

The Board of Media Corporation plc, a leading advertising network and internet publisher, is pleased to announce interim results for the period ended 31 March 2009.

Financial Highlights

- Revenues increased 18% to £2 million (2008: £1.7 million)
- Consolidated Group net assets of £7.2 million (2008: £18.9 million)
- Cash balances at period end of £2.5 million (2008: £4.9 million)

Other Highlights

- Contract with Express Newspapers
- Completion of authorised 10% share buyback for consideration of £718,000

Justin Drummond, CEO of Media Corporation plc commented:

This has been another challenging period for the Group; the US anti-gaming legislation has continued to impact revenues in Gambling.com and the difficult economic environment has reduced growth in the Group's advertising network Eyeconomy.

The Group's revenue growth reflects the investment the group has made in the Eyeconomy publishes and sales teams despite the hard market conditions. However, 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. The benefits of these significant cost reductions will largely benefit the Group in the second half of the 2009 financial year due to contractual obligations. The Group remains to be well funded and is positioned well to take advantage of the economic downturn.

Trading update

Whilst a challenging period there were early signs of a recovery in trading in the Group's the advertising network division, Eyeconomy, towards the end of the financial period and it is anticipated that this trend will continue in the second half of the financial year. In addition, following the change in political leadership in the US, there is now a strong chance of a change in the US gaming laws and a new legislative framework for online gaming in the US. These changes would be hugely beneficial for Gambling.com, the Group's principal publishing asset, and would significantly increase the profitability and value of this asset.

Offer period

On 20 March 2009 the Company announced that it was in early stage discussions which may or may not lead to an offer being made for the Company. All such discussions have now ceased. Accordingly, the Company is no longer in an offer period for the purposes of the City Code on Takeovers and Mergers.

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Consolidated Unaudited Income Statement
for the six months ended 31 March 2009

	Six Months ended 31 March 2009 (unaudited) £'000	Six Months ended 31 March 2008 (unaudited) £'000	Year ended 30 September 2008 (audited) £'000
Revenue	2,002	1,696	3,912
Cost of sales	(1,418)	(814)	(2,507)
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Gross profit	584	882	1,405
Administrative expenses	(1,496)	(1,213)	(12,869)
Analysis of administrative expenses:			
Distribution costs	(193)	(243)	(638)
Administrative expenses	(1,303)	(1,234)	(3,318)
Exceptional (loss)/gain	-	264	(8,913)
	-----	-----	-----
	(1,496)	(1,213)	(12,869)
Operating (loss)/profit	(912)	(331)	(11,464)
Finance income	14	141	242
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(Loss)/profit before income tax	(898)	(190)	(11,222)
Income tax expense	-	-	(57)
	-----	-----	-----
(Loss)/profit from continuing activities attributable to equity holder of the company.	(898)	(190)	(11,279)
	=====	=====	=====
	Pence per share	Pence per share	Pence per share
(Loss)/earnings per share attributable to equity holders of the company			
Basic	(0.31p)	(0.07p)	(3.87p)
Diluted	(0.31p)s	(0.07p)	(3.87p)
	=====	=====	=====

**Consolidated unaudited statement of recognised Income and expenses
for the six months ended 31 March 2009**

	Six Months ended 31 March 2009 (unaudited) £'000	Six Months ended 31 March 2008 (unaudited) £'000	Year ended 30 September 2008 (audited) £'000
Currency translation differences	95	(511)	166
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Total income/(expense) recognised directly in equity (Loss)/profit for the year	95 (898)	(511) (191)	166 (11,279)
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Total recognised (expense)/income for the year	(803)	(702)	(11,113)
	=====	=====	=====

**Consolidated unaudited balance sheet
as at 31 March 2009**

	As at 31 March 2009 (unaudited) £'000	As at 31 March 2008 (unaudited) £'000	As at 30 September 2008 (audited) £'000
Assets			
Non-current assets			
Property, plant and equipment	458	964	158
Intangibles	4,566	12,620	4,566
Deferred tax asset	–	58	–
	-----	-----	-----
	5,024	13,642	4,724
	-----	-----	-----
Current assets			
Trade and other receivables	985	2,049	753
Cash at bank and in hand	2,511	4,873	3,809
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	3,496	6,922	4,562
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Total assets	8,520	20,564	9,286
	=====	=====	=====
Liabilities			
Current liabilities			
Trade and other payables	(1,312)	(1,630)	(1,369)
Current tax liabilities	(25)	(25)	(24)
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	(1,337)	(1,655)	(1,393)
	-----	-----	-----
Total liabilities	(1,337)	(1,655)	(1,393)
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Total assets less liabilities	7,183	18,909	7,893
	=====	=====	=====
Equity			
Share capital	4,773	4,764	4,773
Share premium	12,927	12,917	12,927
Other Reserves	1,422	1,422	1,422
Ordinary shares in treasury	(719)	(384)	(497)
Translation reserve	(112)	–	(305)
Retained Earnings	(11,108)	190	(10,427)
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Total shareholders equity	7,183	18,909	7,893
	=====	=====	=====

