

**InvestinMedia plc**  
("InvestinMedia" or the "Company")

PRELIMINARY RESULTS

**Key Performance Indicators**

<b>Year ended 30 September</b>	<b>2006</b>	<b>2005</b>
Profit before tax (£ 000's)	<b>1,879</b>	338
Profit after tax (£ 000's)	<b>1,035</b>	67
EPS (pence)	<b>6.4</b>	0.4
EPS Diluted (pence)	<b>6.1</b>	0.4
Dividend paid in the year (pence)	<b>6.0</b>	5.5
Closing net (debt) / funds (£ 000's)	<b>(5,178)</b>	2,125

**Chairman's statement**

I have pleasure in presenting the results of InvestinMedia for the year ended 30 September 2006. These show a profit before tax of £1,879,000 (2005: £338,000). Our associates Medal Entertainment & Media plc ("MEM") and our recent acquisition Fountain Studios performed in line with our expectations and continue to develop their businesses.

As announced on 28 December 2006 we sold our stake in Complete Communications Corporation Limited ("Complete") owner of the Worldwide rights in "Who Wants To Be A Millionaire?" to 2 Way Traffic N.V. As part of the restructuring prior to the sale of Complete, the rest of Complete's businesses were sold to its management. The sale was completed on 20 December 2006 producing a profit on our investment of approximately £31 million. The proceeds were 1,534,162 ordinary shares of €0.01 each in 2 Way Traffic N.V. issued at a total subscription price of £1.9 million, £9.4 million held in a retention account, £20.9million in cash (net of expenses) and a balance due from 2 Way Traffic N.V. based on the final net assets of Complete. Additional consideration may also be receivable depending on the outcome of certain litigation in the United States. Part of the proceeds has been used to pay off the borrowings used to purchase Fountain Studios.

MEM, an AIM quoted media company, published its Interim Announcement, for the six months to 30 September 2006, on 15 December 2006. Its Chairman commented "Growth in infrastructure costs to service the growing turnover in the DVD division increases the scale of seasonal variations and has resulted in an increased operating loss for continuing divisions in the first six months. The sale of Fountain Studios will enable the group to concentrate its resources on the growth of the core businesses, the first step of which was announced on 2 October 2006 with the acquisition of UGD/Britannia. Current trading and indications for the rest of the year mean that we anticipate being in line with market expectations for the full year."

A small number of opportunities for future investment are being actively considered, which might involve a major acquisition, with its own management team. InvestinMedia has been advised that if a substantial part of the proceeds from the sale of Complete are used for the acquisition of a trading business then it is likely that the proceeds of the Complete disposal should not be subject to Corporation Tax, which would otherwise be chargeable at 30 per cent. Such an acquisition may involve an offer of a mixture of cash and shares to allow some of our cash to be used to reduce the borrowings of the target thus placing less financial constraints on the target's future growth.

Your Board views the future of your company and our investment in MEM and the Fountain Studios business with confidence. The Board is proposing paying a final dividend of 3.5 pence per share on 10 April 2007, which together with the interim dividend will make a total for the year to 30 September 2006 of 6.0 pence per share.

Richard Murray  
*Chairman*

19 January 2007

# InvestinMedia plc

## Review of Operations

### Fountain Studios

#### Key Performance Indicators Year ended 30 September

	<b>2006</b>
Turnover (£ 000's)	<b>281</b>
Operating profit (£ 000's)	<b>43</b>

The results shown above cover the 24 days following the acquisition of Fountain Studios on 6 September 2006. Trading since the acquisition has been in line with expectations. During the run up to Christmas the studio was fully utilised with the return of "X Factor" (TalkbackThames/Syco). Indications for the coming months are very encouraging with several returning and new programmes and series already confirmed.

