

PARALLEL MEDIA GROUP PLC (“PMG” OR THE “GROUP”)

INTERIM RESULTS

FOR THE 6 MONTHS ENDED 30 JUNE 2008

CHAIRMAN'S STATEMENT

Overview

The last six months have been an exciting time for PMG. It has been a time of growth for both areas of PMG's business, the golf business based in Hong Kong and Seoul, and the London based International Sales and Consultancy business.

Asia

PMG has successfully promoted the Ballantine's Championship, the first PGA European Tour event to be staged in Korea, one of the world's largest golf markets with over 5 million golfers. The Ballantine's Championship is Korea's largest golf tournament, and the success of this event which generated revenues for PMG of around £4.4m in the first half, coupled with PMG's involvement with the new Ladies European Tour (“LET”) event to be played in November, the Korean Ladies Masters, has confirmed PMG as the ‘main player’ in Korean golf.

The extension of the current title sponsorship agreement with UBS has further strengthened the Hong Kong Open, the event celebrates its 50th year this November and I am pleased to say PMG have already attracted significant new sponsorship.

International

PMG has strengthened its agreement with Mission Hills, confirming long-term commission revenue for the Omega Mission Hills World Cup of Golf through to 2018. PMG has also re-signed its golf consultancy agreement with Omega.

At the time of publication, PMG is receiving significant interest from Olympic sponsors in its new commercial relationship with GCap, for the promotion of the 2012 London Olympic Games on the GCap network, which includes Capital Radio.

Financial Review

Turnover for the six months to 30 June 2008 increased 158% to £4.8m (2007: £1.9m) principally due to the staging of the inaugural Ballantine's Championship. The increase in costs of sales reflects the direct costs of the Ballantine's event with the result that Gross Profit for the six months to 30 June 2008 increased 34% to £0.9m (2007: £0.7m) with costs of sales increasing to £3.9m (2007: £1.2m) in order to deliver the Ballantine's Championship. Gross margins going forward may be expected to increase as the event matures and demand for secondary sponsorship increases.

PMG has continued to invest in additional resources to grow its business both in Hong Kong, Seoul and in London, particularly in relation to its new partnership with GCap. In the period under review the operating loss was £0.22m (2007: £0.17m). The loss for the period after finance costs was £0.34m (2007: £0.32m).

The cash balance at the 30 June 2008 was a positive £0.76m. During the period PMG entered into new loans of £0.7m. This cash was applied to reduce convertible loans totalling £0.55m and to repay medium term loans totalling £0.2m. The remaining convertible loans totalling £2.2m are due for redemption between September and December 2008. Loan notes totalling £2.05m of these have committed to extend the period of the loan notes to July 2010 subject to the approval of the company's shareholders.

I am pleased to bring to your attention the results of the recent judgment in the case of RAM Media Limited (in administration) vs The Greek Ministry of Culture. The court awarded £2.4m plus costs to RAM Media Limited. PMG is RAM Media's largest creditor in relation to the Fifpro World XI awards that were scheduled to take place in 2006. PMG's claim in relation to this matter is €0.875m (plus accrued interest) out of a total creditor claim of £1.3m. The company is awaiting information on the proportion of the claim and timing of amounts to be paid.

Board

I would like to take this opportunity to thank our Board members who continue to contribute to PMG's growth and development. I would also like to thank the major stakeholders in the business, who are tremendously supportive

and increasingly active in helping us shape and deliver on our plans. We are currently reviewing options which will simplify the capital structure and consolidate the current share holder base.

Future Prospects

The second half of 2008 will see PMG staging two events: the 50th Hong Kong Open (which contributed around £2.5m of the Group's revenue in 2007) and the 1st Korean Ladies Masters, with a consequential increase in revenues compared to the same period last year. The Company's accounts for 2007 included the one-off recognition of £1.13 million of costs, the majority of which relate to the creation and development of new sporting assets. Administration expenses for the second half of 2008 are therefore unlikely to be as high as last year. The directors remain confident of returning to profit in 2008 and beyond.

Looking further ahead, PMG is continuing to build sponsorship and media event assets in Asia and internationally, which should continue the growth that we are experiencing. As mentioned in previous statement, the Company's priority will be to develop new assets, such as the Ballantine's Championship, which should offer significant long term visibility of revenues. As well as the new LET event in November 2008, PMG is in advance discussions to create several new events in 2009. PMG now has a portfolio of events and sponsorship deals that continue in to the next decade and which, together with the opportunities in the pipeline, should underpin the creation of long term value for shareholders.

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.

