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Operating highlights

Turnover	£6.9 million	(2005: £8.6 million)
Operating (loss)/profit before amortisation and exceptional items	£(0.7) million	(2005: £0.6 million)
Operating (loss)/profit before interest and taxation	£(1.2) million	(2005: £0.6 million)
Cash (utilised)/generated by operations	£(1.3) million	(2005: £0.2 million)
Cash in hand	£0.9 million	(2005: £0.2 million)

Chairman's Statement

Trading results

As I commented in my statement in the annual report and accounts we continue to suffer from a negative impact on our publishing division's revenue which is down £1.2 million to £2.1 million. Within my outlook statement I said that there would be a rescheduling of Events into the second half of the year and this is the case with revenue in the Events division down by £0.7 million. Revenue for the E-media division increased from £3.0 million to £3.2 million. Overall turnover fell from £8.6 million to £6.9 million.

The operating loss before amortisation and exceptional items for the six months ended 30 September 2006 was £0.7 million (2005: restated profit £0.6 million). The accounting policy for work in progress was changed at the year-end (31 March 2006) and, therefore, the comparative period under review has been restated for this change of accounting policy. The impact is to increase the profit before tax for the period ended 30 September 2005 by £0.4 million.

Emedia

Revenue from our websites continues to be dominated by our top 10 which generated two thirds of all revenues. The revenue continues to be generated from company profiles placed on our websites. We have initiated measures to change revenue opportunities which will include email news alerts and recruitment advertising.

We have also invested in editorial and the number of news projects and updates has increased. This investment will increase response enquiries for our advertisers and also allow us to develop our portals to be points of reference for particular industries. We currently have two portal websites, packaging gateway and design and build. We are utilising our Qmina search tool across other websites.

Publishing

The continuing fall in our publishing revenues resulted in revenues for the six months of £2.1 million against the previous year of £3.3 million. We continue to improve the quality of our publications and launch new titles. We ceased the publication of five non-core products during the period which had accounted for £0.4 million of turnover. During the period under review we launched a title Leaf Review in conjunction with a forum, LEAF (Leading European Architects Forum) which is a move towards aligning products within the business with each other.

After an initial trial of separating the publications into the other divisions we have brought the business unit back as one sales unit. Together with a change in the compensation plan for all sales personnel we hope this will stabilise this business unit and give it a platform for future initiatives.

Events

Revenue was down in the Events division due to our decision to diversify the Leading European Architects Forum with additional products, LEAF London and LEAF Contractors, taking place in the second half of the year. In addition, we have moved the International Outsourcing Forum to the second half of the year and the European Convergence Forum, which generated £151,000 in the previous period, was not held.

Conference revenues were down as a direct result of the quality of data for potential attendees and the number of sales people. This has been addressed and we look forward to improved performance from this division.

Costs

Our direct costs have fallen in line with the reduction in revenue with a marginal improvement in the gross margin. Administration costs have increased due to rent increases and an increase of the bad debt provision, which has resulted in a charge of £0.2 million against a release of £0.1 million in the previous period representing a change £0.3 million. Underlying costs have been tightly controlled, but, we do wish to invest in our products to ensure they have the ability to maintain their market share.

We have shown net exceptional costs separately and include a release of credit balances on the balance sheet, which the Board feels the exposure has been extinguished, of some £0.2 million and the redundancy and compensation for loss of office charge of £0.6 million. This latter charge relates to redundancy payments of £0.3 million and compensation for loss of office of £0.3 million.

Net Funds

The group utilised net cash flow from operating activities of £1.4 million. Together with other cash flow adjustments, the Group finished the period with net funds of £0.9 million.

Charge for share based payments

As required we have adopted FRS 20 Share Based Payments, which requires a charge to be made for awards of options. We have calculated the fair value of the options granted using the BlackScholes method for pricing share options. The charge in each period was £Nil.

Board changes

Keith Sadler was appointed Chief Executive on 3rd August 2006. Keith was the former Group Finance Director and Company Secretary. Ken Appiah the Group Financial Controller was appointed Group Finance Director and Company Secretary on the same date. Mr C Blake resigned as a non-executive director on 6th July 2006 and on the 3rd October 2006 Mr S Nicholson resigned as a director of the company. I would like to thank them for their contribution.

Possible Offer

The Board is in negotiations, which may or may not lead to a offer being made for the entire issued share capital of the company. The Board will keep shareholders informed of any future developments.

Outlook

Due to the phasing of our events and publications we are reliant on the fourth quarter of the year delivering significant operating and financial performance. We have reached our initial targets on two important events, Global Semiconductor Forum and International Power Symposium. Although we have a demanding second half-year, the Board remains confident of meeting management expectations.

