

29 September 2008

PARALLEL MEDIA GROUP PLC

Amendments to Convertible Loan Agreements

Share Capital Reorganisation

Announcement of General Meeting

Introduction

The Company has today posted a Circular to Shareholders containing proposals in relation to, *inter alia*, amendments to Loan Agreements and a Share Capital Reorganisation.

The Company's accounts for 2007 were prepared on a going concern basis on the grounds that an agreement would be reached with the Lenders to amend the existing terms of the Loan Agreements. The Directors have reached agreement in principle with the Lenders who have advanced loan monies under the Loan Agreements to amend the terms of those Loan Agreements such that they are financially more beneficial to the Company in that the dates for repayment of the loan monies are to be deferred to July 2010.

In consideration for the Lenders agreeing to defer the repayment dates, the Company has also agreed with the Lenders to, *inter alia*, a reduction in the price at which the loans may convert into shares in the Company and the introduction of a premium payable by the Company on either the redemption or conversion of the loans.

As the amended conversion price under the Proposed New Loan Terms will be less than the current nominal value of the Ordinary Shares, it will be necessary to re-organise the Company's share capital.

Following the implementation of the Proposals, Mr David Ciclitira, through the Ciclitira Concert Party, could potentially hold up to 73.8 per cent. of the issued share capital of the Company. Similarly, Mr Pierce Casey (one of the Company's existing shareholders and a Lender) could potentially hold up to 39.2 per cent. of the issued share capital. Given that, in both cases, the maximum respective interests of either the Ciclitira Concert Party or Mr Pierce Casey could exceed 29.9 per cent. of the issued share capital, Shareholder approval is required for respective waivers of Rule 9 of the Takeover Code which would otherwise require them to make an offer to acquire all remaining shares in issue in the capital of the Company that are not held by them.

Shareholder approval is also required to effect the Share Capital Reorganisation.

Proposed Amendments to Loan Agreements

As at the date of this document, the Company has entered into Loan Agreements with the Lenders pursuant to which loan monies with an aggregate principal amount and accrued interest up to 30 June 2008 of £2.05 million have been advanced to the Company. In addition, the Company has reached an agreement in principle whereby a further £125,000 will be advanced to the Company bringing the total outstanding loan monies to £2.18 million.

The Proposed New Loan Terms that have been agreed in principle with the Lenders to amend the existing Loan Agreements provide that, *inter alia*:

- A. the monies advanced under the Loan Agreements are to be repaid by the Company on or before 1 July 2010 (subject to earlier repayment at the election of the Company at any time from 1 July 2009) being an extension of approximately twenty four months to the existing periods contained in the Loan Agreements;

- B. the Lenders may elect to convert the loan monies advanced to the Company into New Ordinary Shares at any time from 1 July 2010 or, where the Company elects to repay any amount of the loan monies earlier than such date, at the time of early repayment;
- C. the conversion price contained in the Loan Agreements is to be reduced to 0.25 pence;
- D. a premium is to be payable on either repayment or conversion equal to 25 per cent. of the principal amount and accrued interest outstanding to the Lender where such amount and interest is repaid on or before 1 July 2009 or 50 per cent. where such amount is repaid on or before 1 July 2010 with such premium to be calculated in the event of early conversion or redemption on a pro rata basis from the date on which the Proposed New Loan Terms take effect to the date of conversion or redemption; and
- E. the premium will be payable through the conversion into New Ordinary Shares issued to Lenders at the revised conversion price, unless the Company elects, at its own discretion, to satisfy the premium in cash.

In the event that the loan monies due to the Lenders are converted under the Proposed New Loan Terms in full on the Final Redemption Date, the Lenders would receive a total of 1,305,874,614 New Ordinary Shares, representing 63.6 per cent. of the Enlarged Share Capital. At the conversion price of 0.25 pence, this is equivalent to £3.26 million, being the outstanding amount of £2.18 million and the maximum premium of 50 per cent..

The effect of the Proposed New Loan Terms could be to substantially dilute the interests of existing Shareholders. However, Shareholders should be aware that the Company is currently unable to repay as they fall due between now and December 2008 the loan monies advanced to the Company pursuant to the Loan Agreements and the agreement of the Lenders to amend the terms of the Loan Agreements, as outlined above, is considered necessary for the future survival of the business.

