technology companies including Media Corporation, Coms, Nettworx and FairFX.

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. More recently he identified and oversaw the acquisition of Purple Lounge and has been instrumental in the turnaround of the Group.

Nilesh Jagatia, Group Finance Director

Nilesh Jagatia is a qualified accountant with over 20 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.

John Palmer, Non-Executive Director

John Palmer has a demonstrable track record with over 27 years' experience in the international marketing, advertising and general management arena. He previously held senior product marketing and management positions at Unilever and Mattel Toys Australia, Chief Executive of Bates Malaysia, one of the largest communication groups in Asia. More recently, John founded and was CEO of LetsBuyIt.com, an online retail group that was established in ten countries and listed on the German Stock Exchange.

Chris Gorman, OBE, Non-Executive Director

Chris Gorman has extensive commercial experience in both retail and technology businesses over the past 11 years, and is one of the UK's most respected and knowledgeable business visionaries. Chris has received numerous business awards for entrepreneurialism and currently divides his time between Lucid Group, Quintessentially and Truphone. He is also Chairman of the Entrepreneurial Exchange and Governor of the Royal Scottish Academy for Music and Drama.

Stephen Pettman, Non-Executive Director

Stephen is a shareholder of Aldersgate Investment Managers Limited where he provides consultancy services in relation to trading capital within equity in the US, UK and European markets. He has had a 30 year career in the Financial Services industry in which time he has worked for a number of City firms including Greenwell Montagu Securities, Hoare Govett Securities (part of the ABN Amro Group) and Credit Suisse First Boston primarily in the Securities Trading arena.

Business Review

For the year ended 30 September 2011

Throughout 2011, Media Corporation continued consolidating its on-going strategy of investing in the Group's growth and streamlined costs within the business. This investment resulted in revenue growth and more efficient operations with a significantly reduced cost base during the financial year.

The Group now has three principal divisions: Internet Gaming, Advertising Network and Internet Publishing:

Internet Gaming

Purple Lounge is an internet gaming company which was established in 2005 with a gaming Licence in Malta. Purple Lounge was acquired during the 2010 financial year and the Group used its in-depth expertise in developing and monetising the brand which offers poker, card and casino games.

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 (Sub Sites), rich-media floating toolbar (Sub Lines) and has recently launched a new online advertising division
- offers a total reach of 50 million unique users every month, from over 850 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
- boasts a Brand team whose successful contract wins include the Express Newspaper Group
- is seeing strong ROI on an increasing market presence

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 Onthebox.com (UK's definitive TV listings and entertainment guide with over 2 million unique visitors per month, Flightcomparison.co.uk (a leading flight booking portal and Creditcardexpert.co.uk (a credit card comparison website).

Financial Overview

The audited results for the year ended 30 September 2011 show increased revenues in line with the Company's growth strategy, with total Group revenues £35.1m (2010: £24.3m). The gross profit increased by 14% to £5.7m (2010: £5m) and the cash at the end of the financial year was £2m (2010:£2.2m). The operating loss includes £0.225m increased costs in relation to some of its software suppliers/ gaming levy; these costs will reduce substantially in the next financial year. The exceptional losses, as previously communicated in April 2011 were primarily down to the sale of gambling.com, a non-cash item relating to the write-down of goodwill.

Key Performance Indicators (KPI's)	FY2011	FY2010
	£million	£million
Revenue – Continuing Operations	35.1	3.0
Revenue – Acquired Operations	-	21.3
Total Revenue	35.1	24.3
Gross Profit	5.7	5.0
Operating Loss <u>before</u> exceptional costs	(1.4)	(1.4)
Operating Loss <u>after</u> exceptional costs**	(2.9)	(1.4)
Net Assets	2.7	5.6
Cash	2.0	2.2
Other non-financial KPI		
Employees - Number	37	38

** including non cash item

Current trading and prospects

The Board is aiming for continued growth during 2012, as we seek to maximize the potential of the Group's Internet Gaming, Publishing and Advertising businesses and is targeting a return to profitability. It is the Board's strategy to focus on the online gaming and there will continue to be considerable opportunities to reduce fixed costs in the short term as well as exciting organic and acquisitive growth prospects.

Justin Drummond
Chief Executive

Nilesh Jagatia
Group Finance Director

Directors' Report

For the year ended 30 September 2011

The Directors have pleasure in presenting their Report and the audited financial statements for the year ended 30 September 2011.

Principal Activities

Media Corporation plc is a leading internet gaming, advertising and media 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 an operating loss before tax and exceptional costs of £1.38m for the year ended 30 September 2011 (2010: £1.4m) and the Loss after Exceptional costs was £2.87m. (2010: £1.4m). The loss per share of 0.87p (2010: loss per share of 0.43p).

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 in relation to the Directors' going concern assessment are set out in Note 2 to the financial statements.

