

**PARALLEL MEDIA GROUP PLC (“PMG” OR THE “GROUP”)
INTERIM RESULTS
FOR THE 6 MONTHS ENDED 30 JUNE 2009**

HIGHLIGHTS

- Successfully promoted and delivered the second Ballantine’s Championship, the largest golf tournament in South Korea
- Delivered highly acclaimed art exhibitions in Seoul and London sponsored by Standard Chartered
- Turnover increased 17% to £5.7m (2008: £4.8m)
- Gross profit increased 47% to £1.4m (2008: £0.9m)
- EBITDA (Earnings before interest, tax, depreciation and amortisation) £385,000 (2008: loss £154,000)
- Operating Profit £296,000 (2008: loss £222,000)
- Profit for the period £60,000 (2008 loss £346,000)
- Positive cash inflow from operations £356,000 (2008: £34,000)

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CHAIRMAN'S STATEMENT

Business Overview

Parallel Media Group Plc (PMG) continues to make positive progress. In 2009 to date, PMG has successfully promoted and delivered the second Ballantine's Championship, (a PGA European Tour golf event in Jeju Island, Korea) and launched the Korean Eye - the Moon Generation, a highly acclaimed exhibition of contemporary art in Seoul and in the Saatchi Gallery in London.

The success of the Ballantine's Championship (Korea's largest golf tournament) and the Korean Eye (sponsored by Standard Chartered Bank and Visit Korea, the Korean National Tourist Board) has now established PMG as the premier promoter of international sports & lifestyle sponsorship events in Korea.

PMG has continued its role as commercial partner and advisor for the Omega Mission Hills World Cup of Golf in China, which will continue to at least until 2018.

Internationally, PMG distributes the worldwide television rights for the Ladies European Tour which continues to 2013. New sponsorship, media and hospitality propositions for several events are being developed including the Football World Cup in 2010 and the London Olympics in 2012.

Financial Review

Turnover for the six months to 30 June 2009 increased 17% to £5.7m (2008: £4.8m), due mainly to increased secondary sponsorship for the Ballantine's Championship. The gross profit for the period increased 47% to £1.4m (2008: £0.9m) and gross margins are expected to continue improving as events mature and demand for secondary sponsorship increases.

PMG is investing in building new long-term opportunities with multi-year revenue contracts providing a platform for growth in Asia and internationally. In the period under review, development costs (the costs incurred to create new events from which future revenues are expected) were £0.13m; The operating profit for the period was £0.30m (2008: loss £0.22m). The profit for the period after finance costs was £60,000 (2008: loss £346,000).

The cash balance at the 30 June 2009 was a positive £0.86m. During the period PMG extended existing bank facilities and entered into new loans totalling £0.2m. Convertible loans and medium term loans totalling £0.1m were repaid in the period.

The net liability of the group has been reduced in the period to 30 June 2009 to £2.85m (31 December 2008 £3m). Convertible loans outstanding at 30 June 2009 are £2.5m (31 December 2008: £2.4m). At the 30 June 2009, the group had net debt of £3.1m (31 December 2008: £3.2m). The group generated £0.36m cash from operations during the period and will actively manage the demands for cash required for growth, with the reduction of debt expected in 2009 and beyond.

I am pleased to update you on the ongoing case of RAM Media Limited (in administration) vs The Greek Ministry of Culture, which I have mentioned in past reports. The High Court in London has made an award in favour of RAM Media Limited and is holding hearings with regards to costs. PMG is RAM Media's largest creditor with a claim of £0.75m and it would presently appear that we should receive a substantial proportion of our claim by early 2010.

Stakeholders

I would like to take this opportunity to thank our board members, major stakeholders and staff who continue to contribute to PMG's success. PMG has built a loyal, world class team, whose dynamism enables us to offer expertise and support to a growing international clientele of blue chip companies, tourist boards and brands. Our team is now beginning to reap the benefits of determined and focussed investment in our core business. I also believe that we shall soon be in a position to reward the patience of our shareholders.