Other Financing Arrangements

By way of an agreement dated 28 September 2006 (as amended on 7 August 2007), Lazam advanced £750,000 to the Company, secured under a debenture agreement. On 18 June 2008, Lazam agreed to substitute the terms of this agreement such that the outstanding loan monies of £530,000 (£220,000 having been repaid through certain re-payments prior to 18 June 2008) have been reduced by the payment of £330,000 and so that the outstanding principal amount and accrued interest became £199,205 repayable in nine equal instalments, with the final payment due on or before 6 September 2009. Lazam is entitled to convert some or all of the outstanding amount prior to 6 September 2009 into shares. No premium is payable on redemption or conversion of the loan agreement entered into with Lazam.

On 29 April 2008, Trafalgar Capital Specialized Investment Fund, FIS ("Trafalgar") agreed to vary the terms of a series of convertible loan agreements totalling €1,040,000 previously entered into between the Company and Trafalgar between the dates of 16 May 2007 and 25 February 2008 in order to consolidate the earlier agreements and extend the period by 30 months.

In addition, on 13 June 2008, Trafalgar agreed to advance a further €600,000 loan monies to the Company, with such monies to be repayable over 30 months in equal monthly cash instalments of €20,000 plus a redemption premium of 15 per cent. of the monies advanced. The monies have been used by the Company for the payment of £330,000 to Lazam as described above. The monthly instalments may be converted by Trafalgar into shares at any time prior to 31 October 2010 and Trafalgar may also call on the Company to issue up to an additional 5,000,000 shares to it at a price of £0.01 per share prior to such date.

The Company has also agreed in principal with certain members of the Ciclitira Concert Party to extend the repayment dates of loan monies advanced by them to the Company in the aggregate sum of £336,000 to at least December 2009. The outline terms agreed with the relevant members of the Ciclitira Concert Party in relation to loan conversion rights, the price at which the loan monies may be converted into New Ordinary Shares, the payment of a redemption premium on redemption or conversion of the loan monies are the same as those agreed with the Lenders under the Proposed New Loan Terms.

Proposed Malaysian Settlement and Creditor Settlement

Under the terms of a convertible loan agreement dated 29 September 2006, and as at 25 August 2008, PMG owed a total of £266,197.44 to Snowy Invest and Trade Inc. ("Snowy"), being the principal amount of £252,455.71 and accrued interest of £13,741.73. Under the terms of the agreement, the Company shall satisfy the outstanding amount, together with a premium of 60 per cent. (taking the value of the total liability to £417,670.86) by an issue of shares. The Company is proposing to enter into an agreement with Snowy with the intention, *inter alia*, to settle this outstanding liability by the issue of a total of 75,000,000 New Ordinary Shares, of which 20,967,407 have already been allotted. Finally, the Company has agreed to settle certain creditors, amounting to a total of £199,157, by the issue of up to 79,667,894 New Ordinary Shares.

Share Capital Reorganisation

The Company presently has in excess of 8,900 Shareholders. This adds a considerable cost to the overheads of the Company caused by the need to send annual accounts to each Shareholder and the associated registrars' costs. Over 98 per cent. of Shareholders, by number, have holdings with a value (at the closing middle price on 25 September 2008, the latest practicable date prior to the posting of this document, of 0.28 pence per share) of £10 or less. This is approximately equivalent to the level of dealing costs on the London Stock Exchange. In addition, the nominal value of each share needs to be reduced so as to enable the Company to change the terms of the Loan Agreements. Accordingly, the Company is proposing to carry out the Share Capital Reorganisation, the effect of which will be to reduce the number of Shareholders and to reduce the nominal value of each share.