Shares Issues

During the year the following shares issues took place:

The Company issued 670,391 Ordinary 1p Shares ("ordinary shares") after 30th September 2011 to Rivington Street Holdings pursuant to contractual obligations for services provided to the Company during the year.

Directors' and their Interests

Details of the current Directors are given on page 3.

In accordance with the Company's Articles of Association, Jason Drummond and Stephen Pettman retire by rotation and, being eligible, offer themselves 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 2011		At 1 October 2010	
	Ordinary shares Number	Warrants Number *	Ordinary shares Number	Warrants Number*
Jason Drummond	22,907,000	-	22,907,000	-
Justin Drummond	24,503,907	-	23,003,907	-
Nilesh Jagatia	840,345	-	410,345	-
John Palmer	650,000	400,000	650,000	400,000
Chris Gorman	563,157	1,000,000	563,157	1,000,000
Stephen Pettman	13,500,000	-	-	-

* These warrants were granted on 26 May 2010 at an exercise price of 2.25p per share.

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 shares
TD Waterhouse Nominees (Europe)	34,599,113	10.7%
Justin Drummond	24,503,907	7.6%
Jason Drummond	22,907,000	7.1%
BNY (OCS) Nominees Limited	20,650,000	6.4%
Barclayshare Nominees	18,257,080	5.6%
Forest Nominees	15,324,100	4.7%
Stephen Pettman	13,500,000	4.2%
Herald Investment Management	12,650,000	3.9%
Paul Fraser	10,357,500	3.2%

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 factors 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 ongoing 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 and 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 in short term interest bearing bank deposit accounts.

Creditors payment policy and practice

It is the Group's policy that payments to suppliers are made in accordance with agreed terms and conditions between the Group and its suppliers, provided that all the trading terms and conditions have been complied with. The average number of days credit was taken by the Group as at the 30 September 2011 was 40 days (2010: 40 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 Policy

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 Group 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 Group 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 (2010: 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.

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 will 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 to 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 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 2006. 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.

Annual General Meeting and recommendation

Notice of the Annual General Meeting, together with explanatory notes, is set out on pages 46 to 50.

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

By the order of the Board:

Nilesh Jagatia

Company Secretary

16 January 2012

Report of Remuneration Committee

The members of the Remuneration Committee are:

John Palmer (Chairman of the Remuneration Committee)
Jason Drummond

The Company Secretary, Nilesch Jagatia, attends the meetings of the Remuneration Committee. 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

No warrants were issued to the Directors and senior management this financial year.

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

No additional warrants were issued during the year.

Independent Auditor's Report to the Members of Media Corporation plc

We have audited the consolidated financial statements of Media Corporation Plc for the year ended 30 September 2011 which comprise the consolidated income statement, the consolidated and company balance sheets, the consolidated and company cash flow statements, the consolidated and company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2011 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

E Zekia (Senior Statutory Auditor)

for and on behalf of Gerald Edelman,

Chartered Accountants and Statutory Auditors

London

16 January 2012

Consolidated Income Statement

For the year ended 30 September 2011

	Notes	Total 2011 £000	Total 2010 £000
Revenue			
Acquisition during the year		-	21,266
Continuing operations		35,145	2,985
Total revenue		35,145	24,251
Cost of sales			
Acquisition during the year		-	(17,161)
Continuing operations		(29,416)	(2,057)
Gross profit		5,729	5,032
Selling and distribution costs		(3,801)	(3,118)
Selling and distribution gaming software levy	4	(225)	-
Administrative expenses		(3,081)	(3,318)
Total Operating costs		(7,107)	(6,436)
Operating loss before Exceptional Costs	4	(1,378)	(1,404)
Exceptional loss	4	(1,488)	-
		(2,866)	(1,404)
Operating loss after Exceptional Costs			
Finance income	7	1	6
Loss before income tax		(2,865)	(1,398)
Income tax expense	8	-	-
Loss from continuing activities attributable to equity holder of the company.		(2,865)	(1,398)
Loss earnings per share attributable to equity holders of the company			
	9	Pence per share	Pence per share
Basic		(0.87p)	(0.43p)
Diluted		(0.88p)	(0.43p)

The Company has elected to take exemption under section 408 of the Companies Act 2006 to not present the parent Company income statement. The loss for the Company is shown in the Statement of changes in shareholders' equity.

The notes on pages 24 to 45 are an integral part of these financial statements.