### MEM

#### Key Performance Indicators Year ended 30 September

	<b>2006</b>	2005
Turnover (£ 000's)	<b>25,681</b>	15,769
Gross profit (£ 000's)	<b>12,074</b>	9,502
Overheads (£ 000's)	<b>12,579</b>	9,718
Operating (Loss) (£ 000's)	<b>(505)</b>	(216)
Operating (loss) attributable to InvestinMedia plc (£ 000's)	<b>(178)</b>	(34)

Although this year again produced a loss for MEM, it has achieved a 64.9 % growth in turnover compared to the previous year. In its Interim Announcement for the six months to 30 September 2006, published on 15 December 2006, MEM's Chairman commented, "turnover was £6.7million, up 22% from the comparative period last year (2005: £5.5million), with growth coming from all divisions. The first half sales mix in DDHE affected margins with more lower margin third party product being sold. Operating expenses rose by 15% to £5.4million (2005: £4.7 million) due to higher infrastructure costs in the DVD publishing and distribution business to service the increased turnover going forward. The pre tax loss was higher than the prior year interim period at £3.3million (2005: loss £1.9million), which includes £0.5million of discontinued operations and £0.3m of exceptional write off as a result of the sale of Fountain Television." He also commented "Current trading and indications for the rest of the year mean that we anticipate being in line with market expectations for the full year."

# InvestinMedia plc

## Review of Operations, *continued*

### Complete

#### Key Performance Indicators Year ended 30 September

	2006	2005
Turnover (£ 000's)	<b>37,463</b>	34,721
Operating profit (£ 000's)	<b>4,310</b>	429

As mentioned in the Chairman's statement Complete was sold after the year-end to 2 Way Traffic N.V. The operating profit for the year continued to be affected by costs incurred by Celador Radio in applying for major FM broadcasting licences advertised by Ofcom. Complete also continued with its policy of expensing all costs relating to programme development and externally acquired intellectual properties unless there was a clear future income stream. Celador Films had a successful year with "The Descent" which produced a significant contribution in the year, but the remaining unrecovered costs relating to "Separate Lies" were written off.

### Cash

At 30 September 2006 we had net debt of £5,178,000 (2005: Cash at bank £2,125,000). Since the year end this has been repaid and as at 18 January 2007 we had £15 million available for investment in existing or new ventures should an appropriate opportunity arise to enhance shareholder value.

# InvestinMedia plc

## Consolidated profit and loss account

for the year ended 30 September

	Continuing	Acquisitions	2006	2005
	£'000	£'000	£'000	£'000
<b>Group and share of associates' turnover</b>	22,977	281	23,258	19,716
Less: Share of associates' turnover	22,877	-	22,877	19,666
<b>Group turnover</b>	100	281	381	50
Cost of sales	-	90	90	-
Gross profit	100	191	291	50
Administrative expenses	308	148	456	235
<b>Group operating (loss) / profit</b>	(208)	43	(165)	(185)
Share of associates' operating profit	1,924	-	1,924	172
<b>Group and share of associates' operating profit / (loss) before interest and taxation</b>	1,716	43	1,759	(13)
Net investment income / (interest payable)			120	351
<b>Profit on ordinary activities before taxation</b>			1,879	338
Taxation on ordinary activities			844	271
<b>Profit for the year</b>			1,035	67
<b>Earnings per share –</b>				
Basic			6.4p	0.4p
Diluted			6.1p	0.4p
<b>Dividends per share</b>				
- Paid in year			6.0p	5.5p
- Proposed final			3.5p	3.5p

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# InvestinMedia plc

## Consolidated Balance sheet

As at 30 September	2006	2005 (Restated)
	£'000	£'000
Tangible assets	7,232	-
Investments in associates	5,889	5,174
	<hr/>	<hr/>
<b>Fixed assets</b>	<b>13,121</b>	<b>5,174</b>
Stocks: Raw materials and consumables	62	-
Debtors: amounts falling due within one year	488	37
Debtors: amounts falling due after more than one year	133	-
Cash at bank and in hand	322	2,125
	<hr/>	<hr/>
<b>Current assets</b>	<b>1,005</b>	<b>2,162</b>
<b>Creditors:</b> amounts falling due within one year	<b>(6,790)</b>	<b>(62)</b>
	<hr/>	<hr/>
<b>Net current (liabilities) / assets</b>	<b>(5,785)</b>	<b>2,100</b>
	<hr/>	<hr/>
<b>Net assets</b>	<b>7,336</b>	<b>7,274</b>
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<b>Capital and reserves</b>		
Called up share capital	1,632	1,632
Treasury shares	(91)	(91)
Share premium account	12,489	12,489
Profit and loss account	(6,694)	(6,756)
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<b>Equity shareholders' funds</b>	<b>7,336</b>	<b>7,274</b>
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## Consolidated reconciliation of movement in equity shareholders' funds