**Consolidated unaudited cash flow statements
for the six months ended 31 March 2009**

	Six months ended 31 March 2009 (unaudited) £'000	Six months ended 31 March 2008 (unaudited) £'000	Year ended 30 September 2008 (audited) £'000
Operating activities			
Operating (loss)/profit	(912)	(331)	(11,464)
Depreciation and amortisation	109	162	168
Impairment of intangibles	–	–	9,111
Decrease/(increase) in receivables	(232)	(1,095)	172
Increase/(decrease) in payables	57	705	376
(Profit) on disposal of non-current asset	–	(264)	–
Taxes paid	–	–	(29)
	-----	-----	-----
Net cash (used in)/generated by operating activities	(978)	(823)	(1,666)
	-----	-----	-----
Investing activities			
Interest received	14	141	242
Purchase of property, plant and equipment	(8)	(322)	(101)
Purchase of intangibles	–	(135)	(513)
Acquisition of subsidiary undertaking (net cash acquired)	–	(154)	(166)
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Net cash (used in)/generated by investing activities	6	(470)	(538)
	-----	-----	-----
Financing activities			
Issue of share capital	–	–	19
Purchase of treasury shares	(221)	(49)	(497)
	-----	-----	-----
Net cash used in financing activities	(221)	(49)	(478)
	-----	-----	-----
Net (decrease)/increase in cash and cash equivalents	(1,193)	(1,342)	(2,682)
Cash and cash equivalents at beginning of period	3,809	6,253	6,253
Effects on exchange movements	(105)	(38)	238
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Cash and cash equivalents at end of period	2,511	4,873	3,809
	=====	=====	=====

Notes to the accounts

1. Basis of preparation

The interim financial information for the six months ended 31 March 2009 has been prepared on an historical cost basis and in accordance with the accounting policies that will apply for the year ended 30 September 2009, which will follow the International Financial Reporting Standards (IFRS) and the interpretations as endorsed by the European Union.

The comparatives for full year ended 30 September 2008 are based on the latest published audited accounts.

Basis of consolidation

The consolidated financial statements include the results of the Company and all of its subsidiary undertakings. A subsidiary is an entity controlled, directly or indirectly, by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The financial statements of subsidiary undertakings are included in the consolidated financial statements from the date that control commences until the date that control ceases. The results of subsidiary undertakings have been included from the date of acquisition using the merger method of accounting or the purchase method of accounting as appropriate.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

Revenue

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.

Goodwill

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

2. Segmental analyses

The group's primary segment information is based on its operating divisions:

	Six months ended 31 March 2009 (unaudited) £'000	Six months ended 31 March 2008 (unaudited) £'000	Year ended 30 September 2008 (unaudited) £'000
Turnover analysis by business segment:			
Advertising Network	1,418	1,192	2,529
Internet Publishing	584	504	1,383
	-----	-----	-----
Total continuing operations	2,002	1,696	3,912
	=====	=====	=====
Trading profit			
Advertising Network	(228)	(45)	(413)
Internet Publishing	(684)	(550)	(2,157)
Impairment of intangibles: Internet Publishing	-	-	(9,170)
Net Gain on sale of non current assets:			
Internet Publishing	-	264	276
	-----	-----	-----
Operating (loss)/profit	(912)	(331)	(11,464)
	=====	=====	=====
Net finance income	14	141	242
Loss before income tax expense	(898)	(190)	(11,222)
	-----	-----	-----
Income tax expense	-	-	(57)
	-----	-----	-----
Loss from continuing activities	(898)	(190)	(11,279)
	=====	=====	=====

3. Taxation

There is no provision for UK Corporation tax due to tax losses. Taxation £nil (2008 £nil).

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of the deferred tax asset is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted. The Group has a deferred tax asset of £nil (2008: £57,693).

4. Earnings per ordinary share

	Six months ended 31 March 2009 (unaudited) £'000	Six months ended 31 March 2008 (unaudited) £'000	Year ended 30 September 2008 (audited) £'000
Earnings			
Earnings for the purpose of basic and diluted earnings per share	(898)	(190)	(11,279)
	=====	=====	=====
Numbers			
Weighted average number of ordinary shares for the purpose of basic earnings per share	291,927	281,727	291,927
Effective of dilutive potential ordinary shares: Share warrants *	-	-	-
	-----	-----	-----
Weighted average number of ordinary shares for the purpose of diluted earnings per share	291,927	281,727	291,927
	=====	=====	=====
EPS	(0.31)	(0.07)	(3.86)
Diluted EPS *	(0.31)	(0.07)	(3.86)

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.

5. Dividends

The Directors do not recommend the payment of a dividend.

6. Copies of interim results

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