Future Prospects

The second half of 2009 will see PMG managing the Kazakhstan Open and promoting the Korean Ladies Masters and the UBS Hong Kong Open. We remain confident of achieving profits for the full year 2009 based on current contracts. Discussions are continuing with several potential replacement sponsors for the Hong Kong Open event in November 2010 and beyond. PMG is positioning itself to benefit from the increasing focus of Olympic sponsor spend targeted at the London 2012 games and is building sponsorship and media event assets in Asia and internationally. 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, underpin the creation of long term value for shareholders.

David Ciclitira

Chairman,
30 July 2009

**CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

	Notes	6 months to 30 June 2009 unaudited £'000	6 months to 30 June 2008 unaudited £'000	12 months to 31 December 2008 audited £'000
Continuing operations				
Revenue		5,679	4,842	9,500
Cost of Sales		<u>(4,308)</u>	<u>(3,914)</u>	<u>(7,358)</u>
Gross Profit		1,371	928	2,142
Administrative Expenses		(1,055)	(1,071)	(1,799)
Foreign Exchange		69	(11)	53
Impairment Profit (Loss) on revaluation of investment		<u>-</u>	<u>-</u>	<u>(38)</u>
Earnings before interest, tax, depreciation and amortisation		385	(154)	358
Amortisation of intangibles		<u>(89)</u>	<u>(68)</u>	<u>(136)</u>
Operating Profit / (Loss)		296	(222)	222
Finance cost		(237)	(131)	(508)
Investment Income		<u>1</u>	<u>7</u>	<u>16</u>
Profit / (Loss) on ordinary activities before tax		60	(346)	(270)
Taxation		<u>-</u>	<u>-</u>	<u>-</u>
Profit / (Loss) for the period		<u>60</u>	<u>(346)</u>	<u>(270)</u>
Attributable to:				
Minority Interests		-	-	-
Equity Holders of the parent		<u>60</u>	<u>(346)</u>	<u>(270)</u>
		<u>60</u>	<u>(346)</u>	<u>(270)</u>
Earnings (loss) per share				
	4			
Basic		0.01p	(0.08p)	(0.06p)
Diluted		0.01p	(0.08p)	(0.06p)

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009**

	Notes	30 June 2009 unaudited £'000	30 June 2008 unaudited £'000	31 December 2008 audited £'000
Non-current assets				
Property, Plant & Equipment		19	19	22
Intangible Assets		2,341	2,477	2,409
Development Costs		280	-	161
Investments		13	55	17
Total non-current assets		2,653	2,551	2,609
Current Assets				
Trade Receivables		1,227	459	851
Cash		859	762	728
Total current assets		2,086	1,221	1,579
Current Liabilities:				
Financial Liabilities - borrowings	6	867	766	514
Financial Liabilities - convertible loans		146	2,226	208
Trade & Other payables		3,675	2,674	3,290
Total current liabilities		4,688	5,666	4,012
Net current assets/(liabilities)		(2,602)	(4,445)	(2,433)
Non-current liabilities – financial borrowings	7	(2,898)	(1,011)	(3,186)
Net Liabilities		(2,847)	(2,905)	(3,010)
Equity				
Share Capital	9	3,070	3,064	3,070
Share premium		2,091	2,077	2,091
Equity element of convertible loans		57	92	57
Other reserves		557	557	557
Capital redemption reserve		5,034	5,034	5,034
Foreign translation reserve		45	177	(41)
Retained earnings		(13,571)	(13,799)	(13,631)
Total Equity		(2,717)	(2,798)	(2,863)
Minority Interest		(130)	(107)	(147)
Equity attributable to equity holders of the parent		(2,847)	(2,905)	(3,010)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