Balance Sheets

As at 30 September 2011

	Notes	Group 2011 £000	Group 2010 £000	Company 2011 £000	Company 2010 £000
Assets					
Non current assets					
Property, plant and equipment	10	18	44	16	47
Intangibles	11	3,038	6,073	74	209
Investments	12	191	188	6,532	6,532
Deferred tax asset	17	-	-	-	-
		<u>3,247</u>	<u>6,305</u>	<u>6,622</u>	<u>6,788</u>
Current assets					
Trade and other receivables	13	913	670	2,642	2,585
Cash at bank and in hand	14	2,032	2,153	1,119	276
		<u>2,945</u>	<u>2,823</u>	<u>3,761</u>	<u>2,861</u>
Total assets		<u>6,192</u>	<u>9,128</u>	<u>10,383</u>	<u>9,649</u>
Liabilities					
Current liabilities					
Trade and other payables	15	(3,495)	(3,440)	(2,835)	(1,272)
Current tax liabilities	15	-	-	-	-
		<u>(3,495)</u>	<u>(3,440)</u>	<u>(2,835)</u>	<u>(1,272)</u>
Total liabilities		<u>(3,495)</u>	<u>(3,440)</u>	<u>(2,835)</u>	<u>(1,272)</u>
Total assets less liabilities		<u>2,697</u>	<u>5,688</u>	<u>7,548</u>	<u>8,377</u>
Equity					
Share capital	18	5,088	5,088	5,088	5,088
Share premium		13,118	13,118	13,118	13,118
Other Reserves		1,422	1,422	1,422	1,422
Translation reserve		368	497	-	-
Retained Earnings		(17,299)	(14,437)	(12,080)	(11,251)
Total shareholders equity		<u>2,697</u>	<u>5,688</u>	<u>7,548</u>	<u>8,377</u>

The notes on pages 24 to 45 are an integral part of these financial statements.

The financial statements were approved by the Board on 16 January 2012 and were signed on its behalf by:

Justin Drummond
Chief Executive Officer

Nilesh Jagatia
Group Finance Director

Company registration number 4058698

Consolidated Statement of changes in shareholders' equity for the year ended 30 September 2011

Group	Share capital £000	Share premium £000	Currency translation reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 30 September 2008	4,773	12,927	(305)	1,422	(10,924)	7,893
Loss for the year	-	-	-	-	(2,645)	(2,645)
Share based payments	-	-	-	-	27	27
Currency translation differences	-	-	841	-	-	841
Purchase of own shares	-	-	-	-	(222)	(222)
Issue of shares	25	16	-	-	-	41
At 30 September 2009	4,798	12,943	536	1,422	(13,764)	5,935
Loss for the year	-	-	-	-	(1,398)	(1,398)
Share based payments	-	-	-	-	6	6
Currency translation differences	-	-	(39)	-	-	(39)
Sale of own shares	-	154	-	-	719	873
Issue of shares	290	21	-	-	-	311
At 30 September 2010	5,088	13,118	497	1,422	(14,437)	5,688
Loss for the year	-	-	-	-	(2,865)	(2,865)
Share based payments	-	-	-	-	3	3
Currency translation differences	-	-	(129)	-	-	(129)
Sale of own shares	-	-	-	-	-	-
At 30 September 2011	5,088	13,118	368	1,422	(17,299)	2,697

Parent Company Statement of changes in shareholders' equity for the year ended 30 September 2011

	£000	£000	£000	£000	£000
At 30 September 2008	4,773	12,927	1,422	(9,766)	9,356
Loss for the year	-	-	-	(923)	(923)
Other adjustments	-	-	-	(5)	(5)
Purchase of own shares	-	-	-	(222)	(222)
Share based payments	-	-	-	27	27
Issue of shares	25	16	-	-	41
At 30 September 2009	4,798	12,943	1,422	(10,889)	8,274
Loss for the year	-	-	-	(1,087)	(1,087)
Share based payments	-	-	-	6	6
Sale of own shares	-	154	-	719	873
Issue of shares	290	21	-	-	311
At 30 September 2010	5,088	13,118	1,422	(11,251)	8,377
Loss for the year	-	-	-	(829)	(829)
Share based payments	-	-	-	-	-
Sale of own shares	-	-	-	-	-
Issue of shares	-	-	-	-	-
At 30 September 2011	5,088	13,118	1,422	(12,080)	7,548

Consolidated statement of recognised income and expenses for the year ended 30 September 2011

	2011	2010
	£000	£000
Currency translation differences	(129)	(39)
Total income recognised directly in equity	(129)	(39)
Loss for the year	(2,865)	(1,398)
Total recognised expense for the year	(2,994)	(1,437)

All amounts attributable to equity holders of the company

Parent company statement of recognised income and expense for the year ended 30 September 2011

There are no movements to be recognised through the parent Company statement of recognised income and expense in 2011 or 2010.