David Ciclitira

Chairman

26 September 2008

For further information, please contact:

| | | |
|--------------------------|--|---------------|
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| Conduit PR | Jos Simson Ben Way | 0207 429 6603 |

**CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

| | Notes | 6 months to 30 June 2008 unaudited £'000 | 6 months to 30 June 2007 unaudited £'000 | 12 months to 31 December 2007 audited £'000 |
|--|-------|--|--|---|
| Continuing operations | | | | |
| Revenue | | 4,842 | 1,873 | 5,195 |
| Cost of Sales | | <u>(3,914)</u> | <u>(1,181)</u> | <u>(3,744)</u> |
| Gross Profit | | 928 | 692 | 1,451 |
| Administrative Expenses | | (1,150) | (894) | (3,205) |
| Profit (Loss) on disposal of Investments | | <u>-</u> | <u>32</u> | <u>(80)</u> |
| Operating (Loss)/Profit | | (222) | (170) | (1,834) |
| Investment Income | | | - | 14 |
| Finance cost | | <u>(124)</u> | <u>(153)</u> | <u>(286)</u> |
| (Loss)/Profit on ordinary activities before tax | | (346) | (323) | (2,106) |
| Taxation | | <u>-</u> | <u>-</u> | <u>-</u> |
| (Loss)/Profit for the period | | <u>(346)</u> | <u>(323)</u> | <u>(2,106)</u> |
| Attributable to: | | | | |
| Minority Interests | | - | (1) | (1) |
| Equity Holders of the parent | | <u>(346)</u> | <u>(322)</u> | <u>(2,105)</u> |
| | | <u>(346)</u> | <u>(323)</u> | <u>(2,106)</u> |
| Earnings (loss) per share | | | | |
| | 4 | | | |
| Basic | | (0.08p) | (0.09p) | (0.58p) |
| Diluted | | (0.08p) | (0.09p) | (0.58p) |

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2008**

| | Notes | 30 June 2008 unaudited £'000 | 30 June 2007 unaudited £'000 | 31 December 2007 unaudited £'000 |
|--|-------|---------------------------------------|---------------------------------------|--|
| Non-current assets | | | | |
| Property, Plant & Equipment | | 19 | 27 | 24 |
| Intangible Assets | | 2,477 | 2,613 | 2,545 |
| Investments | | 55 | 180 | 180 |
| Total non-current assets | | 2,551 | 2,820 | 2,749 |
| Current Assets | | | | |
| Trade Receivables | | 459 | 1,290 | 655 |
| Cash | | 762 | 571 | 837 |
| Total current assets | | 1,221 | 1,861 | 1,492 |
| Current Liabilities: | | | | |
| Financial Liabilities - borrowings | 6 | (766) | (753) | (716) |
| Financial Liabilities - convertible loans | 7 | (2,226) | | (2,868) |
| Trade & Other payables | | (2,674) | (1,812) | (2,796) |
| Total current liabilities | | (5,666) | (2,565) | (6,380) |
| Net current assets/(liabilities) | | (4,445) | (704) | (4,888) |
| Non-current liabilities | | | | |
| Financial Liabilities - financial borrowings | 8 | (1,011) | (3,309) | (422) |
| Total non-current liabilities | | (1,011) | (3,309) | (422) |
| Net Liabilities | | (2,905) | (1,193) | (2,561) |
| Equity | | | | |
| Share Capital | 9 | 3,064 | 2,860 | 3,064 |
| Share premium | | 2,077 | 1,865 | 2,077 |
| Equity element of convertible loans | | 92 | 92 | 92 |
| Other reserves | | 557 | 557 | 557 |
| Capital redemption reserve | | 5,034 | 5,034 | 5,034 |
| Foreign translation reserve | | 177 | | 177 |
| Retained earnings | | (13,799) | (11,493) | (13,453) |
| Total Equity | | (2,798) | (1,085) | (2,452) |
| Minority Interest | | (107) | (108) | (109) |
| Equity attributable to equity holders of the parent | | (2,905) | (1,193) | (2,561) |

