



11 October 2005

RDF MEDIA GROUP PLC (“RDF” OR THE “GROUP”) INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2005

Financial Highlights

- Turnover (including share of associates) up 14% to £26.3m (2004: £23.0m).
- Gross margin advanced to 27.4% (2004: 26.2%).
- Profit before tax up by 9% to £1.47m (2004: £1.35m) before flotation costs.
- Rights revenues increased by 46% to £6.4m (2004: £4.4m).

Other highlights

- Successful flotation on AIM in May 2005.
- Re-order of *Wife Swap*, *Scrapheap Challenge*, *Shipwrecked* and *Rock School* reinforces strong relationship with Channel 4.
- Re-orders for ITV shows *Holiday Showdown* and *Ladette to Lady*.
- BBC commissions up threefold to £3.5m. Additional £4.5m BBC commission for drama series *Rocket Man* through Touchpaper TV. More opportunity for further growth.
- Second season of *Wife Swap USA* ordered by ABC network.
- In August acquired outstanding 65% of drama producer Touchpaper Television (“Touchpaper TV”) for £2.7m.

Outlook

- Healthy order book for new programming and increasing rights inventory provide confidence for the full year.

David Frank, Chief Executive, commented:

“The business made good progress in the first half and we also made our debut on AIM. We are continuing to capitalise on the opportunities that have arisen as a result of structural and regulatory change in the UK television supply market and completed our first acquisition, Touchpaper TV. RDF owns, controls and exploits more rights than ever before and is a significant supplier of programming to a number of UK and US broadcasters. We continue to invest in creating and acquiring valuable content and exploring new ways to exploit that content in a digital age.”

For further information, please contact:

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An analyst presentation will be held today at 9.30am at Finsbury, 52-58 Tabernacle Street, EC2A 4NJ. To register please call Finsbury on 020 7251 3801. Photographs are also available on request from Finsbury.

RDF MEDIA GROUP PLC
INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2005

Overview for the period

This is the Group's first results statement since RDF floated on AIM earlier this year.

In the six months to 31 July 2005 the Group has built on the progress made last year following the implementation of new terms of trade with UK broadcasters, both in production and in rights exploitation. Production revenues are on track while RDF Rights continues to perform slightly ahead of expectations.

Trading, which is traditionally slower in the first half of the financial year, has picked up since May. June and July both proved to be good months as pipeline production business turned into commissions and rights exploitation activity accelerated.

Revenue (including share of associates) increased by 14% to £26.3m (2004: £23.0m) and gross margins have risen to 27.4% (2004: 26.2%).

RDF remains a significant supplier of programming to Channel Four and ITV. Key UK shows such as *Wife Swap* (C4), *Holiday Showdown* (ITV), *Ladette to Lady* (ITV) and *Scrapheap Challenge* (C4) have all been re-commissioned for further runs. In the six months under review RDF has also tripled the value of BBC commissions, excluding those associated with Touchpaper TV. We continue to invest in developing unique content in close co-operation with our broadcast partners.

The focus of UK broadcasters on the higher rating autumn/winter schedule means that, as in prior years, a higher proportion of RDF's Intellectual Property ("IP") income will fall into the second half of the financial year as programmes become ready for secondary exploitation. We have 20 titles due to air in the UK before the year end compared with 11 titles at the same point last year.

While US revenues are 12% ahead of the same period last year, the board has targeted a higher growth rate as we believe that there are significant opportunities for RDF in this market. As a result the Directors are taking steps to strengthen the local management teams in both New York and Los Angeles. We are confident that the changes to our US operations will aid its ability to grow further in the future.

The US continues to be an attractive market for RDF. In the current year a second season of RDF's hit show *Wife Swap* has been ordered by ABC for transmission later this year. RDF will also deliver a network show, *Survival of the Richest*, to the WB Network during the current financial year.

RDF Rights is taking full advantage of the opportunities provided by the new terms of trade which give UK independent production companies the right to appoint their distributor of choice. First half revenues have grown by 46% to £6.4m (2004: £4.4m) demonstrating RDF's ability to exploit both proprietary and third party programming. We continue to anticipate growth in this area for the current financial year.

Just after the period end we were delighted to complete the acquisition of drama producer Touchpaper TV, previously a 35% associate company of the Group, for £2.7m. Touchpaper TV's revenue has grown in the first half to £5.3m (2004: £0.4m). The company is in business with the BBC, ITV and Channel 4 and provides us with a firm foundation on which to build further growth in scripted programming.

Also completed after the period end, and as part of its strategy to broaden its knowledge and understanding of new platforms for content distribution, RDF has made an investment of £0.14m in new satellite broadcaster The Baby Channel in return for a 12.5% stake. The Baby Channel is available on Sky, cable and broadband and offers consumers a range of options including scheduled programmes, video on demand, DVDs and home shopping.