Consolidated Cash Flow Statement

for the year ended 30 September 2011

	2011	2010
	£000	£000
Operating activities		
Operating loss	(1,378)	(1,404)
Depreciation and amortisation	186	201
(Increase) / decrease in receivables	(243)	5
Increase in payables	55	2,080
Other cash movements	(49)	58
Taxes paid	-	15
Share based payments	-	6
Net cash used in operating activities	<u>(1,429)</u>	<u>961</u>
Investing activities		
Interest received	1	6
Purchase of property, plant and equipment	(5)	(27)
Purchase of intangibles	(161)	(171)
Disposal of Domain names -net sales proceeds	1,515	-
Acquisition of subsidiary undertaking - Net Assets	-	(2,017)
Acquisition of subsidiary undertaking -net cash acquired	-	827
Net cash used in investing activities	<u>1,350</u>	<u>(1,382)</u>
Financing activities		
Issue of share capital from exercised warrants	-	278
Sale /(purchase) of treasury shares	-	719
Net cash used in financing activities	<u>-</u>	<u>997</u>
Net decrease in cash and cash equivalents	(79)	576
Cash and cash equivalents at beginning of period	2,153	1,697
Effects on exchange movements	(42)	(120)
Cash and cash equivalents at end of period	<u>2,032</u>	<u>2,153</u>

The notes on pages 24 to 45 are an integral part of these financial statements.

Parent Company Cash Flow Statement for the year ended 30 September 2011

	2011	2010
	£000	£000
Operating activities		
Operating loss	(829)	(1,019)
Depreciation and amortisation	51	128
Share based payment	-	-
Impairment of investments and intangibles	-	(235)
Increase in receivables	(57)	(182)
Increase / (decrease) in payables	1,564	438
Other cash movements	30	56
Net cash used in operating activities	<u>759</u>	<u>(814)</u>
Investing activities		
Interest received	1	1
Purchase of property, plant and equipment	(2)	(30)
Purchase of intangibles	(49)	(65)
Disposal of intangible asset	135	-
Net cash used in investing activities	<u>85</u>	<u>(94)</u>
Financing activities		
Issue of share capital	-	278
Sale / (purchase) of treasury shares	-	719
Net cash used in by financing activities	<u>-</u>	<u>997</u>
Net decrease in cash and cash equivalents	844	89
Cash and cash equivalents at beginning of period	276	187
Cash and cash equivalents at end of period	<u>1,120</u>	<u>276</u>

The notes on pages 24 to 45 are an integral part of these financial statements

Notes to the Financial Statements

for the year ended 30 September 2011

1. General Information

Media Corporation plc (“the Company”) and its subsidiaries (together “the Group”) is engaged in Internet advertising, internet gaming and internet publishing. The Company is a public limited company which is listed on the AIM Market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom. The address of the registered office is No 1 Poultry, London, EC2R 8JR.

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
Purple Lounge Limited	100%	Ordinary	Internet Gaming
Purple Lounge (Malta) Limited	100%	Ordinary	Internet Gaming
Purple Lounge N.V.	100%	Ordinary	Internet Gaming
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

2. Accounting policies

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 2006 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 2011 show a loss including exceptional items for the year of £2.9 million.

At the date of these financial statements the Group's ability to continue as a going concern reflects the net funds of £2 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 capitalised 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 Transactions

Employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model, further details of which are given in note 23.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (further details are given in note 9).

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.

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 2011 and projections for 2012 and 2013 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 2011, the Group's continuing business is classified by management into three main segments.

The primary segment results for the year ended 30 September 2011 are as follows:

	Advertising Network £'000	Internet Publishing £'000	Internet Gaming £'000	Group £'000
Revenue				
Total segment revenue	<u>7,240</u>	<u>275</u>	<u>27,630</u>	<u>35,145</u>
Operating profit /(loss)	<u>115</u>	<u>(1,210)</u>	<u>(283)</u>	<u>(1,378)</u>
Exceptional loss on asset disposal	<u>(235)</u>	<u>(1,253)</u>	<u>-</u>	<u>(1,488)</u>
Operating loss				<u>(2,866)</u>
Net finance income				<u>1</u>
Loss before income tax expense				<u>(2,865)</u>
Income tax expense				
Loss from continuing activities				<u>(2,865)</u>
Balance sheet				
Assets	927	4,243	1,022	6,192
Liabilities	(1,933)	965	(2,527)	(3,495)
Net assets/(liabilities)	<u>(1,006)</u>	<u>5,208</u>	<u>(1,505)</u>	<u>2,697</u>
Other information				
Depreciation and amortisation	<u>(30)</u>	<u>(109)</u>	<u>(30)</u>	<u>(169)</u>

The segment results for the year ended 30 September 2010 are as follows:

	Advertising Network £'000	Internet Publishing £'000	Internet Gaming £'000	Group £'000
Revenue				
Total segment revenue	<u>2,856</u>	<u>130</u>	<u>21,265</u>	<u>24,251</u>
Operating loss	<u>(40)</u>	<u>(1,329)</u>	<u>(35)</u>	<u>(1,404)</u>
Net finance income				6
Loss before income tax expense				<u>(1,398)</u>
Income tax expense				
Loss from continuing activities				<u>(1,398)</u>
Balance sheet				
Assets	695	5,495	2,938	9,128
Liabilities	<u>(478)</u>	<u>(282)</u>	<u>(2,680)</u>	<u>(3,440)</u>
Net assets/(liabilities)	<u>217</u>	<u>5,213</u>	<u>258</u>	<u>5,688</u>
Other information				
Depreciation and amortisation	<u>(38)</u>	<u>(145)</u>	<u>(18)</u>	<u>(201)</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

Operating loss has been arrived at after charging:

	2011	2010
	£000	£000
Staff costs (see note 5)	1,684	1,538
Depreciation of property, plant and equipment	186	201
Additional selling and distribution levy from gaming operator	225	-
Share based payment	3	6
Operating lease expenditure:		
- property	31	123
Auditors' remuneration:		
- statutory audit	40	59
- Tax compliance services	<u>3</u>	<u>3</u>
Exceptional Loss	2011	2010
	£000	£000
Loss on the sale of Gambling.com	1,253	-
Impairment of Domain name	235	-
	<u>1,488</u>	<u>-</u>

5. Staff costs

Staff costs (including Directors) consist of:

	2011	2010
	£000	£000
Wages and salaries	1,549	1,425
Social security costs	135	113
	<u>1,684</u>	<u>1,538</u>
	Number	Number
Management	8	8
Distribution and sales	17	18
Technical	6	6
Administration	6	6
	<u>37</u>	<u>38</u>

6. Directors' emoluments

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

	Salary	Bonus	Total	Salary	Bonus	Total
	2011	2011	2011	2010	2010	2010
	£000	£000	£000	£000	£000	£000
Jason Drummond	50	10	60	50	10	60
Justin Drummond	163	52	215	163	20	183
Nilesh Jagatia	100	20	120	87	10	97
John Palmer	12	-	12	12	-	12
Chris Gorman	12	-	12	12	-	12
	<u>337</u>	<u>82</u>	<u>419</u>	<u>324</u>	<u>40</u>	<u>364</u>

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

7. Finance income and costs

	2011	2010
	£000	£000
Finance income		
Interest on short term bank deposits	<u><u>1</u></u>	<u><u>6</u></u>

8. Income tax expense

	2011	2010
	£000	£000
Current tax	-	(8)
Deferred tax (Note 17):	-	8
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</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:

	2011	2010
	£000	£000
Loss before tax	(2,865)	(1,398)
	<u>-</u>	<u>-</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2010 – 28%)	(802)	(391)
Effects of:		
Expenses that are not deductible in determining taxable profit	85	72
Tax losses utilised	-	-
Other tax adjustments	717	311
Over provision in prior years	-	-
Deferred tax	-	8
	<u>-</u>	<u>-</u>
Total tax (credit)/expense	<u>-</u>	<u>-</u>

9. Loss earnings per share attributable to equity holders of the company

	2011	2010
	£000	£000
Loss for the purpose of basic and diluted earnings per share	<u>(2,865)</u>	<u>(1,398)</u>
Numbers		
Weighted average number of ordinary shares for the purpose of basic earnings per share	323,445,648	323,445,648
Effective of dilutive potential ordinary shares:		
Share warrants	1,900,000	3,900,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>325,345,648</u>	<u>327,345,648</u>
	Pence	Pence
Loss per share – basic	(0.87p)	(0.43p)
Loss per share – diluted	(0.88p)	(0.43p)

Basic loss per share has been calculated by dividing loss for the year by the weighted average number of ordinary shares in issue during the year.

Diluted loss per share has been calculated by dividing loss 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 2010	3	139	137	328	607
Additions	-	-	-	5	5
At 30 September 2011	<u>3</u>	<u>139</u>	<u>137</u>	<u>333</u>	<u>612</u>
Depreciation					
At 1 October 2010	3	123	135	302	563
Charge for year	-	16	2	13	31
At 30 September 2011	<u>3</u>	<u>139</u>	<u>137</u>	<u>315</u>	<u>594</u>
Carrying amount					
At 30 September 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>

Group	Short Leasehold £000	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 October 2009	3	139	137	301	580
New Acquired company	-	-	-	21	21
Brought Forward	-	-	-	6	6
Additions	-	-	-	6	6
At 30 September 2010	<u>3</u>	<u>139</u>	<u>137</u>	<u>328</u>	<u>607</u>
Depreciation					
At 1 October 2009	3	103	131	258	495
New Acquired company	-	-	-	14	14
Brought Forward	-	-	-	30	30
Charge for year	-	20	4	30	54
At 30 September 2010	<u>3</u>	<u>123</u>	<u>135</u>	<u>302</u>	<u>563</u>
Carrying amount					
At 30 September 2010	<u>-</u>	<u>16</u>	<u>2</u>	<u>26</u>	<u>44</u>