	30 June 2009 unaudited £'000	30 June 2008 unaudited £'000	31 Dec 2008 audited £'000
Cash flows from operating activity			
Operating Profit / (Loss)	296	(222)	222
Depreciation	4	6	8
Sale of investments	5	-	-
Amortisation of intangibles	89	68	136
Impairment loss on revaluation of investments	-	-	38
Development costs capitalised	(139)	-	(161)
(Increase)/decrease in debtors	(377)	382	(196)
Increase/(decrease) in creditors	385	(187)	592
Increase in share capital re: elimination of debt	-	-	20
Foreign exchange on non-operating activities	(11)	(13)	129
Increase in translation reserve	104	-	(259)
Cash generated from / (used in) operations	356	34	529
Cash flow from investing activities			
Purchase of property, plant & equipment	(1)	(1)	(6)
Interest received	1	8	16
Net cash generated from (used in) investing activities	-	7	10
Cash flow from financing activities			
Increase in bank facility	184	-	(188)
Cash received from convertible loans	14	-	198
Convertible loans repaid	(55)	(548)	(577)
Loan received	-	693	761
Loan repaid	(56)	(215)	(480)
Costs incurred re: share consolidation	-	-	(106)
Interest paid	(173)	(61)	(417)
Net cash (used in) / generated from financing activities	(86)	(131)	(809)
Net increase / (decrease) in cash and cash equivalents	270	(90)	(270)
Cash and cash equivalents at beginning of the year	728	837	837
Exchange (loss) / gains on cash and cash equivalents	(139)	15	161
Net (decrease)/increase in cash and cash equivalents	270	(90)	(270)
Cash and cash equivalents at end of the period	859	762	728

**CONSOLIDATED CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

The table below sets out the movements in reserve for the six months ended 30 June 2009

	Share Capital	Share Premium	Equity reserve	Other reserves	Capital Redem ption	Forex reserve	Minority Interest	P&L	Total
At 1 January 2009	3,070	2,091	57	557	5,034	(41)	(147)	(13,631)	(3,010)
Profit for the period	-	-	-	-	-	-	-	60	60
Foreign exchange	-	-	-	-	-	86	-	-	86
Minority Interest movement	-	-	-	-	-	-	17	-	17
At 30 June 2009	3,070	2,091	57	557	5,034	45	(130)	(13,571)	(2,847)

The table below sets out the movements in reserve for the year ended 31 December 2008

	Share Capital	Share Premium	Equity reserve	Other reserves	Capital Redem ption	Forex reserve	Minority Interest	P&L	Total
At 1 January 2008	3,064	2,077	92	557	5,034	177	(109)	(13,453)	(2,561)
(Loss) for the period	-	-	-	-	-	-	-	(270)	(270)
Equity element of old convertible loan	-	-	(92)	-	-	-	-	92	-
Equity element of new convertible loan	-	-	57	-	-	-	-	-	57
Foreign exchange	-	-	-	-	-	(218)	-	-	(218)
Proceeds of share issue	6	14	-	-	-	-	-	-	20
Minority Interest movement	-	-	-	-	-	-	(38)	-	(38)
At 31 December 2008	3,070	2,091	57	557	5,034	(41)	(147)	(13,631)	(3,010)

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 2008, which have been prepared in accordance with IFRS's. The comparative figures shown for the year ended 31 December 2008 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 2008.

3. Segment Information

The group is organised into two main divisions Event Promotion and Consultancy and Sales. The Event Promotion division is based in Hong Kong and operates professional golf tournaments in Asia which are Sanctioned by the European Tour and Ladies European Tour. The Consultancy and Sales division is based in the London headquarters and works with major international brands, sports federations and tourist boards on sports and lifestyle projects, brand development, sales and marketing opportunities.

	Event Promotion Asia		Sales & Consultancy Europe		Consolidated	
	6 months to 30 June 2009 £'000	6 months to 30 June 2008 £'000	6 months to 30 June 2009 £'000	6 months to 30 June 2008 £'000	6 months to 30 June 2009 £'000	6 months to 30 June 2008 £'000
Group						
Revenue	5,397	4,647	282	195	5,679	4,842
Segment result	983	552	119	39	1,102	591
Unallocated corporate overhead					(806)	(813)
Operating profit / loss					296	(222)
Finance Costs					(237)	(124)
Investment income					1	-
Profit / (Loss)					60	(346)
Segment Assets	3,113	2,776	752	169	3,865	2,945
Unallocated corporate assets					871	815
Consolidated total assets					4,736	3,760
Segment liabilities	(2,843)	(1,871)	(19)	(13)	(2,862)	(1,883)
Unallocated corporate liabilities					(4,721)	(4,782)
Consolidated total liabilities					(7,583)	(6,665)
Net liabilities					(2,847)	(2,905)

4. Earnings / (loss) per Share

The basic earnings per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue during the year. In calculating the diluted earnings per share, outstanding share options, warrants and convertible loans are taken into account where the impact of these is dilutive.

