Contents

Operating Highlights

• Turnover	£8.6 million	(2004: £9.2 million)
• Operating profit	£0.2 million	(2004: £0.1 million before adjustment for change in accounting policy)
• Cash generated by operations	£0.2 million	(2004: £0.1 million)
• Cash in hand	£0.2 million	(2004: Net debt £0.5 million)

Chairman's Statement

Trading results
I am pleased to announce that we have increased the Group's operating profit to £0.2 million (2004: £0.1 million, before exceptional items) for the six months ended 30 September 2005, an increase of 23.1% over the same period for last year.

Turnover fell from £9.2 million to £8.6 million, all of which was within our publishing business, where the revenue fell from £4.2 million to £3.3 million. A new and experienced managing director has been appointed to tackle the long term issues that this business faces.

The emedia business delivered level revenues at £3.0 million with our events business increasing revenues to £2.3 million up 22.4%.

Emedia
We continue to restructure the Group to become an international marketing company focussed around service provision on the web.

The first stage of that process began on 7 October 2005 with the launch of our packaging portal, which provides the packaging industry with a definitive point of reference using search services to trace packaging information.

We will continue to develop this site starting the process of rolling out this service concept in our core products over the coming months. Revenues for this division were level for the six months ended 30 September 2005 at £3.0 million.

Publishing
We appointed Graham Anderson, formerly a director of EMAP Construct Limited where he was publishing director, in August 2005. Graham comes with combined skills in print and web based publishing. He is an ex-journalist with 10 years of management experience.

Revenues within the publishing business reduced to £3.3 million (2004: £4.2 million) principally due to the reduction in the number of publishing titles and corresponding reductions in our salesforce.

The Group is focused on improving the quality of its core publications with plans to increase the frequency of various publications to build industry interest and awareness in support of our overall integrated media strategy.

Events
The events division has performed well with growth of 22.4% representing an increase in revenues of £0.4 million to £2.3 million over the first six months. This has been achieved through increasing the average revenue per event rather than increasing the number of events we have run.

Our events programme for the second six months is also looking positive. We are launching our first cross media event, PACE, which will support our emedia portal initiative for the packaging industry. We will be cross promoting all our services at this event, as such this will be our first presentation of an integrated media marketing solution to our customers.

Costs
We have seen our cost base reduced by £580,000. Control of costs is a major factor for the management and will be rigorously controlled within all of our business units.

Net Funds

The group produced net cash flow from operating activities of £237,000 and made capital expenditure of some £263,000. Together with other cash flow adjustments the Group finished the period with net funds of £152,000.

Adoption of International Financial Reporting Standards ("IFRS")

As required by AIM the company and its subsidiaries will be adopting the new IFRS from 1 January 2007. An impact statement is required to be made on the results for the year ending 31 March 2006. This statement will include the effect of the adoption of Share Based Payments (IFRS2), Intangible Assets (IAS38) and Provisions under IAS37.

Change in calculation of work in progress

Following a review of the balance sheet the Board have decided to change the method of calculating work in progress. The calculation included absorption of overheads. Rather than continue this calculation the Board have decided to adopt a policy where attributable costs are carried forward against the publication or event. As a result of this review a net £1.2 million has been released from work in progress. As this is a change of accounting policy it has been shown as a prior year adjustment. The effect on the prior period has been to increase the charge in the six months by £0.4 million. A release was made in the second six months of the year ended 31 March 2005. A charge was made to the reserves brought forward of £1.3. This is a one off charge and the results of the Group will not benefit from this release going forward as these costs will be charged on an as incurred basis. This new accounting policy is appropriate as the business moves towards its aim of a greater spread of products being produced and published throughout the year.

Board changes

On 5th September 2005 Keith Sadler joined the Board as Group Finance Director. Keith brings extensive media experience to the Board having been Group Finance Director of The Wireless Group plc, radio broadcasting, two quoted regional newspaper publishing groups and Group Treasurer of Mirror Group Newspapers. I welcome him to the Board.

Outlook

As with all companies in transition we face many challenges that can affect our operating results. There continues to be pressure on our publishing revenues. However, led by a considerably strengthened management team I look forward to continuing improvements in the underlying performance of the Group.

Stephen Davidson
Chairman
21 November 2005

Consolidated Profit and Loss Account

	Notes	**Six months ended 30 Sept 2005 (unaudited) £'000**	Six months ended 30 Sept 2004 Restated* (unaudited) £'000	Year ended 31 March 2005 Restated* (audited) £'000
Turnover	2	**8,697**	9,151	18,861
Less share of joint venture turnover		**(55)**	-	(21)
Group turnover		**8,642**	9,151	18,840
Cost of sales		**(4,123)**	(4,876)	(10,485)
Gross profit		**4,519**	4,275	8,355
Distribution costs		**(264)**	(203)	(366)
Administrative expenses		**(4,079)**	(4,387)	(11,321)
Administrative expenses (before exceptional items)		**(4,079)**	(4,303)	(8,460)
Exceptional items		-	(84)	(2,861)
Total administrative expenses		**(4,079)**	(4,387)	(11,321)
Operating profit/(loss)		**176**	(315)	(3,332)
Share of joint venture operating loss		**(36)**	-	(10)
Profit on disposal of business		-	-	429
Finance charges – net		**(82)**	(38)	(75)
Profit/(loss) on activities before taxation		**58**	(353)	(2,988)
Tax on profit/(loss) on ordinary activities	4	-	-	(6)
Profit/(loss) on ordinary activities after taxation and retained loss for the financial year	9	**58**	(353)	(2,994)
Basic profit/(loss) per share	5	**0.07p**	(0.04)p	(3.53)p
Diluted profit/(loss) per share	5	**0.06p**	(0.04)p	(3.53)p