Company	Short Leasehold £000	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 October 2010	3	107	55	213	378
Additions	-	-	-	2	2
At 30 September 2011	<u>3</u>	<u>107</u>	<u>55</u>	<u>215</u>	<u>380</u>
Depreciation					
At 1 October 2010	3	91	53	184	331
Charge for year	-	16	2	15	33
At 30 September 2011	<u>3</u>	<u>107</u>	<u>55</u>	<u>199</u>	<u>364</u>
Carrying amount					
At 30 September 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>

Company	Short Leasehold £000	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 October 2009	3	107	55	183	348
Additions	-	-	-	30	30
At 30 September 2010	<u>3</u>	<u>107</u>	<u>55</u>	<u>213</u>	<u>378</u>
Depreciation					
At 1 October 2009	3	71	50	144	178
Charge for year	-	20	3	40	63
At 30 September 2010	<u>3</u>	<u>91</u>	<u>53</u>	<u>184</u>	<u>331</u>
Carrying amount					
At 30 September 2010	<u>-</u>	<u>16</u>	<u>2</u>	<u>29</u>	<u>47</u>

11. Intangibles

	Goodwill	Domain Names	Trade marks	Computer Software and Website	Total
	£000	£000	£000	£000	£000
Cost					
At 1 October 2010	13,205	4,141	2	1,642	18,990
Additions	-	-	-	161	161
Disposal during the year	-	(2,715)	-	-	(2,715)
Exchange differences	-	(108)	-	-	(108)
At 30 September 2011	<u>13,205</u>	<u>1,318</u>	<u>2</u>	<u>1,803</u>	<u>16,328</u>
Depreciation					
At 1 October 2010	10,862	649	2	1404	12,917
Impairment during the year	235	-	-	-	235
Charge for year	-	-	-	138	138
At 30 September 2011	<u>11,097</u>	<u>649</u>	<u>2</u>	<u>1,542</u>	<u>13,290</u>
Carrying amount					
At 30 September 2011	<u>2,108</u>	<u>669</u>	<u>-</u>	<u>261</u>	<u>3,038</u>

Group

	Goodwill	Domain Names	Trade marks	Computer Software and Website	Total
	£000	£000	£000	£000	£000
Cost					
At 1 October 2009	12,013	4,121	2	1,464	17,600
Additions	1192	-	-	171	1363
Exchange differences	-	20	-	7	27
At 30 September 2010	<u>13,205</u>	<u>4,141</u>	<u>2</u>	<u>1,642</u>	<u>18,990</u>
Depreciation					
At 1 October 2009	10,862	649	2	1257	12,770
Charge for year	-	-	-	147	147
At 30 September 2010	<u>10,862</u>	<u>649</u>	<u>2</u>	<u>1,404</u>	<u>12,917</u>
Carrying amount					
At 30 September 2010	<u>2,343</u>	<u>3,492</u>	<u>-</u>	<u>238</u>	<u>6,073</u>

Company

	Domain Names	Computer Software and Website	Total
	£000	£000	£000
Cost			
At 1 October 2010	135	442	577
Additions	-	49	49
Disposal	(135)		(135)
At 30 September 2011	<u>-</u>	<u>491</u>	<u>491</u>
Depreciation			
At 1 October 2010	-	368	368
Charge for year	-	49	49
At 30 September 2011	<u>-</u>	<u>417</u>	<u>417</u>
Carrying amount			
At 30 September 2011	<u>135</u>	<u>74</u>	<u>74</u>

Company

	Domain Names	Computer Software and Website	Total
	£000	£000	£000
Cost			
At 1 October 2009	135	397	532
Additions	-	45	45
At 30 September 2010	<u>135</u>	<u>442</u>	<u>577</u>
Depreciation			
At 1 October 2009	-	303	189
Charge for year	-	65	65
At 30 September 2010	<u>-</u>	<u>368</u>	<u>368</u>
Carrying amount			
At 30 September 2010	<u>135</u>	<u>74</u>	<u>209</u>

12. Investments

Group	2011	2010
	£000	£000
At 1 October	188	188
Addition		
Exchange differences	3	-
	<u>191</u>	<u>188</u>
At 30 September		
Company	2011	2010
	£000	£000
At 1 October	6,530	6,530
Addition	2	2
Provision for impairment	-	-
At 30 September	<u>6,532</u>	<u>6,532</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 2011, 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
Purple Lounge Limited	100%	Ordinary	Internet Gaming
Purple Lounge (Malta) Limited **	100%	Ordinary	Internet Gaming
Purple Lounge N.V. *	100%	Ordinary	Internet Gaming
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

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.