Stephen Davidson
Chairman
28th November 2006

Consolidated Profit and Loss Account

	Notes	**Six months ended 30 Sept 2006 (unaudited)**	Six months ended 30 Sept 2005 (unaudited) restated	Year ended 31 March 2006 (audited)
		£'000	£'000	£'000
Turnover	2	**6,938**	8,697	18,256
Less share of joint venture turnover		-	(55)	(65)
Group turnover		6,938	8,642	18,191
Cost of sales		**(3,112)**	(3,733)	(8,349)
Gross profit		**3,826**	4,909	9,842
Distribution costs		**(198)**	(264)	(450)
Administrative expenses		**(4,804)**	(4,079)	(7,846)
Administrative expenses (before amortisation and exceptional items)		**(4,316)**	(4,053)	(7,752)
Amortisation		**(121)**	(26)	(248)
Exceptional items	3	**(367)**	-	154
Total administrative expenses		**(4,804)**	(4,079)	(7,846)
Operating (loss)/profit		**(1,176)**	566	1,546
Share of joint venture operating loss		-	(36)	(44)
Loss on termination of joint venture		-	-	(57)
Profit on disposal of business		-	-	51
Finance credit/(charges) – net		39	**(82)**	(152)
(Loss)/profit on activities before taxation		**(1,137)**	448	1,344
Tax on profit/(loss) on ordinary activities	4	-	-	-
(Loss)/profit on ordinary activities after taxation and retained loss for the financial year	9	**(1,137)**	448	1,344
Basic (loss)/profit per share	5	**(1.34)p**	0.06p	1.59p
Diluted (loss)/profit per share	5	**(1.34)p**	0.06p	1.58p

Consolidated Balance Sheet

	Notes	**As at 30 Sept 2006 (unaudited) £'000**	As at 30 Sept 2005 (unaudited) restated £'000	As at 31 March 2006 (audited) £'000
Fixed assets				
Intangible assets		**4,038**	4,381	4,159
Tangible assets		**1,338**	2,337	1,590
Investment in joint venture		-	19	-
		5,376	6,737	5,749
Current assets				
Debtors		**5,665**	4,443	4,861
Cash at bank and in hand	7	**889**	204	2,329
		6,554	4,647	7,190
Creditors – amounts falling due within one year				
Trade and other creditors		**(8,506)**	(6,699)	(8,072)
		(8,506)	(6,699)	(8,072)
Net current assets		**(1,952)**	(2,052)	(882)
Total assets less current liabilities		**3,424**	4,685	4,867
Creditors – amounts falling due after more than one year		-	(44)	(39)
Provisions for liabilities and charges	8	**(2,020)**	(2,991)	(2,280)
Net assets		**1,404**	1,650	2,548
Capital and reserves				
Called up share capital		**4,293**	4,293	4,293
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	**(18,758)**	(18,512)	(17,614)
Equity shareholders' funds		**1,404**	1,650	2,548

Consolidated Statement of Total Recognised Gains and Losses

	Six months ended 30 Sept 2006 (unaudited)	Six months ended 30 Sept 2005 (unaudited) restated	Year ended 31 March 2006 (audited)
	£'000	£'000	£'000
(Loss)/profit for the period	**(1,137)**	448	1,388
Exchange rate differences	-	6	(44)
Total recognised (losses) and gains in the period	**(1,137)**	454	1,344
Exchange rate adjustment offset in reserves (retranslation of foreign investments)	**(7)**	-	8
Total recognised (losses)/gains for the period	**(1,144)**	454	1,352
Prior year adjustment	-	(4,431)	(4,431)
Total recognised gains and losses in the period	**(1,144)**	(3,977)	(3,079)

Reconciliation of Movements in Shareholders' Funds

	Six months ended 30 Sept 2006 (unaudited)	Six months ended 30 Sept 2005 (unaudited) restated	Year ended 31 March 2006 (audited)
	£'000	£'000	£'000
(Loss)/profit for the period	**(1,137)**	448	1,344
Other recognised (losses)/gains	**(7)**	6	8
	(1,144)	454	1,352
Opening shareholders' funds	**2,548**	1,196	1,196
Closing shareholders' funds	**1,404**	1,650	2,548

Consolidated Cash Flow Statement

	Notes	**Six months ended 30 Sept 2006 (unaudited) £'000**	Six months ended 30 Sept 2005 (unaudited) restated £'000	Year ended 31 March 2006 (audited) £'000
Net cash (outflow)/inflow from operating activities	6	**(1,346)**	237	2,199
Returns on investments and servicing of finance				
Interest received and similar items		**43**	4	21
Interest paid		**(2)**	-	-
Interest element of finance lease payments		**(2)**	(2)	(5)
Taxation				
Overseas corporation tax paid		-	-	-
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		**(218)**	(263)	(291)
Acquisitions and disposals				
Net cash inflow from sale of trading assets		**40**	-	180
Net cash flow before financing		**(1,485)**	(24)	2,104
Financing				
Capital element of finance lease payments		-	(3)	(8)
(Increase)/decrease in net debt in the period		**(1,485)**	(27)	2,096
Reconciliation of net cash flow to movement in net debt				
Increase/(decrease) in cash in the period		**(1,485)**	(27)	2,096
Cash outflow from lease financing		**45**	3	8
Change in net debt resulting from cash flows		**(1,440)**	(24)	2,104
Exchange movement		-	(2)	-
Movement in net funds for the period		**(1,440)**	(26)	2,104
Opening net funds/(debt)	7	**2,329**	178	178
Closing net funds/(debt)	7	**889**	152	2,282

Notes to the Accounts

1. Preparation of the 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 2006 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 accounting policies are as stated in the Annual Report and Accounts for the year ended 31 March 2006 except as described below.

