

Embargoed until 7:00am on 24 June 2005

InvestinMedia plc

Interim report and accounts for the six months ended 31 March 2005

Key Statistics

The key numbers from our results for the six months ended 31 March are

	<u>2005</u>	<u>2004</u>	<u>Increase/ (Decrease)</u>
Continuing profit before tax (£000')	955	2,099	(1,144)
Continuing profit after tax (£000')	659	1,528	(869)
Our share of associates' profit after tax (£000')			
- Complete Communications Corporation Limited	494	1,070	(576)
- Medal Entertainment and Media plc	189	305	(116)
EPS Continuing (pence)	4.0	9.4	(5.4)
EPS Continuing Diluted (pence)	3.9	9.3	(5.4)
Dividend (pence)	2.0	-	2.0
Cash (£000')	2,710	1,317	1,393

Chairman's statement

I have pleasure in presenting our second interim statement as InvestinMedia. Our investments in our associates, Complete Communications Corporation Limited ("Complete ") and Medal Entertainment and Media plc ("MEM") although down on last year performed in line with our expectations for the six months ended 31 March 2005. The reduction in our share of Complete's profits is a result of the written off cost of applications for major FM radio licenses which to date have been unsuccessful and the continuing substantial investment in the internal development of new programmes and formats the costs of which are expensed as incurred. MEM, an AIM quoted media company, published its Preliminary Announcement for the year to 31 March 2005, on 23 June 2005.

Complete's "Who Wants To Be A Millionaire?" and "You Are What You Eat", continue to be successful formats at home and overseas with "You Are What You Eat" having already been acquired by eleven overseas broadcasters. As mentioned in my statement in January this is a year of investment by Complete in the development of their business that, as expected, has reduced the profits shown in our first half. Complete's latest feature film "The Descent" is due for UK nationwide theatrical release on 8th July and "Separate Lies" the second film is to be released in the USA in October 2005.

In MEM's preliminary results its Chairman Brook Land commented, "Our strategy remains to develop a group of companies owning, licensing, creating and marketing audio visual products, rights and facilities.

Whilst we would have wished to report a higher level of profitability, the Board feels that the Company has performed well operationally and progress has been made in laying the foundations for future growth.” He added, “Since the start of the current year trading is ahead of the same period last year. Fountain has benefited from a higher level of sales and the Group is also poised to benefit from increased revenues from the Television Production Division. DD Home Entertainment is continuing to show sales growth and with its broader catalogue and larger database should make further progress this year through both e-commerce and traditional sources.”

The InvestinMedia Board continues to view the future of both our associate company investments with confidence. The Directors are pleased to declare an interim dividend of two pence per ordinary share payable on 5 August 2005 to shareholders on the register at 8 July 2005.

Richard Murray
24 June 2005

Independent review report to InvestinMedia plc

Introduction

We have been instructed by the company, to review the financial information set out below and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report, including the conclusion, has been prepared for and only for the company for the purpose of their interim report and for no other purpose. We do not, therefore in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Directors' Responsibilities

The interim statement, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Statement in accordance with the AIM Rules which require that the accounting policies and presentation applied to the interim figures must be consistent with those that will be adopted in the company's annual accounts.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board as if that Bulletin applied. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 March 2005.

BAKER TILLY
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

24 June 2005

Unaudited consolidated profit and loss account for the six months ended 31 March

	2005	2004		Total
	£'000	Continuing	Discontinued	
Group and Share of associates' turnover	11,185	10,127	19,252	29,379
Less: Share of associates' turnover	(11,135)	(9,977)	-	(9,977)
Group turnover	50	150	19,252	19,402
Operating (loss) / profit	(76)	9	(3,425)	(3,416)
Share of associates' operating profit	923	2,022	-	2,022
Group and share of associates' operating profit / (loss)	847	2,031	(3,425)	(1,394)
Loss on demerger	-	-	(7,722)	(7,722)
Profit / (loss) on ordinary activities before interest and taxation	847	2,031	(11,147)	(9,116)
Share of associates' net interest	56	64	-	64
Net interest receivable / (payable)	52	4	(200)	(196)
Profit / (loss) on ordinary activities before taxation	955	2,099	(11,347)	(9,248)
Taxation on ordinary activities - Discontinued	-	-	(17)	(17)
Taxation on ordinary activities - Associates	(296)	(571)	-	(571)
Profit / (loss) on ordinary activities after taxation	659	1,528	(11,364)	(9,836)
Equity minority interest- Discontinued	-	-	77	77
Profit / (loss) for the period	659	1,528	(11,287)	(9,759)
Dividends	(326)	-	-	-
Retained profit / (loss) for the financial period	333	1,528	(11,287)	(9,759)
Earnings / (loss) per share				
- Basic	4.0p	9.4p	(69.2p)	(59.8p)
- Diluted	3.9p	9.3p	(69.2p)	(59.8p)
Dividend per share	2.0p	-	-	-

Audited Consolidated profit and loss account for the Eighteen months ended 30 September