Most of the subsidiaries above are incorporated in England and Wales, except for

* Jersey

**Malta

***Curacao

13. Trade and other receivables

	Group 2011 £000	Group 2010 £000	Company 2011 £000	Company 2010 £000
Trade debtors	558	370	13	9
Other debtors	290	202	128	4
Amounts owed by the group undertakings	-	-	2,480	2,474
Prepayments and accrued income	65	98	21	98
	<u>913</u>	<u>670</u>	<u>2,642</u>	<u>2,585</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 £Nil (2010 - £Nil)

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

14. Cash and cash equivalents

	Group 2011 £000	Group 2010 £000	Company 2011 £000	Company 2010 £000
Cash and equivalents	<u>2,032</u>	<u>2,153</u>	<u>1,119</u>	<u>276</u>

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

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

15. Trade and other payables

	Group 2011 £000	Group 2010 £000	Company 2011 £000	Company 2010 £000
Trade payables	830	471	94	106
Other taxation and social security	169	192	63	180
Other payables	423	758	-	1
Accrued expenses and deferred income	2,073	2,019	87	34
Amount payable to group undertakings	-	-	2,591	951
Tax liability	-	-	-	-
	<u>3,495</u>	<u>3,440</u>	<u>2,835</u>	<u>1,272</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 40 days (2010 - 40 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 principle 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 26% (2010 – 28%). The movement on the deferred tax accounts is shown below:

	2011	2010
	£000	£000
At 1 October 2010	-	8
Tax credit /(charge) for the year	-	(8)
At 30 September 2011	<u>-</u>	<u>8</u>

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

Tax losses carried forward	-	-
Other timing differences	-	-
	<u>-</u>	<u>-</u>

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

	2011	2010
	£000	£000
Tax losses carried forward	1,948	1,052
Other timing differences	33	33
	<u>1,981</u>	<u>1,085</u>

Company

	2011	2010
	£000	£000
At 1 October 2010	-	8
Tax credit /(charge) for the year	-	(8)
At 30 September 2011	<u>-</u>	<u>-</u>

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

	2011	2010
	£000	£000
Tax loss carried forward	950	775
Other timing differences	16	19
	<u>966</u>	<u>794</u>

18. Share Capital

	2011	2011	2010	2010
	Number	£000	Number	£000
Allotted, called up and fully paid				
Ordinary shares of 1p each	323,445,648	3,234	323,445,648	3,234
Deferred shares of 4p each	46,358,400	<u>1,854</u>	46,358,400	<u>1,854</u>
		<u><u>5,088</u></u>		<u><u>5,088</u></u>

Share warrants

No additional warrants were issued during the financial year ended 30th September 2011. Unsubscribed share warrants at the date of this financial report consist of 1.9m warrants with an excise price of 2.25p

19. Leases

Operating leases

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

	2011	2010
	£000	£000
Land and Buildings		
Later than one year and not later than five years	<u>31</u>	<u>123</u>

20. Related party disclosures

Directors' emoluments are disclosed in note 6. At 30th September 2011, Justin Drummond and Jason Drummond had £45,000 and £12,500 overdrawn on their director's account; these have been cleared at the date of this report.

21. Events after balance sheet date

None

22. Contingent liabilities

There are no contingent liabilities.

23. Share based payments

Share warrants have been granted as set out in the Remuneration Committee Report and Note 18. The warrants were valued using the Black-Scholes option pricing model. The fair value of these share based payments granted and the assumptions used in the calculation are as follows:

	2011
Weighted average share price in pence	2.25
Weighted average exercise price in pence	2.25
Expected volatility	25%
Expected life in years	3
Risk-free rate	4%
Dividend yield	0%

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**Meeting**) of the Media Corporation Plc will be held at the offices of Northland Capital Partners Limited, 60 Gresham Street, London, EC2V 7BB on **16 February 2012** at **11.00 am** for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as Ordinary Resolutions and Special Resolutions as specified below:

ORDINARY RESOLUTIONS:

1. **TO** receive and adopt the Company's annual accounts for the financial year ended 30 September 2011 together with the last directors' report and the auditors' report on those accounts.
2. **TO** re-appoint 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 Jason Drummond, who retires by rotation, as a Director of the Company.
4. **TO** re-appoint Stephen Pettman, who retires by rotation, as a Director of the Company.
5. **THAT** the Directors be and they are hereby generally and unconditionally authorised under section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ('**Rights**') up to an aggregate nominal amount of £3,241,160. This authority shall expire (unless previously revoked by the Company) on the earlier of 1 June 2013 and the conclusion of the next Annual General Meeting of the Company and in each case during this period the Company may make an offer or agreement which would or might require relevant securities to be allotted after the authority has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding that this authority has expired.