* 2004/2005 results have been restated for the change in accounting policy.
This is described in note 1; Preparation of the interim financial information.

Consolidated statement of total recognised gains and losses

	Six months ended 30 Sept 2005	Six months ended 30 Sept 2004	Year ended 31 March 2005
		Restated	Restated
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Profit/(loss) for the period	**58**	(353)	(2,994)
Exchange rate differences	**6**	-	(5)
Total recognised gains and losses in the period	**64**	(353)	(2,999)
Prior year adjustment - change in accounting policy relating to work in progress	-	(1,312)	(1,312)
Adjustment relating to purchase of own shares	-	-	(145)
Release of negative goodwill on sale of Debretts	-	-	(225)
Total recognised gains and losses in the period	**64**	(1,665)	(4,681)

Reconciliation of movements in shareholders' funds

		Six months ended 30 Sept 2005	Six months ended 30 Sept 2004	Year ended 31 March 2005
			Restated	Restated
		(unaudited)	(unaudited)	(audited)
	Notes	**£'000**	£'000	£'000
Profit/(loss) for the period		**58**	(353)	(2,994)
Other recognised gains and losses		**6**	-	(230)
		64	(353)	(3,224)
Opening shareholders' funds as previously reported		-	8,903	8,903
Change of accounting policy	1	-	(1,312)	(1,312)
Restated opening shareholders' funds		**4,367**	7,217	7,643
Closing shareholders' funds		**4,431**	7,238	4,367

Consolidated Balance Sheet

	Notes	**As at 30 Sept 2005 (unaudited) £'000**	As at 30 Sept 2004 Restated (unaudited) £'000	As at 31 March 2005 Restated (audited) £'000
Fixed assets				
Intangible assets		**4,381**	5,061	4,407
Tangible assets		**2,337**	2,786	2,580
Investment in joint venture		**19**	-	55
		6,737	7,847	7,042
Current assets				
Stocks and work in progress		**2,983**	3,740	3,257
Debtors		**4,241**	3,957	4,390
Cash at bank and in hand	7	**204**	87	233
		7,428	7,784	7,880
Creditors – amounts falling due within one year				
Trade and other creditors		**(6,699)**	(6,797)	(7,160)
Bank loans and overdrafts	7	-	(583)	-
		(6,699)	(7,380)	(7,160)
Net current assets		**729**	404	720
Total assets less current liabilities		**7,466**	8,251	7,762
Creditors – amounts falling due after more than one year		**(44)**	-	(48)
Provisions for liabilities and charges	8	**(2,991)**	(1,013)	(3,347)
Net assets		**4,431**	7,238	4,367
Capital and reserves				
Called up share capital	9	**4,293**	4,293	4,293
Own shares	9	**(86)**	(86)	(86)
Share premium account	9	**7,262**	7,262	7,262
Capital redemption reserve	9	**7,874**	7,874	7,874
Other reserves	9	**733**	733	733
Profit and loss account	9	**(15,645)**	(12,838)	(15,709)
Equity shareholders' funds		**4,431**	7,238	4,367

Consolidated Cash Flow Statement

	Notes	**Six months ended 30 Sept 2005**	Six months ended 30 Sept 2004	Year ended 31 March 2005
			Restated	Restated
		(unaudited)	(unaudited)	(audited)
		£'000	£'000	£'000
Net cash inflow from operating activities	6	**237**	99	666
Returns on investments and servicing of finance				
Interest received and similar items		**4**	2	8
Interest paid		-	(11)	(27)
Interest element of finance lease payments		**(2)**	-	(2)
Taxation				
Overseas corporation tax paid		-	-	(6)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		**(263)**	(245)	(569)
Investments in joint venture		-	-	(65)
Acquisitions and disposals				
Net cash inflow from sale of trading assets		-	-	569
Net cash flow before financing		**(24)**	(155)	574
Financing				
Capital element of finance lease payments		**(3)**	-	(3)
(Increase)/decrease in net debt in the period		**(27)**	(155)	571
Reconciliation of net cash flow to movement in net debt				
Increase/(decrease) in cash in the period		**(27)**	(155)	574
Cash outflow from lease financing		**3**	-	3
Change in net debt resulting from cash flows		**(24)**	(155)	577
New finance lease obligations		-	-	(58)
Exchange movement		**(2)**	-	-
Movement in net funds for the period		**(26)**	(155)	519
Opening net funds/(debt)	7	**178**	(341)	(341)
Closing net funds/(debt)	7	**152**	(496)	178

Notes to the Accounts

1. Preparation of interim financial statements

The abridged profit and loss account and balance sheet for the previous financial year do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 and are extracted from the latest published statutory accounts for the year ended 31 March 2005 which have been delivered to the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985.