	2004 £'000		Total
	Continuing	Discontinued	
Group and Share of associates' turnover	28,743	46,242	74,985
Less: Share of associates' turnover	(28,293)	-	(28,293)
Group turnover	450	46,242	46,692
Operating profit / (loss)	57	(6,301)	(6,244)
Share of associates' operating profit	3,653	-	3,653
Group and share of associates' operating profit / (loss)	3,710	(6,301)	(2,591)
Loss on disposals / demerger	-	(7,957)	(7,957)
Profit / (loss) on ordinary activities before interest and taxation	3,710	(14,258)	(10,548)
Share of associates' net interest	341	-	341
Net interest receivable / (payable)	35	(528)	(493)
Profit / (loss) on ordinary activities before taxation	4,086	(14,786)	(10,700)
Taxation on ordinary activities - Discontinued	-	(20)	(20)
Taxation on ordinary activities - Associates	(1,281)	-	(1,281)
Profit / (loss) on ordinary activities after taxation	2,805	(14,806)	(12,001)
Equity minority interest- Discontinued	-	75	75
Profit / (loss) for the period	2,805	(14,731)	(11,926)
Dividends	(897)	-	(897)
Retained profit / (loss) for the financial period	1,908	(14,731)	(12,823)
Earnings / (loss) per share			
- Basic	17.2p	(90.3p)	(73.1p)
- Diluted	17.0p	(90.3p)	(73.1p)
Dividend per share	5.5p	-	5.5p

Consolidated balance sheet

	Unaudited at 31 March 2005 £'000	Unaudited at 31 March 2004 £'000	Audited at 30 September 2004 £'000
Investments in associates	5,711	6,347	5,468
Debtors	525	602	767
Cash	2,710	1,317	2,030
Current assets	3,235	1,919	2,797
Creditors amounts falling due within one year	(989)	(444)	(641)
Net current assets	2,246	1,475	2,156
Net assets	7,957	7,822	7,624
Share capital and share premium	14,121	14,121	14,121
Profit and loss account	(6,164)	(6,299)	(6,497)
Equity shareholders' funds	7,957	7,822	7,624

Reconciliation of movements in equity shareholders' funds

	Unaudited for the six months ended 31 March 2005 £'000	Unaudited for the six months ended 31 March 2004 £'000	Audited for the eighteen months ended 30 September 2004 £'000
Profit / (Loss) for the period	659	(9,759)	(11,926)
Dividends	(326)	-	(897)
Retained Profit / (loss) for the financial period	333	(9,759)	(12,823)
Goodwill previously eliminated against reserves	-	8,642	8,642
Reduction in Share Capital	-	(18,780)	(18,780)
Net increase /(reduction) in equity shareholders' funds	333	(19,897)	(22,961)
Opening equity shareholders' funds	7,624	27,719	30,585
Closing equity shareholders' funds	7,957	7,822	7,624

Consolidated cash flow statement

	Unaudited for the six months ended 31 March 2005 £'000	Unaudited for the six months ended 31 March 2004 £'000	Audited for the eighteen months ended 30 September 2004 £'000
Group operating loss	(76)	(3,416)	(6,244)
Depreciation, amortisation and impairment	-	5,065	11,315
Change in working capital	265	1,039	441
Net cash flow from operating activities	189	2,688	5,512
Dividends from associates	440	1,124	2,784
Returns on investments and servicing of finance	52	(200)	(493)
Taxation	-	9	76
Net cash flow before capital expenditure	681	3,621	7,879
Purchase of tangible assets	-	(2,017)	(5,540)
Sale of tangible assets	-	1,639	2,581
Capital expenditure	-	(378)	(2,959)
Disposal of subsidiaries and businesses	-	(166)	(166)
Net overdraft disposed of with subsidiaries	-	1,582	1,582
Acquisitions and disposals	-	1,416	1,416
Equity dividends paid	(1)	(487)	(1,141)
Net cash flow before financing	680	4,172	5,195
Change in bank loans	-	(19)	1,033
Change in hire purchase obligations	-	(1,735)	(3,792)
Financing	-	(1,754)	(2,759)
Change in cash in the period	680	2,418	2,436
Closing net funds	2,710	1,317	2,030

Notes to interim report and accounts

1 Status of interim report and accounts

The interim report and accounts, which were approved by the board on 24 June 2005, are unaudited but have been reviewed by the auditors and their independent review report is set out above. The interim report and accounts are not full accounts within the meaning of section 240 of the Companies Act 1985. The figures for the period ended 30 September 2004 have been extracted from the audited annual report and accounts that have been filed with the Registrar of Companies. The audit report on that report and accounts was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

2 Accounting policies

The interim report and accounts have been prepared using the accounting policies set out in the report and accounts for the period ended 30 September 2004.

3 Associates

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

	for the six months ended 31 March 2005 £'000	for the six months ended 31 March 2004 £'000	for the eighteen months ended 30 September 2004 £'000
Complete Communications Corporation Limited			
Turnover	9,406	8,208	24,563
Profit for the period	494	1,070	2,578
Dividends declared	440	288	2,784
Retained profit / (loss) for the period	54	782	(206)

Medal Entertainment and Media plc

Turnover	1,729	1,769	3,730
Profit for the period	189	305	135
Dividends declared	-	-	-
Retained Profit for the period	189	305	135

4 Discontinued operations

On 18 February 2004, the Group demerged all of its businesses except the management of the investment in its associates. The results of those operations have been classified as discontinued operations in the profit and loss account.

5 Earnings / (Loss) per share

Weighted average number of 10p ordinary shares	for the six months ended 31 March 2005	for the six months ended 31 March 2004	for the eighteen months ended 30 September 2004
	number	number	number
For basic earnings per share	16,316,297	16,316,297	16,316,297
Effect of dilutive share options	446,713	108,241	240,455
For diluted earnings per share	16,763,010	16,424,538	16,556,752

6 Contingent Liabilities

The Company has given indemnities to and received indemnities from certain former subsidiaries in connection with the Demerger and certain transactions prior thereto. It is the view of the Directors that such indemnities are not expected to result in financial loss to the group.

7 Distribution of interim report and accounts

Copies of this interim report are being sent to all shareholders and additional copies are available from the Company's registered office at 36 Elder Street, London E1 6BT.

For further information, please contact:

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