It is proposed that every 4,000 Existing Ordinary Shares are consolidated into 1 new ordinary share of £20.00 each. As the number of Existing Ordinary Shares is not divisible by 4,000, it is proposed that Leonard Fine will subscribe for 2,300 ordinary shares prior to the consolidation. Unless shareholders' holding of shares therefore equals or exceeds 4,000 Existing Ordinary Shares, they will be left with a fractional entitlement to the resulting ordinary shares if the Resolutions are approved. Any fractions arising as a result of the consolidation will be aggregated and sold in the market on the behalf of Shareholders and, where the amount of the proceeds is £3.00 or more, the net proceeds of the sale (after costs) will be returned to them in proportion to their fractional entitlement. Proceeds of less than £3.00 will be retained by the Company.

Shareholders will, of course, be free at any time on or before 6.00 p.m. on 24 October 2008 to acquire or sell such number of Existing Ordinary Shares as will result in their holding of Existing Ordinary Shares being exactly divisible by 4,000. In this event, they will not be left with any fractional entitlements. **However, Shareholders must ensure that all such transfers are lodged with the Registrars by 4.30pm on 24 October 2008 in order that these may be registered by the record date for the Share Capital Reorganisation, namely 6.00 p.m. on 24 October 2008.**

The Board further proposes that immediately thereafter, the ordinary share capital of the Company is reorganised by subdividing and re-classifying each newly created ordinary share of £20.00 into 1 new ordinary share of 40 pence each and 1 new Deferred B Share of £19.60 each. The new ordinary shares of £0.40 so created will then be further sub-divided into 4,000 New Ordinary Shares so as to create a new par value of 0.01 pence per share.

The New Ordinary Shares will have the same rights as those currently attached to the Existing Ordinary Shares under the Company's articles of association, including those relating to voting and entitlement to dividends.

Application will be made for the New Ordinary Shares proposed to be created pursuant to the Share Capital Reorganisation to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on or around 27 October 2008.

The Deferred B Shares will have no value or voting rights and Shareholders will not be issued with a share certificate in respect of the Deferred B Shares.

New share certificates will be issued in respect of the New Ordinary Shares

The exercise price of the Warrants will be unaffected by Share Capital Reorganisation.

Background on the Company

PMG is an international sports marketing, media and consultancy company which owns, creates and operates international sporting events. The Company's portfolio of sporting events and rights is currently focused on golf and the emerging markets in Asia where the sports sponsorship market is growing, driven by the interest of European luxury brands. PMG's portfolio, is managed from offices in London and Hong Kong and currently includes:

- The UBS Hong Kong Open, which celebrates its 50th anniversary in November 2008;
- The Ballantine's Championship in Korea, which was staged for the first time in March 2008;
- Omega Hills World Cup of Golf, for which PMG has secured Omega as the title sponsor through until 2018;
- A new Ladies European Tour ("LET") event, due to take place in Korea in November 2008; and
- The Kazakhstan Open.

The UBS Hong Kong Open and the Ballantine's Championship are currently the Company's largest revenue generators and contributed around £7.1 million in turnover in the 12 month period to 30 June 2008. PMG's list of blue chip sponsors includes: UBS, Pernod Ricard, Omega, AEG, Hugo Boss, Emirates, BMW and Samsung.

In 2007, PMG developed significant new areas of business including the LET event in Korea mentioned above and a commercial partnership with GCap to develop sponsor packages for the London 2012 Olympics.

Asia Pipeline

PMG is continuing to build sponsorship and media event rights in Asia and internationally, which should continue the growth that the Company is experiencing. Current opportunities include:

- PMG is bidding, in partnership with the Korean golf channel, SBS Golf, to promote the Women's World Cup from 2011 onwards;
- In addition to the LET event mentioned above, PMG is in discussions with regard to another new LET event from 2009 onwards;
- PMG is in discussions with regard to the staging of a new European Tour Seniors event in Malaysia from 2009 onwards; and

- The Company has been approached to become a global golf consultant to one of Korea's main international brands.

The London 2012 Olympics

PMG is the exclusive commercial partner to GCap in relation to sponsorship packages for the London 2012 Olympic Games. PMG and GCap will create promotional packages for the Olympic programme and LOCOG sponsors for which PMG will receive 15 per cent. of the gross billings.

Current Trading

PMG now has a portfolio of sponsorship and media event rights in Asia and internationally that continue well into the next decade offering significant long term visibility of revenues which should underpin the value of the Company.