SPECIAL RESOLUTION

6. **THAT** subject to the passing of resolution 5, the Directors be and they are hereby empowered under section 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash under the authority conferred by resolution 5 as if section 561 of the Companies Act 2006 did not apply to the allotment and this power shall be limited to:

(a) the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 5, by way of a rights issue only) to:

- (i) ordinary shareholders in proportion (as nearly as may be) to their existing holdings; and
- (ii) holders of other equity securities, if this is required by the rights of those securities or, if the Directors consider it necessary as permitted by the rights of those securities),

but subject to such exclusions and other arrangements as the Directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and

(b) the allotment of equity securities (otherwise than under paragraph (a) of this resolution) up to an aggregate nominal amount of £1,620,580;

(c) This power shall cease to have effect when the authority given by resolution 6 is revoked or expires but during this period the Company may make an offer or agreement which would or might require equity securities to be allotted after this authority expires and the Directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the authority has expired; and

(d) This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the Companies Act 2006 as if the words 'under the authority conferred by resolution 5 were omitted from the introductory wording to this resolution.

By order of the Board

Nilesh Jagatia
Company secretary
Media Corporation plc

Registered office:
1 Poultry
London
EC2R 8JR

16 January 2012

Notes to the Notice of Annual General Meeting

Notes to resolution 6 disapplying pre-emption rights

1

- Resolution 6 will, if passed, give the Directors power, pursuant to the authority to allot granted by resolution 5, to allot equity securities (as defined by section 560 of the 2006 Act) or sell treasury shares for cash without first offering them existing shareholders in proportion to their existing holdings:
- in relation to a pre-emptive issue only (where all shareholders are offered new shares in proportion to their existing shares), up to a maximum nominal amount of £3,241,160 which represents 100% of the Company's issued ordinary shares as at 31 December 2011;
- in any other case, up to a maximum nominal amount of £1,620,580 which represents approximately 50% of the Company's issued ordinary shares as at 31 December 2011.

General

2

- a) Members wishing to attend the AGM in person should arrive at the offices of Northland Capital Partners Limited, 60 Gresham Street, London, EC2V 7BB in good time before the meeting, which will commence at 11am. In order to gain admittance to the meeting, members may be required to prove their identity.
- b) Only holders of Ordinary Shares are entitled to attend and vote at the AGM.
- c) A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him/her.
- d) A member may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy).
- e) A proxy need not also be a member of the Company but must attend the AGM in order to represent you.
- f) A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed.
- g) A proxy form is enclosed with this Notice of AGM and instructions for its completion are shown on the form. You can only appoint a proxy using the procedures set out in these Notes.
- h) Proxy forms and the power of attorney or other authority, if any, under which it is signed (or a certified copy of such power or authority) must be deposited with the Company's registrars, Capita Registrars, by post to or by hand to Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in each case by not later than 48 hours before the scheduled start of the AGM or any adjournment thereof.
- i) Completion of a proxy form does not preclude a member attending and voting in person at the AGM (although voting in person at the AGM will terminate the proxy appointment).
- j) A vote withheld option is provided on the proxy form to enable you to instruct your proxy not to vote on any particular Resolution. It should, however, be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a Resolution.

3. Total voting rights

As at 16 January 2012 (being the last business day prior to publication of this Notice of AGM) the Company's issued share capital consists of 324,116,039 Ordinary Shares, carrying one vote each. No Ordinary Shares are held by the Company in treasury. Therefore, the total voting rights in the Company as at 16 January 2012 are 324,116,039

4. Documents on display

Copies of the service agreements and letters of appointment between the Company and its Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from half an hour before the meeting until the conclusion of the meeting.

A copy of this Notice of AGM can be found on the Company's website (www.mediacorpplc.com).

5. Regulation 41 of the Uncertificated Securities Regulations 2001

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6 p.m. on 14 February 2012 (or, if the AGM is adjourned, two days before the time fixed for the adjourned AGM) shall be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

6. Corporate Representatives

A member which is a corporation or other organisation not having physical presence cannot attend in person but can appoint someone to represent it. This may be done in one of two ways: either by the appointment of a proxy (described in the notes above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provisions of the Act.

7. Joint Holders

In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

MEDIA CORPORATION PLC (Company)

Annual General Meeting

Proxy Form

I/We
(FULL NAME IN BLOCK CAPITALS)

of
(ADDRESS IN BLOCK CAPITALS)

being a member/members of the Company entitled to receive notice, attend, speak and vote at general meetings of the Company, hereby appoint the Chairman of the AGM, or

--

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 16th February **2012** at **11.00 am** 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 2011 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:- Jason Drummond			
4. TO re-appoint the following director who retires by rotation:- Stephen Pettman			
5. TO authorise the directors to allot shares pursuant to section 551 Companies Act 2006			
SPECIAL BUSINESS			
6. TO disapply pre-emption rights pursuant to section 570 of the Companies Act 2006			
Signature	Date		