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

| | 30 June 2008 unaudited £'000 | 30 June 2007 unaudited £'000 | 31 Dec 2007 audited £'000 |
|---|---|---|--|
| Cash flows from operating activity | | | |
| Operating (Loss) / Profit | (222) | (170) | (1,834) |
| Depreciation | 6 | 7 | 7 |
| Amortisation of intangibles | 68 | 68 | 136 |
| Profit on disposal of investments | - | (32) | (32) |
| (Increase)/decrease in debtors | 382 | (831) | (233) |
| Increase/(decrease) in creditors | (187) | 84 | 925 |
| Foreign exchange | 2 | - | 36 |
| Cash (used in) / generated from operations | 49 | (874) | (995) |
| Interest paid | (61) | (66) | (80) |
| Net cash (used in) / generated from operations | (12) | (940) | (1,075) |
| Cash flow from investing activities | | | |
| Purchase of property, plant & equipment | (1) | (11) | (8) |
| Sale of other investments | | 95 | 100 |
| Investments | | | (5) |
| Interest received | 8 | - | 14 |
| Net cash generated from (used in) investing activities | 7 | 84 | 101 |
| Cash flow from financing activities | | | |
| Bank facility repaid | - | (25) | - |
| Cash received from convertible loans | - | 350 | 350 |
| Convertible Loans repaid | (548) | - | (76) |
| Issue of shares | - | 684 | 862 |
| Loan received | 693 | 340 | 751 |
| Loans repaid | (215) | (227) | (381) |
| Net cash generated from / (used in) financing activities | (70) | 1,122 | 1,506 |
| Net increase / (decrease) in cash and cash equivalents | (75) | 266 | 532 |
| Cash and cash equivalents at beginning of the year | 837 | 305 | 305 |
| Cash and cash equivalents at end of the period | 762 | 571 | 837 |

**CONSOLIDATED CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

The table below sets out the movements in reserve for the six months ended 30 June 2007

| | Share Capita l | Share Premium | Equity reserv e | Other reserve s | Capital Redem ption | Forex reserve | P&L | Total |
|---|----------------------|------------------|-----------------------|-----------------------|---------------------------|------------------|-----------------|----------------|
| At 1 January 2007 | 2,481 | 1,560 | 88 | 557 | 5,034 | 244 | (11,347) | (1,383) |
| (Loss) for the period | - | - | - | - | - | - | (322) | (322) |
| Equity element of convertible loan | - | - | 4 | - | - | - | - | 4 |
| Foreign exchange | - | - | - | - | - | 13 | - | 13 |
| Proceeds of share issue | 379 | - | - | - | - | - | - | 379 |
| Share premium arising in period | - | 417 | - | - | - | - | - | 417 |
| Costs written off against share premium | - | (112) | - | - | - | - | - | (112) |
| As at 30 June 2007 | 2,860 | 1,865 | 92 | 557 | 5,034 | 257 | (11,669) | (1,004) |

The table below sets out the movements in reserve for the six months ended 30 June 2008

| | Share Capita l | Share Premium | Equity reserv e | Other reserve s | Capital Redem ption | Forex reserve | P&L | Total |
|------------------------------------|----------------------|------------------|-----------------------|-----------------------|---------------------------|------------------|-----------------|----------------|
| At 1 January 2008 | 3,064 | 2,077 | 92 | 557 | 5,034 | 177 | (13,453) | (2,452) |
| (Loss) Profit for the period | - | - | - | - | - | - | (346) | (346) |
| Equity element of convertible loan | - | - | - | - | - | - | - | - |
| Foreign exchange | - | - | - | - | - | - | - | - |
| As at 30 June 2008 | 3,064 | 2,077 | 92 | 557 | 5,034 | 177 | (13,799) | (2,798) |

NOTES TO THE FINANCIAL INFORMATION

1. Basis of Preparation

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with the International Accounting Standard (IAS) 34 Interim Financial Reporting.

The condensed consolidated Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with IFRS's. The comparative figures shown for the year ended 31 December 2007 do not constitute statutory accounts as they have been extracted from the statutory accounts which have been filed with the Registrar of Companies. These interim results are unaudited and do not constitute statutory accounts.

2. Significant Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments.

The same accounting policies, presentation and method of computation are followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2007.

3. Segment Information

The following is an analysis of the revenue and results for the period, analysed by geography, the group's primary basis of segmentation:

| | Turnover | | Profit / (Loss) | | Net assets / (liabilities) | |
|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 6 months to 30 June 2008 £'000 | 6 months to 30 June 2007 £'000 | 6 months to 30 June 2008 £'000 | 6 months to 30 June 2007 £'000 | 6 months to 30 June 2008 £'000 | 6 months to 30 June 2007 £'000 |
| <u>GEOGRAPHIC MARKET</u> | | | | | | |
| Group | | | | | | |
| Asia | 4,647 | 1,629 | (371) | (309) | 57 | 57 |
| Europe | 183 | 239 | 16 | (17) | (2,291) | (567) |
| Americas | 12 | 5 | 9 | 3 | (676) | (684) |
| | 4,842 | 1,873 | (346) | (323) | 2,910 | (1,193) |

4. Earnings / (loss) per Share

| | 6 months to 30 June 2008 £ | 6 months to 30 June 2007 £ | year ended 31 December 2007 £ |
|---|-------------------------------|-------------------------------|----------------------------------|
| Earnings | | | |
| Earnings for the purpose of basic EPS | (345,919) | (322,199) | (2,106,000) |
| Earnings for the purpose of diluted EPS | (308,788) | (263,199) | 138,000 |