The Interim financial information has been prepared on the basis of the accounting policies set out in the statutory accounts for the year ended 31 March 2005 with the exception of the change in accounting policy for work in progress. Following a review of the balance sheet the Board have decided to change the method of calculating work in progress. The calculation included absorption of overheads. Rather than continue this calculation the Board have decided to adopt a calculation where identifiable costs are carried forward against the publication or event. As a result of this review a net £1.2 million has been released from work in progress. As this is a change of accounting policy it has been shown as a prior year adjustment. The effect on the prior period has been to increase the charge in the six months by £0.4 million. A release was made in the second six months of the year ended 31 March 2005. A charge was made to the reserves brought forward of £1.3. This is a one off charge and the results of the Group will not benefit from this release going forward as these costs will be charged on an as incurred basis. This new accounting policy is appropriate as the business moves towards its aim of a greater spread of products being produced and published throughout the year.

These statements were approved by a committee of the Board of Directors on 21 November 2005 and are not audited.

2. Segmental reporting analysis

The turnover and operating profit is derived from international business to business communications and originates in the UK and India. The geographical analysis of turnover by destination is as follows:

	Six months ended 30 Sept 2005	Six months ended 30 Sept 2004	Year ended 31 March 2005
	£'000	£'000	£'000
United Kingdom	**1,632**	1,854	5,328
Europe (other than UK)	**4,150**	4,744	8,570
USA	**1,504**	1,928	3,308
Other	**1,356**	625	1,655
	8,642	9,151	18,861

3. Exceptional items

The following exceptional items are included in administrative expenses:

	Six months ended 30 Sept 2005	Six months ended 30 Sept 2004	Year ended 31 March 2005
	£'000	£'000	£'000
Property provisions	-	-	(2,445)
Redundancy costs	-	(84)	(416)
	-	(84)	(2,861)

4. Tax charge

The annual effective tax rate is 30% (six months ended 30 September 2004: 30%, year ended 31 March 2005: 30%). There is no tax charge as there are trading losses brought forward.

5. Earnings per share

The earnings per share of 0.07p and the diluted earnings per share have been calculated on the attributable profit to shareholders of £58,000.

The weighted average number of shares in issue during the period (excluding those held by the Group's Employee Benefit Trust) were:

	Six months ended 30 Sept 2005	Six months ended 30 Sept 2004	Year ended 31 March 2005
	Number £'000	Number £'000	Number £'000
Basic	**85,857**	85,857	85,857
Shares held in employee benefit trust	**(1,214)**	(1,214)	(1,214)
	84,643	84,643	84,643
Share option adjustment	**5,067**	-	-
Diluted	**89,710**	84,643	84,643

6. Reconciliation of operating loss to net cash inflow from operating activities

	Six months ended 30 Sept 2005	Six months ended 30 Sept 2004	Year ended 31 March 2005
		Restated	Restated
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Operating profit / (loss)			
- Group	**176**	(315)	(3,332)
- Joint venture	-	-	(10)
Amortisation of goodwill	**26**	55	109
Depreciation of tangibles fixed assets	**515**	497	1,000
Movement in work in progress	**275**	(556)	(73)
Debtors	**149**	1,983	1,731
Loan to joint venture	-	-	(65)
Creditors	**(465)**	(1,370)	(808)
Provision for liabilities and charges	**(439)**	(195)	2,114
Net cash inflow from operating activities	**237**	99	666

7. Analysis of net debt

	Six months ended 30 Sept 2005	Six months ended 30 Sept 2004	Year ended 31 March 2005
	£'000	£'000	£'000
Cash at bank and in hand	**204**	87	233
Overdrafts	-	(583)	-
Finance leases	**(52)**	-	(55)
Balance at 30 September 2005	**152**	(496)	178

8. Provisions for liabilities and charges

	£'000
Balance at 1 April 2005	3,347
Adjustment arising from discounting	83
Utilised in the period	(439)
Balance at 30 September 2005	**2,991**

9. Reserves

	Own shares	Share premium	Capital redemption reserve	Other reserves	Profit and loss account
	£'000	£'000	£'000	£'000	£'000
At 31 March 2005 as previously stated	(86)	7,262	7,874	733	(14,449)
Prior year adjustment	-	-	-	-	(1,260)
					(15,709)
Retained loss for the period	-	-	-	-	58
Exchange rate differences	-	-	-	-	6
At 30 September 2005	**(86)**	**7,262**	**7,874**	**733**	**(15,645)**

This statement is being sent to all shareholders. It is available to the public at SPG Media Group PLC's registered office at 55 North Wharf Road, London, W2 1LA, and at the offices of Capita IRG Plc, the Company's registrars, The registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.