In 2009, PMG is positioning itself to benefit from the increasing focus of Olympic sponsor spend targeted at the London 2012 games. The combination of new events, additional sponsorship sales in golf and growing revenues from other sports sponsorship is an exciting environment in which PMG expect to grow and prosper.

Future Prospects

PMG's recent history has been driven by the success of certain golf events in Asia, however PMG's capabilities encompasses a far broader sporting expertise, with experience in rugby, cricket and sailing.

PMG currently controls four world recognised sports events in its golf tournaments in Asia. From this base, PMG plans to build a business that controls eight significant world recognised sports events by 2012. With a history of working across many different sports, PMG expects that these eight events will be drawn from differing sporting disciplines thus broadening the opportunities that PMG will be able to offer to sponsors.

Discussions are also underway with GCap to become a Tier Three LOCOG sponsor. The Directors believe that this should give PMG a opportunity to approach Olympic Programme sponsors such as Coca Cola, Samsung and LOCOG sponsors such as Lloyds Bank and British Airways for them to purchase four year sponsorship packages.

PMG's role in the partnership with GCap is to create packages and conclude the sales. In order to fully benefit from this opportunity, PMG may look to significantly increase its staff in London.

Additional Requirements for Capital

The Directors believe that the current instability in the financial markets precludes the possibility of a fund raising at the present time. However since additional capital will be required to enable the Company to expand the London team, the Directors are seeking the authority from Shareholders to allot up to 60 per cent. of the New Issued Share Capital for cash on a non-pre-emptive basis. At 0.28 pence per share (being the closing middle price on 25 September) this would enable the Company to raise approximately £694,000 before expenses.

Background to the Waivers

David Ciclitira, a member of the Ciclitira Concert Party, is the Executive Chairman of PMG. Following the Share Capital Reorganisation, David Ciclitira will have a beneficial interest, through the Ciclitira Concert Party, in approximately 64,664,000 New Ordinary Shares, representing 15.7 per cent. of the Company's New Issued Share Capital. Barclays Wealth, a member of the Ciclitira Concert Party, has also loaned monies in the principal sum of £1.175m pursuant to the terms of a Loan Agreement it has entered into with the Company.

David Ciclitira has been one of the principal funders of PMG. Since 2003, Mr Ciclitira has, directly and indirectly through members of the Ciclitira Concert Party, invested over £2 million in both equity and loan notes, representing around half of the capital raised by the Company in the same period.

Barclays Wealth first advanced its £1.175 million under a loan agreement in August 2003 as part of a total advance of £2.22 million to be repaid after 5 years, with the balance being advanced by Snowy Trade & Investments Inc.. At the time of the advance, David Ciclitira held shares carrying more than 50 per cent. of the voting rights of the Company. The conversion price of the loan monies advanced was 6.75 pence per share and, assuming full conversion of the monies advanced under the loan agreements, David Ciclitira's shareholding would have been 52.4 per cent. of the Company's voting rights.

Since 2003, there was a small further advance of monies under loan agreements in 2005 and then in 2006, the terms of the loan agreements were amended. At the time of the restructuring, the total sums advanced by the Ciclitira Concert Party under the loan agreements had increased to £1.6 million. Under this restructuring, it was agreed that the terms of the £1.175 million originally advanced by Barclays Wealth would be amended to include a new conversion price of 1.25 pence. The balance was repaid by an issue of equity. There were also issues of equity to other lenders and to various investors as part of a placing at 1.25 pence. Following the restructuring, the Ciclitira Concert Party's shareholding was 29.5 per cent.. At the time of the announcement of this restructuring, David Ciclitira confirmed that it was his intention to exercise his conversion rights whenever it was reasonably possible to do so, so long as such an exercise would not require Mr Ciclitira, and any person deemed to be acting in concert with him, to make an offer for the Company under Rule 9 of the Takeover Code.

In addition, there is currently approximately £336,000 of short term debt from members of the Ciclitira Concert Party to the Company which is outstanding. The Company has agreed the outline terms of the Debt Option to be entered into with those members of the Ciclitira Concert Party to convert this debt into ordinary shares in the Company on terms similar to the Proposed New Loan Terms.