Number of shares

| | No. | No. | No. |
|--|-------------|-------------|-------------|
| Weighted average number of shares for the purpose of basic EPS | 413,037,700 | 345,586,372 | 364,205,784 |
| Weighted average number of shares for the purpose of diluted EPS | 613,189,000 | 562,662,216 | 616,333,332 |

| | | | |
|-------------|---------|---------|---------|
| Basic EPS | (0.08p) | (0.09p) | (0.58p) |
| Diluted EPS | (0.08p) | (0.09p) | (0.58p) |

5. **Dividends** – No dividend was recommended or paid for the period under review

6. Financial Liabilities – Borrowings

| | Group | |
|--|--------------------------|------------------------------|
| | 30 June 2008 £'000 | 31 December 2007 £'000 |
| Bank facility | 264 | 305 |
| Medium Term Lending (repayable < 1 year) | 502 | 411 |
| | 766 | 716 |

During the period, the group obtained new Medium Term borrowing in the amount of £693,000 that was applied to reduce convertible loan note holders. The loan is repayable in equal instalments over 30 months.

7. Financial Liabilities – Convertible Loans

| | Group | |
|-------------------|--------------------------|------------------------------|
| | 30 June 2008 £'000 | 31 December 2007 £'000 |
| Convertible loans | 2,226 | 2,868 |

| Loan Amount 30 June (£000) | Loan Amount 31 December (£000) | Interest rate | Conversion Price (p) | Latest conversion or repayment date |
|----------------------------|--------------------------------|----------------|----------------------|--|
| 1,175 | 1,175 | 0% | 1.25p | 30 th November 2008 ^{*1} |
| 10 | 135 | Euro Libor +3% | 1.5p | 30 th November 2008 ^{*2} |
| 785 | 785 | Euro Libor +2% | 1.65p/1.25p | Three months after publication of Financial statements for the year ended 31 st December 2007 ^{*3} |
| 200 | 704 | Euro Libor +3% | 1.65p/1.25p | Three months after publication of Financial statements for the year ended 31 st December 2007 ^{*4} |
| 56 | 69 | | | Being rolled – up interest and the equity element of convertible loans |
| 2,226 | 2,868 | | | |

^{*1} The convertible loan of £1,175,000 is owed to Walbrook Trustees (Jersey) Limited, who are trustees of a discretionary trust (the Tokyo Settlement) of which D Ciclitira is a potential beneficiary.

^{*2} In February 2008, PMG agreed to release RAM Investment Group from a guarantee in relation to the Fifpro World XI player awards in exchange for the cancellation of convertible loan notes of £125,000 (together with accrued interest).

^{*3} Interest is accrued at 2% above Euro Libor, if the lenders call for interest to be paid, the loans can be converted into ordinary shares at the price of 1.65 pence, however, if the lenders do not call for the accrued interest to be paid, the loans can be converted into ordinary shares at a price of 1.25 pence.

^{*4} This loan is secured via a fixed and floating charge. Interest is accrued at Euro Libor + 3%. The loan can be converted into ordinary shares at a price of 0.5 pence. The lender has the right to convert into ordinary shares or be repaid in 9 equal instalments from January 2009.

8. Non-Current Liabilities - Financial Borrowings

| | Group | |
|------------------------------------|--------------------------|------------------------------|
| | 30 June 2008 £'000 | 31 December 2007 £'000 |
| Loans (1 to 2 years) | 129 | 129 |
| Other payables | 161 | 53 |
| Medium term lending (1 to 2 years) | 721 | 240 |
| | <hr/> 1,011 | <hr/> 422 |

Other loans

The loan of £129,000 is payable to 56 Ennismore Gardens ELY Ltd (a company under the control of David Ciclitira). This loan is unsecured and non interest bearing.

Other payables

The amount of £161,000 due in more than one year relates to contractual payments due to ex-Malaysian partners.

Medium term lending

The amount of £721,000 included in medium term lending relates to monthly repayments due in more than one year.

9. Issued Share Capital

Issued share capital as at 30th June 2008 is £3.06m being 413,037,700 ordinary shares of 0.5 pence and 199,831,545 deferred shares of 0.5 pence. There were no movements in the issued share capital of the Company in the period.

10. Other

Copies of unaudited interim results have not been sent to shareholders, however copies are available at www.parallelmediagroup.com or on request from the Company Secretary at the company's Registered Office: 3-12 Harbour Yard, Chelsea Harbour, London, SW10 0XD

11. Approval of Interim Financial Statements

The interim financial statements were approved by the board of directors on 26 September 2008.