We are delighted to announce that Maggie Carver has today joined the RDF Board as a non-executive Director. The Board believes that Maggie can make a substantial contribution to the development of the Group and we welcome her to RDF. Maggie was previously Managing Director of Three on Four Limited (the producer of Channel Four Racing), Chairman of SDN Limited (the digital terrestrial television multiplex operator), a non-executive Director of Channel Five Television Group Limited and is currently a non-executive Director of Satellite Information Services Limited (the broadcaster to bookmakers).

Results by Division

UK Production

RDF's UK Production division makes television shows that are commissioned and shown by UK terrestrial, satellite and cable broadcasters.

<i>Six months ended</i>	<i>31 July 2005</i>	<i>31 July 2004</i>	<i>% change</i>
	£000	£000	
Turnover	11,187	12,687	-11.8%
Gross profit	2,729	2,683	+1.7%
<i>Gross margin</i>	<i>24.4%</i>	<i>21.1%</i>	<i>+15.6%</i>

While UK production revenues in the first half were down slightly on last year as the result of small changes in the timing of commissions, gross profits were up 1.7% and we are anticipating growth for the full year in both revenues and gross profits. RDF has a strong list of programmes due for delivery in the second half of the year with 20 titles scheduled for airing on BBC, ITV, Channel 4, Five, E4 and UKTV before 31 January 2006, compared to 11 at the same point last year.

RDF's policy is to recognise turnover and profits over the life of individual productions. We currently have more than 80% visibility on our consensus forecast revenues to year end in this division. Gross margins in UK Production improved in the six months under review.

Most pleasing is that following structural changes at the BBC and the introduction of new terms of trade, programmes worth £3.5m have been commissioned by the BBC, £1.7m of which has been recognised as revenue in the six months ended 31 July 2005. We believe there is opportunity for further growth with the BBC in the future.

Channel 4 remains RDF's largest UK customer and a number of new and exciting RDF productions are making their debut on the channel this year: *Rock School*, *Make Me a Million* and *The Queen's Sister* (through Touchpaper TV). In addition we have received new orders for returning hits *Wife Swap*, *Scrapheap Challenge* and *Shipwrecked*.

We announced the acquisition of the outstanding 65% of Touchpaper TV on 10 August 2005. The acquisition gives us a meaningful presence in scripted programme production which we expect to be earnings enhancing to the Group. RDF will continue to look to acquire further independent producers that we feel have the track-record and potential to deliver valuable programming content. In addition we will continue to seek to attract creative talent to RDF to underpin organic growth.

US Production

RDF's US Production division makes television shows that are commissioned and shown by US network and cable broadcasters.

<i>Six months ended</i>	<i>31 July 2005</i>	<i>31 July 2004</i>	<i>% change</i>
	£000	£000	
Turnover	6,006	5,358	+12.1%
Gross profit	1,067	882	+21.0%
<i>Gross margin</i>	<i>17.8%</i>	<i>16.5%</i>	<i>+7.9%</i>

RDF's US presence has grown and continues to develop. We won a re-order from ABC for 13 episodes of *Wife Swap* in a deal worth \$10m and we are in production on *Survival of the Richest*, a 6 part series for the WB network. The latter is a show we are undertaking as a joint venture with IWC, another UK independent producer. Both will be aired in the current financial year.

US Production revenues are up 12%, gross profits increased by 21% and gross margins improved by more than one percentage point when compared to the same period last year.

However, the Board has targeted a better performance as we believe that there are significant opportunities for RDF in this market. As a result, we are implementing changes which we believe will better position our US business in the future. More specifically, the Board is taking steps to strengthen the local management teams in New York and Los Angeles.

RDF Rights

RDF Rights includes RDF International (finished programme and format sales) and RDF Consumer Products (DVDs, books and merchandising). RDF's share of net profits from the exploitation of (wholly or partially) owned IP is also booked to this division.

<i>Six months ended</i>	<i>31 July 2005</i>	<i>31 July 2004</i>	<i>% change</i>
	£000	£000	
Turnover	6,405	4,398	+45.6%
Gross profit	2,517	2,171	+15.9%
<i>Gross margin</i>	<i>39.3%</i>	<i>49.4%</i>	<i>-20.4%</i>

RDF Rights has taken advantage of the new terms of trade which allow independent producers in the UK to appoint their distributor of choice rather than be required to cede distribution rights to a commissioning broadcaster. RDF Rights has now signed "first look" agreements with 9 other production companies and most recently announced the acquisition of the ex US and UK rights to the 19 TV production *So You Think You Can Dance?*

Revenues have grown 46% as a result of RDF Rights building an increased volume of third party rights. The division has also seen an increase in the number of new hours of programming it is representing compared to a year ago. The RDF Rights Autumn/Winter New Programming Brochure contains 448 new programme hours, compared to 270 new programme hours in 2004, an increase of almost 66%.

Gross profit for RDF Rights increased from £2.2 million to £2.5 million. The corresponding downward – but fully anticipated – movement in gross margins reflects the gradual increase in the sales mix in favour of non-RDF produced content that RDF Rights is selling. Third party rights accounted for 38% of RDF Rights revenue in the period under review, compared to 20% in 2004.