David Ciclitira currently holds options which are currently exercisable over 9,885,750 Existing Ordinary Shares in the Company with exercise prices of either 1.25 pence or 15 pence. The Company is proposing, subject to, *inter alia*, approval from HMRC, to amend the exercise price on all existing Options to 0.25 pence following the Share Capital Reorganisation. Such a move would align the interests of Shareholders, holders of Options and Lenders and also enable the Company to broaden the equity involvement of the Company's employees through the issue of new options to staff. It should be noted that Options currently represent less than 1 per cent. of the Enlarged Share Capital. The exercise by David Ciclitira of his Options would further increase the maximum interest of the Ciclitira Concert Party in the voting rights of the Company.

The Ciclitira Concert Party Waiver

At the date of this document, the Ciclitira Concert Party is interested in aggregate in 64,673,719 Existing Ordinary Shares representing approximately 15.7 per cent. of the Issued Share Capital. Following the Share Capital Reorganisation, the Ciclitira Concert Party's aggregate holding will become approximately 64,664,000 New Ordinary Shares, representing approximately 15.7 per cent. of the Company's New Issued Share Capital.

Assuming that;

1. the maximum number of 704,893,056 New Ordinary Shares are issued to members of the Ciclitira Concert Party on conversion of the loan monies advanced to the Company under the Loan Agreements, pursuant to the Proposed New Loan Terms;
2. the maximum number of 201,600,000 New Ordinary Shares are issued to members of the Ciclitira Concert Party on exercise of the Debt Option; and

3. the Options held by Mr Ciclitira over 9,885,750 New Ordinary Shares are exercised in full;

then, in aggregate, the Ciclitira Concert Party would be interested in 981,042,806 New Ordinary Shares representing approximately 73.8 per cent. of the revised issued share capital of the Company. Such issued share capital assumes that no further New Ordinary Shares are issued, no rights held by other Lenders are exercised to convert monies advanced under their respective Loan Agreements into New Ordinary Shares and that no Options or Warrants over New Ordinary Shares are exercised, other than those held by the Ciclitira Concert Party.

It is the intention of Barclays Wealth to establish a new vehicle into which all the holdings and interests of the Ciclitira Concert Party in the Company will be transferred. There will be no change in the underlying beneficial interests in the Company as a consequence of this re-organisation. Notification of this change will be made in due course.

The Casey Waiver

At the date of this document, Mr Casey is interested in 2,000,000 Existing Ordinary Shares, representing approximately 0.5 per cent. of the Issued Share Capital. Following the Share Capital Reorganisation, this should continue to be 2,000,000 New Ordinary Shares, representing 0.5 per cent. of the Company's New Issued Share Capital.

Assuming that the maximum number of approximately 262,654,200 New Ordinary Shares are issued to Mr Casey on conversion of the £0.44 million advanced under the Loan Agreements pursuant to the Proposed New Loan Terms, then Mr Casey would be interested in approximately 264,654,200 New Ordinary Shares representing approximately 39.2 per cent. of the revised issued share capital of the Company. Such issued share capital assumes that no further New Ordinary Shares are issued, no rights held by other Lenders are exercised to convert monies advanced under their respective Loan Agreements into New Ordinary Shares and that no Options over New Ordinary Shares are exercised.

Mr Casey holds 2,000,000 Existing Ordinary Shares and has advanced £0.44 million loan monies to the Company pursuant to the terms of a Loan Agreement. Under the Proposed New Loan Terms, Mr Casey would hold conversion rights over a maximum of 262,654,200 New Ordinary Shares. If Mr Casey exercised his conversion rights in full, he would be interested in up to 264,654,200 New Ordinary Shares representing 39.2 per cent. of the Enlarged Share Capital, assuming no other monies due under the Loan Agreements were converted into New Ordinary Shares and no Options or Warrants were exercised.

Under Rule 9 of the Takeover Code, when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he and persons acting in concert with him are interested), carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code that person, and any persons acting in concert with him, is normally required to make a general offer to all of the Company's shareholders to acquire the remaining shares in that company not held by him and his concert party.