for the year ended 30 September	2006	2005
	£'000	£'000
<b>Opening equity shareholders' funds (as previously stated)</b>	<b>6,706</b>	<b>7,624</b>
Prior year adjustment	568	571
<b>Opening equity shareholders' funds (as restated)</b>	<b>7,274</b>	<b>8,195</b>
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<b>Profit for the year</b>	<b>1,035</b>	<b>67</b>
Dividends	(973)	(897)
	<hr/>	<hr/>
	<b>62</b>	<b>(830)</b>
Shares purchased into treasury	-	(91)
	<hr/>	<hr/>
<b>Net increase / (reduction) in equity shareholders' funds</b>	<b>62</b>	<b>(921)</b>
	<hr/>	<hr/>
<b>Closing equity shareholders' funds</b>	<b>7,336</b>	<b>7,274</b>
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# InvestinMedia plc

## Consolidated cash flow statement

for the year ended 30 September	2006 £'000	2005 £'000
<b>Net cash flow from operating activities</b>	<b>279</b>	(200)
Dividends from associate	<b>880</b>	1,175
Interest received	<b>76</b>	106
Interest paid	<b>(23)</b>	-
Returns on investments and servicing of finance	<b>53</b>	106
Taxation	<b>-</b>	-
<b>Net cash flow before capital expenditure</b>	<b>1,212</b>	1,081
Purchase of tangible assets	<b>(55)</b>	-
<b>Capital expenditure</b>	<b>(55)</b>	-
Acquisition of subsidiary	<b>(7,053)</b>	-
Investment in associate	<b>(435)</b>	-
<b>Acquisitions</b>	<b>(7,488)</b>	-
Equity dividends paid	<b>(972)</b>	(895)
<b>Net cash flow before use of liquid resources and financing</b>	<b>(7,303)</b>	186
<b>Management of liquid resources:</b>		
Decrease / (Increase) in bank term deposits	<b>1,050</b>	(1,050)
Purchase of own shares into treasury	<b>-</b>	(91)
Increase in bank loans	<b>5,500</b>	-
<b>Financing</b>	<b>5,500</b>	(91)
<b>Decrease in cash in the year</b>	<b>(753)</b>	(955)
<b>Reconciliation of net cash flow to movement in net (debt) / funds</b>		
Decrease in cash in the year	<b>(753)</b>	(955)
Cash inflow from increase in debt	<b>(5,500)</b>	-
Cash flow from change in liquid resources	<b>(1,050)</b>	1,050
Movement in net (debt) / funds in the year	<b>(7,303)</b>	95
Opening net funds	<b>2,125</b>	2,030
<b>Closing net (debt) / funds</b>	<b>(5,178)</b>	2,125

Closing net (debt) / funds comprises cash at bank and in hand of £322,000 (2005: £2,125,000) less bank loans of £5,500,000 (2005: nil)

# InvestinMedia plc

## Notes to the preliminary announcement for the year ended 30 September 2006

### 1 Status of preliminary announcement

The preliminary announcement does not amount to full accounts within the meaning of section 240 of the Companies Act 1985. The contents of the preliminary announcement have been extracted from the audited financial statements of the company for the year ended 30 September 2006, which will be filed with the Registrar of Companies. The audit report on these financial statements is unqualified and does not contain a statement under Section 237(2) or (3) of the Companies Act 1985. This preliminary announcement was approved by the board on 19 January 2007.

### 2 Accounting policies

The financial statements have been prepared using the accounting policies consistent with those set out in the report and accounts for the year ended 30 September 2005 except with respect to accounting for dividends. The Group has changed its accounting policy for dividends following the implementation of a new accounting standard FRS 21 'Events after the Balance Sheet date'. Previously the Group recognised dividends proposed in respect of the financial year to which they related. Under the new standard, the Group will recognise interim dividends when paid and proposed dividends on approval at the Annual General Meeting. The standard requires the change to be retrospective and therefore comparatives have been restated.

