



SysMedia Group plc

INTERIM FINANCIAL STATEMENTS

for the half year ended

30 June 2008

Company Registration No. 1651588

DIRECTORS

A D Lambourne
D T Lowen (non executive)

COMPANY NUMBER

1651588 (England and Wales)

REGISTERED OFFICE

Gatwick House
Peeks Brook Lane
Horley
Surrey
RH6 9ST

AUDITORS

Mazars LLP
37 Frederick Place
Brighton
BN1 4EA

BANKERS

Barclays Bank plc
27 Soho Square
London
W1D 3QR

SYSMEDIA GROUP PLC
CHAIRMAN'S STATEMENT ON INTERIM RESULTS
Six months to end June 2008

Profitability in the first half showed considerable improvement over the same period last year. The benefits of reduced office space and staff costs are now feeding through to the bottom line and a retained profit of £32,515 was achieved (H1 2007: £34,512 loss). Turnover is reduced to £884,914 for the period (H1 2007: £977,798) but is in line with projections for the year. As mentioned in the previous interims, H1 2007 turnover benefited from a significant hold-over of orders from the end of 2006. Administrative costs are reduced by £164,292 compared to H1 2007.

Second half trading has historically been better than the first half, though it is too early to indicate whether this pattern will be repeated in the current year.

During first half 2008, the company has continued to invest in new product capabilities both directly and through strategic partnerships. We have secured a contract to deliver output from the Plasma Gold multimedia content publishing system to mobile phones for a major UK broadcaster. We are seeing considerable interest from the Far East in this capability. At the same time, we have significantly improved our capability to embed subtitle data directly into media files in the common broadcast and data formats and as open captions. We have end-to-end capability in High Definition open captioning as well as a low-cost Standard Definition solution.

SysMedia exhibited at the North American Broadcast show in Las Vegas in April, and at Broadcast Asia in Singapore in June. We will be exhibiting at the International Broadcasting Convention in Amsterdam in September. In April, we relaunched our website with a focus on conveying our capability and benefit messages more clearly and all our shareholders are encouraged to visit www.sysmedia.com regularly for news about what the company is achieving.

The company de-listed from the Plus market in May and has now been accepted for trading in its shares on the Sharemark exchange. Details are being sent to all shareholders, and dealings under an auction system will start in October. We believe that this service provides a more cost-effective solution to the needs of our particular mix of shareholders.

The broadcast market remains competitive and ever-changing as new technologies and ways of reaching audiences vie for attention, and as telcos seek to consolidate their position as content distributors. SysMedia has positioned itself as a company which provides the tools to those producing and delivering content, enabling them cost-effectively to enhance that content with subtitles and information services across all the platforms they seek to reach. We are continually watchful for opportunities to take this message into a broader market.

David Lowen
Chairman, SysMedia Group plc
Tel: 01293 814200

SYSMEDIA GROUP PLC
Consolidated Unaudited Profit and Loss
Account
For the six months ended 30th June
2008

	Unaudited 6 months ended	Unaudited 6 months ended	Audited Year ended 31st December
	30th June 2008	30th June 2007	2007
Note	£	£	£
Turnover	884,914	977,798	1,803,242
Cost of sales	<u>(104,706)</u>	<u>(101,241)</u>	<u>(214,207)</u>
Gross profit	780,208	876,557	1,589,035
Distribution costs	(10,200)	(12,750)	(13,238)
Administrative costs	(716,509)	(880,801)	(1,831,210)
Operating profit/loss before goodwill amortisation	53,499	(16,994)	(255,413)
Amortisation of goodwill	(22,002)	(21,732)	(43,464)
Interest receivable	1,018	4,214	4,281
Profit/Loss on ordinary activities before tax	32,515	(34,512)	(294,596)
Taxation	2	-	(169)
Retained profit/loss for the period	<u>32,515</u>	<u>(34,512)</u>	<u>(294,765)</u>
Profit/Loss per share	3	0.001	(0.001)
Basic & fully diluted			(0.010)

SYSMEDIA GROUP PLC
Consolidated Unaudited Balance
Sheet

At 30 June 2008

	Unaudited	Unaudited	Audited
	As at 30 June	As at 30 June	As at 31
	2008	2007	December
	£	£	2007
			£
Fixed Assets			
Intangible assets	3,084	46,818	25,086
Tangible assets	58,204	104,884	72,573
	<u>61,288</u>	<u>151,702</u>	<u>97,659</u>
Current Assets			
Stock and Work in Progress	97,778	82,007	84,064
Debtors	444,088	535,706	354,180
Cash at bank	73,531	196,975	159,329
	<u>615,397</u>	<u>814,688</u>	<u>597,573</u>
Current Liabilities			
Creditors due within one year	<u>(346,181)</u>	<u>(412,440)</u>	<u>(397,243)</u>
Net Current Assets	<u>269,216</u>	<u>402,248</u>	<u>200,330</u>
Net Assets	<u>330,504</u>	<u>553,950</u>	<u>297,989</u>
Financed By:			
Share capital	2,412,734	2,412,734	2,412,734
Share premium account	2,766,220	2,766,220	2,766,220
Profit and loss	<u>(4,848,450)</u>	<u>(4,625,004)</u>	<u>(4,880,965)</u>
Shareholders' Funds	<u>330,504</u>	<u>553,950</u>	<u>297,989</u>

SYSMEDIA GROUP PLC
NOTES TO THE INTERIM ACCOUNTS

1. ACCOUNTING POLICIES

The financial information contained in this interim statement has been prepared on the basis of the accounting policies set out in the Group's audited financial statements for the year ended 31st December 2007 which have been applied consistently throughout the period.

2. TAXATION

No taxation charge has been made in the six months as the directors are of the opinion that there will be sufficient tax losses available to offset any taxable profits for the year.

3. PROFIT/LOSS PER SHARE

Basic profits per share has been calculated based on a profit on ordinary activities after taxation of GBP 32,515 (6 months to 30th June 2007 : loss GBP 34,512) and on a weighted average of 30,679,792 (6 months to 30th June 2007 : 30,679,792) ordinary shares in issue during the period.

The effect of share options outstanding at the period end is not dilutive and therefore no diluted profit/loss per share calculation is shown.

4. REVIEW OF INFORMATION

The information contained in this statement has not been reviewed by the Company's auditors.

5. NON STATUTORY ACCOUNTS

The financial information contained in this report does not constitute full statutory accounts as defined by section 435 of the Companies Act 2006 or section 240 of the Companies Act 1985. The results shown for the financial year ended 2007 are extracted from the full financial statements, which have been filed with the Registrar of Companies. The report from the auditors on these accounts was unqualified and did not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

Copies of this report are available from the Group's offices at :

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