Similarly, where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the voting rights of the company, a general offer is required if any further interest in shares is acquired by any such person, or persons acting in concert with him.

Approval is therefore being sought on a poll of Shareholders, other than the Ciclitira Concert Party and Mr Casey respectively, for a waiver of their respective obligations of Rule 9 of the Takeover Code.

Related Party Transactions

Proposed New Loan Terms, issue of Debt Option to David Ciclitira and re-pricing of Options held by David Ciclitira

David Ciclitira is a Director of PMG and, through the Ciclitira Concert Party, holds more than 10 per cent. of the Issued Share Capital and is therefore deemed to be a substantial shareholder of the Company for the purposes of the AIM Rules. The Proposed New Loan Terms, the Debt Option and the re-pricing of the Options therefore constitute related party transactions for the purposes of AIM Rule 13.

Where a company whose shares are quoted on AIM enters into a related party transaction, the directors independent to the transaction are required to consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Taking into account the Company's current inability to meet the repayments on the Loan Agreements as they fall due and hence the need to reach a settlement with the Lenders and taking into account the reasons outlined in paragraph 9 above, the Independent Directors, having consulted with Dowgate, the Company's nominated adviser, consider that the terms of each of the related party transactions with David Ciclitira (and the members of the Ciclitira Concert Party) are fair and reasonable insofar as Shareholders are concerned.

Issue of New Ordinary Shares to Mr Casey pursuant to the Proposed New Loan Terms

On or following Admission, Mr Casey may be issued with up to 262,654,200 New Ordinary Shares representing approximately 13.8 per cent. of the Enlarged Share Capital as set out in this Part I. As such, Mr Casey is also a substantial shareholder and so the Proposed New Loan Terms is a related party transaction for the purposes of AIM Rule 13.

Where a company whose shares are quoted on AIM enters into a related party transaction, the directors independent to the transaction are required to consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Taking into account the Company's current inability to meet the repayments on the Loan Agreements as they fall due and hence the need to reach a settlement with the Lenders, the Independent Directors, having consulted with Dowgate, the Company's nominated adviser, consider that the terms of the related party transaction with Mr Casey are fair and reasonable insofar as Shareholders are concerned.

Following the amendments to the various loan agreements as described in this document and including the effects of trading since 30 June 2008, the aggregate outstanding debt of the Company as at the date of this document is approximately £4.3 million. This compares to the market capitalisation of the Company of £1.14 million (at the closing price on 25 September 2008 of 0.28 pence) giving an enterprise value of £5.45 million, of which Independent Shareholders would have an interest in 17.5 per cent..

Assuming the maximum number of shares was issued under the proposed New Loan Terms, the Debt Option, the Malaysian Settlement and the Creditor Settlement then the issued share capital would increase to 2,054,210,101 shares implying a market capitalisation of the Company of £5.75 million (at the closing price on 25 September 2008 of 0.28 pence). The outstanding debt would have been reduced to £1.69 million and thus the enterprise value would be £7.34 million, of which Independent Shareholders would have an interest in 13.0 per cent..

Shareholders should be aware that, as a consequence of these proposed changes and the implementation of the Proposals, the Lenders, following conversion pursuant to the Proposed New Loan Terms of all the monies outstanding under the Loan Agreements, could be entitled to hold approximately 63.6 per cent. of the Enlarged Share Capital.

Shareholders should also be aware that, in the event that the Resolutions are not passed then the proposed amendment to the Loan Agreements and the Share Capital Reorganisation will not proceed. The Company would, in such circumstances, face an uncertain future. The Company may be unable to meet its obligations to repay the loan monies advanced to the Company pursuant to the Loan Agreements and the Directors may need to consider alternative options (if available) to finance the Company to ensure its continued existence.

