31 March 2010

MediaZest Plc
("MediaZest" or the "Group")

Unaudited results for the six months ended 31 December 2009

CHAIRMAN'S STATEMENT

Introduction

On 12 February 2010, the Board of MediaZest announced that it had raised £324,000 to fund both the Company's working capital requirements and to contribute towards restructuring its capital base. Consequently, given both the level of funds raised and the timing thereof, the Board decided to extend the current accounting period to 15 months, ending 31 March 2010. This was to enable the Company to present audited accounts that better reflect the current position and its improvement since the last reporting period.

The Company, therefore, as a consequence of this change in the year end from 31 December 2009 to 31 March 2010, reports this second set of interim results, to cover the six months to 31 December 2009. The audited results for the 15 month period to 31 March 2010 must be published by 30 September 2010 but the Board expects to be in a position to finalise and announce these earlier.

Financial Review

Revenue for the period fell sharply as a result of the recession, to £1,263,000 (2008 - £2,279,000) and the Group made a loss for the period, after taxation, of £141,000 (2008 - £263,000) after finance costs of £9,000 (2008 – nil) and having paid administrative expenses of £689,000 including £124,000 of restructuring costs (2008 - £1,104,000 including nil restructuring costs). The basic and fully diluted loss per share was nil pence (2008 – 1 pence). The Group had cash in hand of £1,000 (2008 - £102,000) at the period end. EBITDA excluding restructuring costs was £17,000 (2008 – loss of £241,000).

At the period end, the Group had received £154,000 of the £324,000 announced on 12 February 2010. The balance of £170,000 was received subsequent to the period end. This fundraising was in addition to the £200,000 raised in August 2009. Only the funds received by 31 December 2009 are reflected in these accounts.

Operational Review

As noted in the interim results to 30 June 2009, after encouraging and improving performances during 2007 and 2008, the global recession has had a significant impact on the Group's 2009 trading activities. In light of this, the Board responded during the first half of 2009 by implementing a further restructuring of the Group's cost base. Additional emphasis was placed upon generating ongoing contractual revenues in order to build a more robust business that could progress during the recession and deliver growth as the economy improves.

The bulk of this restructuring was undertaken in the second quarter 2009 with the effect being realised during the second half of that year. The second half of 2009 also showed an increase in revenue, consistent with the seasonality of TouchVision's Education business, which is considerably busier in the Summer due to the holiday period when students are not in attendance. The combined result was to enable the Group to deliver a profitable EBITDA, excluding restructuring costs, for the six months to 31 December 2009. There is still some way to go to achieve the results of which we believe the Group is capable, but the Board is pleased to have reached this milestone in such a difficult economic environment.

There has been evidence of a contraction in expenditure in the public sector markets in which TouchVision operates. Despite this, it won two significant University installation jobs of approximately £200,000 each, both delivered to a very high standard. The balance of the Company's customer base has continued to engage with TouchVision to deliver their audio-visual teaching solutions, albeit in some cases with the restriction of reduced budgets.

The client base of MediaZest Ventures, predominantly high street retailers such as JD Sports and O2, continued to grow with new clients acquired and existing clients re-engaging. However, overall revenue was considerably less than the previous year. The Board believes that this was a direct result of the reduction in client marketing budgets as a consequence of recessionary pressures. This view is reinforced by the high client retention rate that MediaZest Ventures enjoyed. Therefore, despite expanding the client base, the level of revenue per client decreased. The Board expects this to improve as the overall economy begins to emerge from recession.

Outlook

January to March is historically the Group's weakest quarter of the year due to the seasonality of the markets in which it operates. High street retail business is quiet post Christmas, and Education is similarly quiet with no major Educational holiday periods (Easter falling into April for 2010). Revenues to date are broadly in line with the corresponding period last year and combined with the reduced cost base, this has resulted in a noticeable improvement in the Group's performance compared to the same period last year and in previous years. The Group is continuing its strategy of prioritising ongoing contractual revenues whereby the medium term objective is to cover 100% of overheads through this type of business.