### 3 Acquisition - Fountain Television Limited

On 6 September 2006 the group acquired a 100% interest in the Ordinary issued share capital of Fountain Television Limited (which owns and operates television studios) for aggregate consideration of £7,053,000. This purchase has been accounted for as an acquisition.

	Net book value £000	Fair value adjustments £000	Fair value £000
Net assets acquired:			
Tangible fixed assets	6,750	435	<b>7,185</b>
Intangible fixed assets	276	(276)	-
Stocks	64	-	<b>64</b>
Debtors	349	-	<b>349</b>
Creditors	(545)	-	<b>(545)</b>
Net assets acquired	<u>6,894</u>	<u>159</u>	<u><b>7,053</b></u>
Cash paid			<b>1,500</b>
Acquisition expenses			<b>253</b>
Loan to Fountain Television Limited			<b>5,300</b>
Total Acquisition Cost satisfied in cash			<u><b>7,053</b></u>

### Pre-acquisition trading

The following table sets out the financial results of Fountain Television Limited for the period from 1 April 2006 to the date it was acquired and the comparative for the year ended 31 March 2006.

	Period from 1 April to 6 September 2006 £000	Year ended 31 March 2006 £000
Turnover	<b>1,332</b>	3,199
Cost of sales	<b>(548)</b>	(1,131)
Gross profit	<u><b>784</b></u>	<u>2,068</u>
Administration expenses	<b>(1,217)</b>	(2,482)
Exceptional Item	<b>538</b>	-
Interest payable	<b>(188)</b>	(11)
Loss on ordinary activities before taxation	<u><b>(83)</b></u>	<u>(425)</u>

#### 4 Associates

Our share of the earnings of our associates is made up of:

##### *Complete*

The group owned 100% of the A ordinary shares which gave the group a 49% economic interest in Complete together with 49% of the voting rights. The group share of the results of Complete for the year ended 30 September was as follows:

	<b>2006</b>	2005
	<b>£'000</b>	£'000
Turnover	<b>18,357</b>	17,013
Profit on ordinary activities before taxation	<b>2,252</b>	519
Taxation on profit on ordinary activities	<b>(797)</b>	(237)
Profit on ordinary activities after taxation	<b>1,455</b>	282

##### *MEM*

The group acquired additional ordinary shares in MEM in the year for £435,000 and now owns 20.74% of the ordinary shares in MEM (2005: 16.83%). The market value of this investment at 30 September 2006 was £1.79 million (2005 £1.76 million). The group share of the results of MEM for the year ended 30 September was as follows:

	<b>2006</b>	2005
	<b>£'000</b>	£'000
Turnover	<b>4,520</b>	2,653
(Loss) on ordinary activities before taxation	<b>(174)</b>	(102)
Taxation on loss on ordinary activities	<b>(34)</b>	34
(Loss) on ordinary activities after taxation	<b>(140)</b>	(136)

#### 5 Earnings per share

Basic earnings per share ('EPS') have been calculated by dividing earnings (profit after taxation) by the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Weighted average number of shares  
for the year ended 30 September

	<b>2006</b>	2005
	<b>Number</b>	Number
For basic earnings per share	<b>16,223,797</b>	16,304,640
Effect of dilutive share options	<b>654,226</b>	372,210
For diluted earnings per share	<b>16,878,023</b>	16,676,850

#### 6 Dividends

A final dividend of 3.5 p per share is proposed to be paid on 10 April 2007 to shareholders on the Register on 9 March 2007, making a total dividend for the year of 6.0 pence per ordinary share (2005: 5.5 pence).

#### **For further information, please contact:**

Richard Murray, *Chairman*  
Cameron Maxwell, *Chief Executive*

**InvestinMedia plc**

**Tel:** 0207 588 7352

**E-mail:** mail@InvestinMedia.com

**Web site:** www.InvestinMedia.com

Clive Carver, *Corporate Finance Director*

**JM Finn & Co.**

**Tel:** 0207 628 9688