Full details are set out in the Circular which has been posted to Shareholders today and will be available on the Company's web site: www.parallelmediagroup.com

For further information, please contact:

Parallel Media Group Plc	David Ciclitira, Chairman	020 7225 2000
	Martin Doherty, CFO	
Dowgate Capital Advisers	Tony Rawlinson, Chairman	020 7492 4777
	Antony Legge	
Conduit PR	Jos Simson	0207 429 6603
	Ben Way	

SHARE CAPITAL REORGANISATION STATISTICS

Number of Existing Ordinary Shares	413,037,700
Number of New Ordinary Shares to be created pursuant to the Share Capital Reorganisation	413,040,000
Maximum number of New Ordinary Shares which may be issued pursuant to the conversion rights under the Proposed New Loan Terms and the Debt Option	1,507,474,614
Maximum number of New Ordinary Shares which may be issued pursuant to the Malaysian Settlement and the Creditor Settlement	133,695,487
Enlarged Share Capital	2,054,210,101
Percentage of the Enlarged Share Capital on Admission represented by the maximum New Ordinary Shares which may be issued pursuant to the conversion rights under the Proposed New Loan Terms and the Debt Option	73.4%
Number of Options and Warrants outstanding immediately following Admission ¹	46,868,952

1. In addition Lazam and Trafalgar hold certain conversion rights

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2008

Date of this document	29 September
Latest time and date for receipt of completed white Form of Proxy for Annual General Meeting	9.00 a.m. on 22 October
Latest time and date for receipt of completed blue Form of Proxy for General Meeting	9.15 a.m. on 22 October
Record date for Share Capital Reorganisation	6.00 p.m. on 24 October
Annual General Meeting	9.00 a.m. on 24 October
General Meeting	9.15 a.m. on 24 October
Admission and commencement of dealings in New Ordinary Shares	8.00 a.m. on 27 October
New Ordinary Shares credited to CREST members' accounts	8.00 a.m. on 27 October
Despatch of definitive share certificates for New Ordinary Shares in certificated form	by no later than 7 November
Despatch of cheques or credit of CREST members' accounts	by no later than 7 November

If any details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

ISIN

GB00B3DBYG43

AIM Symbol

PAA.L

Company Web Site

www.parallelmediagroup.com

The following definitions apply throughout this announcement, unless the context otherwise requires:

“1985 Act”	the Companies Act 1985 (as amended)
“2006 Act”	the Companies Act 2006
“Act”	the 1985 Act and the 2006 Act
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name, operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
“Annual General Meeting”	the annual general meeting of the Company for 2008, to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA at 10.00 a.m. on 24 October 2008
“Approved Scheme”	the Company’s Approved Discretionary Share Option Scheme as adopted by the Company on 10 August 2001
“Barclays Wealth”	Barclays Wealth Trustees (Jersey) Limited (formerly Walbrook Trustees (Jersey) Limited)
“Board” or “Director”	David Ciclitira, Leonard Fine and Edward Adams
“Capita Registrars”	a trading name of Capita Registrars Limited
“Casey Waiver”	the waiver by the Panel of the obligations under Rule 9 of the Takeover Code in relation to Pierce Casey as described in the Circular
“Ciclitira Concert Party”	David Ciclitira, Barclays Wealth, Luna Trading Ltd, 56 Ennismore Gardens ELY Ltd and Elysian Group Ltd
“Ciclitira Concert Party Waiver”	the waiver by the Panel of the obligations under Rule 9 of the Takeover Code in relation to the Ciclitira Concert Party as described in the Circular
“Circular”	The circular posted to Shareholders on 29 September 2008 detailing the Proposals
“Company” or “PMG”	Parallel Media Group Plc
“Creditor Settlement”	the proposed issue of up to 79,662,894 New Ordinary Shares to settle certain creditors totalling £199,157
“Debt Option”	the revised loan agreements to be entered into with certain members of the Ciclitira Concert Party including, <i>inter alia</i> , the right to convert approximately £336,000 of short term debt in the Company into approximately 201,600,000 New Ordinary Shares
“Deferred B Shares”	the new deferred B shares of the Company to be created pursuant to the Share Capital Reorganisation
“Diluted Share Capital”	the Enlarged Share Capital and assuming (a) New Ordinary Shares are issued to Lazam and Trafalgar following the exercise in full of the conversion rights they hold to convert their loan monies into New Ordinary Shares and (b) 46,868,952 New Ordinary Shares are issued pursuant to the exercise in full of all outstanding Options and Warrants
“Dowgate”	Dowgate Capital Advisers Limited, the Company’s nominated adviser
“Enlarged Share Capital”	the New Issued Share Capital and assuming that (a) 1,507,474,614 New Ordinary Shares are issued to the Lenders and David Ciclitira following the exercise in full of all conversion rights held by them to convert their loan monies into New Ordinary Shares under, respectively, the