As previously reported the Board changed the accounting policy in respect of work in progress. This change was adopted at the year ended 31 March 2006 and therefore only impacts on the comparative numbers for the period ended 30 September 2005. A charge for work in progress was made of £0.4 million in the original statement for the period ended 30 September 2005. This has been written off as a prior year adjustment.

FRS20 Share Based Payments; FRS23 The Effects of Foreign Exchange rates; FRS 25 Financial Instruments: Disclosure and Presentation and FRS26 Financial Instruments: Measurement have been adopted during the period. The adoption of these standards has had no impact on the results for the period.

These statements were approved by a committee of the Board of Directors on 27 November 2006 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 2006 £'000	Six months ended 30 Sept 2005 £'000	Year ended 31 March 2006 £'000
United Kingdom	**1,572**	1,632	3,659
Europe (other than UK)	**3,436**	4,150	9,272
USA	**986**	1,504	3,640
Other	**944**	1,356	1,620
	6,938	8,642	18,191

	Six months ended 30 Sept 2006 £'000	Six months ended 30 Sept 2005 £'000	Year ended 31 March 2006 £'000
E-media	**3,215**	2,968	6,115
Events	**1,607**	2,296	6,192
Publishing	**2,116**	3,378	5,884
	6,938	8,642	18,191

3. Exceptional items

The following exceptional items are included in administrative expenses:

	Six months ended 30 Sept 2006 £'000	Six months ended 30 Sept 2005 £'000	Year ended 31 March 2006 £'000
Property provisions	-	-	523
Write-off of leasehold improvements associated with onerous leases	-	-	(369)
Release of credit balances held on balance sheet	**215**		-
Redundancy costs	**(582)**	-	-
	(367)	-	154

The release of property provisions at 31 March 2006 was the result of empty properties being let allowing the release of provisions made in previous periods.

Leasehold improvements were undertaken to improve the potential letting ability of non-operational properties and accordingly the ascertained costs were therefore written off.

During the period ended 30 September 2006 a review of credit balances on the balance sheet resulted in the release of certain balances for which the board feel that any exposure has been extinguished.

The redundancy costs relate the costs of redundancies and compensation for loss of office.

4. Tax charge

The annual effective tax rate is 30% (six months ended 30 September 2005: 30%, year ended 31 March 2006: 30%). There is no tax charge as there are trading losses brought forward.

5. Loss per share

The loss per share of 1.34p (2005: earnings 0.05p) and the diluted loss per share have been calculated on the attributable loss to shareholders of £1,137,000 (2005: profit £448,000).

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 2006 Number '000	Six months ended 30 Sept 2005 Number '000	Year ended 31 March 2006 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	-	52	376
Diluted	**84,643**	84,695	85,019

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

	Six months ended 30 Sept 2006 (unaudited) £'000	Six months ended 30 Sept 2005 (unaudited) restated £'000	Year ended 31 March 2006 (audited) £'000
Operating (loss)/profit			
- Group	**(1,119)**	566	1,546
Amortisation of goodwill	**121**	26	248
Depreciation of tangibles fixed assets	**416**	515	921
Loss on disposal of fixed assets	**7**	-	-
Write-off of leasehold improvements	-	-	369
(Increase)/decrease in debtors	**(804)**	264	(511)
Write-off of joint venture investment	-	-	(47)
(Decrease)/increase in creditors	**350**	(465)	908
Provision for liabilities and charges	**(317)**	(439)	(1,235)
Net cash (outflow)/inflow from operating activities	**(1,346)**	237	2,199

7. Analysis of net debt

	Six months ended 30 Sept 2006 £'000	Six months ended 30 Sept 2005 £'000	Year ended 31 March 2006 £'000
Cash at bank and in hand	**889**	204	2,329
Overdrafts	-	-	-
	889	204	2,329
Finance leases	-	(52)	(47)
Balance at 30 September 2006	**889**	152	2,282

8. Provisions for liabilities and charges

	Six months ended 30 Sept 2006 £'000
Balance at 1 April 2006	2,280
Adjustment arising from discounting	57
Utilised in the period	(317)
Balance at 30 September 2006	2,020

9. Reserves

	Share premium £'000	Capital redemption reserve £'000	Other reserves £'000	Profit and loss account £'000
At 31 March 2006	7,262	7,874	733	(17,614)
Retained loss for the period	-	-	-	(1,137)
Exchange rate differences	-	-	-	(7)
At 30 September 2006	7,262	7,874	733	(18,758)

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.