With regard to the future, MediaZest Ventures continues to market itself on the basis that its unique positioning and profile will present enhanced business opportunities as the economic climate improves. It is noticeable that since the beginning of 2010, enquiries have increased significantly and its client base continues to grow. Amongst the household names with which MediaZest Ventures is engaged are the likes of Barclays Bank, Dr Martens, Famous Grouse, Fiat, Microsoft, McDonald's, Nike and Philip Morris.

The sales cycle for MediaZest Ventures business can be several months and so the Board expects the outcome of the current increase in enquiries to have an effect during the second half of 2010.

The TouchVision business is also experiencing an increase in both enquiries and activity, particularly in the Education sector as well as in general installation work. Again, this activity is from a mix of both existing customers who are aware of the strength of our offering in a very competitive market, and new customers searching for better value in difficult times.

Since July 2009 we have improved the Group's balance sheet significantly, having injected considerable equity capital as well as paying down or refinancing debt and our credit facilities. The Group overhead base has been markedly reduced and the business restructured to address the challenges that have been presented to it. Notwithstanding, the general business environment remains difficult and any small business' access to both credit and financing is challenging. The Board's objective is for the Group to achieve sustainable profitability. It aims to achieve this by continuing to build upon the progress that has been made since last year and to take whatever initiatives it deems necessary to achieve this goal.

Lance O'Neill **30 March 2010**
Chairman

For further information please contact:

Geoff Robertson, MediaZest
Tel: 020 7724 5680

Antony Legge, Nominated Adviser
Astaire Securities Limited
Tel: 020 7448 4400

www.mediazest.com

CONSOLIDATED INCOME STATEMENT for the six months ending 31 December 2009

	Notes	Unaudited Six months to 31-Dec-09 £'000	Unaudited Six months to 31-Dec-08 £'000	Audited Twelve months to 31-Dec-08 £'000
Continuing Operations				
Revenue		1,263	2,279	4,424
Cost of sales		(706)	(1,438)	(2,846)
Gross profit		557	841	1,578
Administrative expenses : other		(540)	(1,082)	(2,129)
Administrative expenses : restructuring costs		(124)	-	-
EBITDA		(107)	(241)	(551)
Administrative expenses: depreciation		(25)	(22)	(47)
Operating loss		(132)	(263)	(598)
Interest		(9)	-	(7)
Loss before taxation		(141)	(263)	(605)
Taxation		-	-	-
Loss on ordinary activities after taxation		(141)	(263)	(605)
Loss per ordinary share				
Basic	**2**	£0.00	£0.01	£0.03
Diluted	**2**	£0.00	£0.01	£0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2009

	Unaudited as at 31-Dec-09 £'000	Unaudited as at 31-Dec-08 £'000	Audited as at 31-Dec-08 £'000
Non-current assets			
Goodwill	2,772	2,772	2,772
Plant and equipment	55	87	87
Total non-current assets	2,827	2,859	2,859
Current assets			
Inventories	186	107	107
Trade and other receivables	269	617	617
Cash and cash equivalents	1	102	102
Total current assets	456	826	826
Current liabilities			
Financial liabilities - borrowings	(125)	(220)	(220)
Bank overdraft	(83)	-	-
Trade and other payables	(591)	(835)	(835)
Current tax liabilities	(121)	(110)	(110)
Total current liabilities	(920)	(1,165)	(1,165)
Net current assets / (liabilities)	(464)	(339)	(339)
Net assets	2,363	2,520	2,520
Equity			
Share Capital	2,362	2,283	2,283
Share premium account	3,327	3,211	3,211
Shares to be Issued	154	-	-
Other reserves	7	7	7
Retained earnings	(3,487)	(2,981)	(2,981)
Total equity	2,363	2,520	2,520

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the 6 months ended 31 December 2009

	Share Capital £'000	Share Premium £'000	Shares to be Issued £'000	Share Options Reserves £'000	Retained Earnings £'000	**Total Equity £'000**
Balance at 1 July 2008	2,283	3,211	-	7	(2,718)	**2,783**
Total comprehensive income for the period	-	-	-	-	(263)	**(263)**
Balance at 31 December 2008	2,283	3,211	-	7	(2,981)	**2,520**
Balance at 1 July 2008	2,283	3,211	-	7	(2,718)	**2,783**
Total comprehensive income for the period	-	-	-	-	(633)	**(633)**
Balance at 30 June 2009	2,283	3,211		7	(3,351)	**2,150**
Total comprehensive income for the period	-	-	-	-	(141)	**(141)**
Expensing of old capital raising cost to Share Premium	-	(5)	-	-	5	**0**
Amounts received in advance of share issue	-	-	154	-	-	**154**
Issue of shares	79	121	-	-	-	**200**
Balance at 31 December 2009	2,362	3,327	154	7	(3,487)	**2,363**

CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 31 December 2009

	Note	Unaudited Six months to 31-Dec-09 £'000	Unaudited Six months to 31-Dec-08 £'000	Audited Twelve months to 31-Dec-08 £'000
Net cash used in operating activities	**3**	(327)	130	(118)
Investing activities				
Purchase of property, plant and equipment		(10)	(25)	(27)
Proceeds from disposal of property, plant and equipment		-	-	-
Net cash generated from / (used in) investing activities		(10)	(25)	(27)
Financing activities				
Debt financing - invoice discounting net drawdown / (repayment)		(59)	(70)	220
Share issue proceeds		200	-	-
Amounts received in advance of share issue		154	-	-
Interest paid		(9)	-	(7)
Net cash generated from / (used in) financing activities		286	(70)	213
Net increase / (decrease) in cash and cash equivalents		(51)	35	68
Cash and cash equivalents at beginning of period		(31)	67	34
Cash and cash equivalents at end of period		(82)	102	102

NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation

The Group's annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU applied in accordance with the provisions of the Companies Acts applicable to companies preparing financial statements under IFRS.

Accordingly, the consolidated half-yearly financial information in this report has been prepared using accounting policies consistent with IFRS. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be applicable as at 31 December 2009.

The financial information has been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments. The principal accounting policies set out below have been consistently applied to all periods presented.

This interim report does not comply with IAS 34 "Interim Financial Reporting" (as adopted by the European Union), as permissible under the AIM Rules for Companies.

The Directors have considered financial projections based upon known future invoicing, existing contracts, pipeline of new business, and previous experience in the various markets in which it operates, in addition to fundraising activity and the Group's debt based facilities. These forecasts have been considered in light of the global recession and the significant cost restructuring that was undertaken in the final quarter of 2008 and in 2009 as a response to these conditions. The financial projections indicate that the company will generate sufficient cash resources to meet its liabilities as they fall due over the 12 month period from the date of this interim announcement.

As a result the directors consider that it is appropriate to draw up the accounts on a going concern basis. Accordingly, no adjustments have been made to reflect any write downs or provisions that would be necessary should the Group prove not to be a going concern.

Non-statutory accounts

The financial information for the 6 months ended 31 December 2009 and 31 December 2008, and the year ended 31 December 2008 do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2008, were prepared under IFRS, and have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified but did contain references to going concern to which the auditors drew attention by way of an emphasis of matter paragraph without qualifying their report and did not contain any statement under section 498 of the Companies Act 2006.

2. Loss per share

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £141,000 (2008 £263,000) by the weighted average number of shares during the period of 133,825,327 (2008 – 22,825,327). The diluted loss per share is identical to that used for basic loss per share as the exercise of warrants would have the effect of reducing the loss per share and therefore is not dilutive under International Accounting Standard 33 "Earnings per Share".

3. CASH GENERATED FROM / (USED IN) OPERATIONS

	Unaudited Six months to 31-Dec-09 £'000	**Unaudited Six months to 31-Dec-08 £'000**	**Audited Twelve months to 31-Dec-08 £'000**
Operating loss	(132)	(263)	(598)
Share option charge	-	-	-
Depreciation of tangible assets	25	22	47
Decrease/(increase) in stock	(9)	203	65
Increase/(decrease) in creditors	(265)	(253)	(67)
Decrease/(increase) in debtors	54	421	435
Cash generated from / (used in) operations	(327)	130	(118)
Tax paid	-	-	-
	(327)	130	(118)

4. Distribution of the Half-yearly Report

Copies of the Half-yearly Report will be available to the public from the Company website, www.mediazest.com, and from the Company Secretary at the Company's registered address at 3rd Floor, 16 Dover Street, London W1S 4LR.