	Proposed New Loan Terms and the Debt Option, (b) 54,032,593 New Ordinary Shares are issued in respect of the Malaysian Settlement and (c) 79,662,894 New Ordinary Shares are issued in respect of certain creditors
“Existing Ordinary Shares”	the ordinary shares of 0.5 pence each in the share capital of the Company in issue at the date of the Circular
“Final Redemption Date”	1 July 2010
“FSA”	Financial Services Authority
“Forms of Proxy”	the white form of proxy for use in connection with the Annual General Meeting and the blue form of proxy for use in connection with the General Meeting
“GCap”	GCap Media plc
“General Meeting”	the general meeting of the Company, to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA at 10.15 a.m. on 24 October 2008 or, if later, immediately following the Annual General Meeting, to consider and if thought fit, approve the Resolutions
“Group”	the Company and its subsidiaries at the date of this document
“HMRC”	Her Majesty’s Revenue and Customs, being the government department responsible for the administration and collection of taxation in the United Kingdom
“Independent Directors”	Leonard H Fine and Barry Edward Adams
“Independent Shareholders”	the holders of Existing Ordinary Shares, other than members of the Ciclitira Concert Party and Mr Casey
“Issued Share Capital”	the 413,037,700 Existing Ordinary Shares in issue as at the date of this document
“Lazam”	Lazam Properties Limited
“Lenders”	those persons who have advanced loan monies to the Company pursuant to the terms of the Loan Agreements,
“Loan Agreements”	the convertible loan agreements entered into between the Company and each of the Lenders
“LOCOG”	the London Organising Committee for the Olympic Games
“Malaysian Settlement”	the proposed issue of 54,032,593 New Ordinary Shares in settlement of a loan agreement with Snowy Invest and Trade Inc.
“New Issued Share Capital”	the 413,040,000 New Ordinary Shares in the share capital of the Company in issue immediately following the Share Capital Reorganisation and Admission
“New Ordinary Shares”	the new ordinary shares of 0.01 pence each in the share capital of the Company to be created following the Share Capital Reorganisation
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting which is set out in the Circular
“Notice of General Meeting”	the notice convening the General Meeting which is set out in the Circular
“Options”	the share options granted pursuant to the Approved Scheme and the Unapproved Scheme
“Panel”	the Takeover Panel
“Proposals” means:	(a) the Ciclitira Concert Party Waiver (b) the Casey Waiver (c) the Share Capital Reorganisation (d) the amendments to the Loan Agreements pursuant to

	the Proposed New Loan Terms
	(e) the Debt Option
	(f) the Malaysian Settlement
	(g) the Creditor Settlement
	(h) Admission
“Proposed New Loan Terms”	the proposed amendments to the terms of the Loan Agreements as set out in the Circular
“Registrar”	Capita Registrars Limited, The Registry, 34 Beckenham Road, BR3 4TU
“Regulatory Information Service”	any service by which companies can disseminate information to AIM in accordance with the AIM Rules
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Share Capital Reorganisation”	the proposed share consolidation and share sub-divisions and redesignation of the ordinary share capital, as set out in the Circular
“Shareholders”	a holder(s) of Existing Ordinary Shares
“Takeover Code”	The City Code on Takeovers and Mergers, published by the Panel
“Trafalgar”	Trafalgar Capital Specialized Investment Fund, FIS
“Unapproved Share Option Scheme”	the Company’s Unapproved Discretionary Share Option Scheme as adopted by the Company on 10 August 2001
“Waivers”	the Casey Waiver and the Ciclitira Concert Party Waiver
“Warrants”	the warrants granted by the Company to Lazam and Trafalgar over 31,706,202 Existing Ordinary Shares