	6 months to 30 June 2009	6 months to 30 June 2008	year ended 31 December 2008
(i) Basic			
Profit /Loss for the period (£'000)	60	(345)	(270)
Weighted average number of shares in issue (No.)	<u>467,072,593</u>	<u>413,037,700</u>	<u>422,540,236</u>
Earning / (loss) per share (p)	0.01p	(0.08p)	(0.06p)
(ii) Fully diluted			
Profit / Loss for the period (£'000)	60	(345)	(270)
Add back interest charged on convertible loans (£'000)	<u>79</u>	<u>37</u>	<u>169</u>
Revised Profit / Loss for the period (£'000)	<u>139</u>	<u>(308)</u>	<u>(101)</u>
Weighted average number of shares in issue (No.)	467,072,593	413,037,700	422,540,236
Weighted average of potential dilutive effect of ordinary shares issuable under:			
- Convertible loan agreements	1,679,630,220	179,830,274	671,650,685
- Employee share schemes	15,162,750	12,543,000	13,031,063
- Warrants	<u>31,706,202</u>	<u>25,778,025</u>	<u>29,007,572</u>
Weighted average number of shares (No.)	<u>2,193,571,765</u>	<u>631,189,000</u>	<u>1,136,229,556</u>
Diluted Earnings / (loss) per share (p)	0.01p	(0.08p)	(0.06p)

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

6. Financial Liabilities – Borrowings

	30 June 2009	31 December 2008
	£'000	£'000
Bank facility	300	116
Medium Term Lending (repayable < 1year)	<u>567</u>	<u>398</u>
	<u>867</u>	<u>514</u>

7. Non-Current Liabilities - Financial Borrowings

	30 June 2009	31 December 2008
	£'000	£'000
Convertible loans	2,321	2,235
Loans (1 to 2 years)	129	129
Medium term lending (1 to 2 years)	448	822
	2,898	3,186

Convertible Loans

The value of convertible loans at the balance sheet date has been determined in accordance with IAS 32. This requires the recognition of the debt and equity components of the amounts received, with equity components shown directly in equity reserves.

	30 June 2009	31 December 2008
	£'000	£'000
Convertible loans due in less than one year	146	208
Convertible loans due in more than one year	2,321	2,235

	30 June 2009	Latest Conversion or repayment date	Interest at Eurolibor +	Conversion price
	£'000			
Convertible loans due in less than one year (see note (1) below)	146	31 December 2009	+3%	0.25p
Convertible loans due in more than one year (see note (2) below)	2,321	1 July 2010	+4%	0.25p

note 1: 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 0.25 pence. The lender has the right to convert into ordinary shares or be repaid in 6 instalments to December 2009.

note 2: The convertible loan amounts due in more than one year of £2,321,000 includes £1,265,241 which 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.

The convertible loans due in more than one year are eligible for a redemption premium equal to 50 per cent as approved at the General Meeting on 24 October 2008, with such premium payable in cash at the election of the Company or otherwise through the issue of New Ordinary Shares at the conversion price of 0.25 pence per share or such lower price as any other person is issued shares in the Company after the date on which the relevant loan agreement is varied.

Other loans

The loan of £129,000 is payable to a company under the control of D Ciclitira. This loan is unsecured and carries interest at 14%. This loan together with short-term lending from other DCiclitira controlled entities which totalled £327,000 have the option to convert into ordinary shares at 0.025p together with associated premium as approved by shareholders at the General Meeting on 24th October 2008.

Medium term lending

The amount of £448,000 is comprised of scheduled instalments due to repay medium term debt, due in more than one year.

8. Issued Share Capital

Issued share capital as at 30th June 2008 is £3.07m being 467,072,593 ordinary shares of 0.01 pence; 199,831,545 deferred shares of 0.5 pence and 103,260 deferred B shares of £19.60. There were no movements in the issued share capital of the Company in the period.

9. 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

10. Approval of Interim Financial Statements

The interim financial statements were approved by the board of directors on **30th July 2009**