We anticipate continued growth in this area in the second half of the year.

Financial Overview

Earnings per share

We have calculated the earnings per share (EPS) on an adjusted basis, removing the exceptional costs relating to the float which were £1.328m. On this basis, adjusted basic EPS is 5.1p, up from 4.4p in the same period last year reflecting the 55% uplift in post tax earnings (excluding float costs) and the increase in the number of shares in issue from 21.017m to 27.851m.

Overheads

Overheads have increased year on year by 11% and remain within our target of 20% of total turnover. Additional overheads have been incurred in increasing headcount, the on-going costs associated with being a listed company, supporting the increased turnover of RDF Rights and, in the period under review, we incurred legal costs in defending the *Wife Swap* brand in the US.

Taxation

While the costs associated with the float are not allowable for tax purposes we are anticipating a tax credit in respect of the share options exercised on the float. We have continued to provide taxation at 31% to reflect any potential US tax due in the period, which may not be offset against our UK liability.

Balance Sheet

We continue to strengthen our balance sheet. Capital expenditure in the six month period was £0.47m, of which over 60% related to the acquisition of distribution rights associated with content created by other production companies. WIP and debtors continue to be converted into cash at an improving rate now the new terms of trade with broadcasters are well understood. Although the half year shows a reduction in cash of £0.34m, we are still showing £5.2m on the balance sheet, an increase on the previous half year of £0.9m. Over the same period, shareholders' funds rose by 41% to £7.8m.

Cash flow

Financing cash flows include the issue of share capital, repayments of loans and leases, and movements in borrowings which we need to undertake to finance ITV productions. The significant movement year on year reflects the timing of delivery of ITV productions (in the earlier period we had four productions totalling £4.2m, whereas in the period under review only one production's loan is outstanding).

Share Capital

To facilitate the flotation we made the following changes to our capital structure: a 199:1 bonus issue of ordinary 0.01p shares and preferred ordinary 0.01p shares, followed by a 100:1 consolidation of existing ordinary 0.01p shares and preferred ordinary 0.01p shares into ordinary 1p shares and preferred ordinary 1p shares respectively.

International Financial Reporting Standards and UK GAAP

The financial statements for the period have been prepared in accordance with UK GAAP. As an AIM listed company, we are required to comply with International Financial Reporting Standards for the year ending 31 January 2007 with comparatives provided for the previous year. We have decided not to implement in advance.

Outlook

Operationally RDF has made good progress in the year to date, continuing to capitalise on the opportunities that have arisen as a result of structural and regulatory change in the UK television supply market. RDF owns, controls and exploits more rights than ever before and is a significant supplier of programming to major UK and US broadcasters.

RDF has a number of high profile shows airing in the crucial autumn/winter schedules both in the UK and in the US including *Wife Swap* (UK and US), *Holiday Showdown* (ITV), *Scrapheap Challenge* (C4), *Come Buy with Me* (BBC), *The Queen's Sister* (C4) and *Shipwrecked* (C4/E4), following which a number of re-orders of these shows are expected.

In addition we have more programme pilots in production than ever before and are confident that many of these will result in orders for new series in the UK and the US.

The outlook for RDF Rights is positive. It has signed several 'first look' deals with other indies in the first half and we anticipate further success in the second half. We expect the increase in the number of hours of content we have acquired in the first half to continue in the second half. In addition we are continuing to invest in creating valuable content and exploring new ways to exploit that content in digital media.

We are considering other acquisition targets which we believe will enhance earnings and which will give us greater scale, diversity and content ownership. We also believe that our AIM listing is helping to attract some of the UK's best creative talent to the Group.

The second half of the year has historically been stronger for RDF than the first, a trend which we expect will be repeated this year. We remain confident of prospects for the full financial year.

David Frank
Chief Executive

RDF MEDIA GROUP PLC

CONSOLIDATED SUMMARISED PROFIT AND LOSS ACCOUNT

For the period ended 31 July 2005

	(Unaudited) 6 months to 31 July 2005 £'000	(Unaudited) 6 months to 31 July 2004 £'000	(Audited) 12 months to 31 January 2005 £'000
Turnover: group and share of associated undertakings	26,279	22,968	50,345
Less: share of associated undertakings' turnover	(2,482)	(337)	(2,131)
Group turnover	23,797	22,631	48,214
Cost of sales	(17,285)	(16,708)	(33,904)
Gross profit	6,512	5,923	14,310
Flotation costs	(1,328)	-	-
Other administration expenses	(5,184)	(4,637)	(10,217)
Total administration expenses	(6,512)	(4,637)	(10,217)
Operating profit	-	1,286	4,093
Share of operating profits of associated undertakings	129	72	77
	129	1,358	4,170
Net interest	12	(7)	(4)
Profit on ordinary activities before taxation	141	1,351	4,166
Tax on profit on ordinary activities	(45)	(432)	(1,266)
Profit on ordinary activities after taxation	96	919	2,900
Dividends - equity	-	-	(1,500)
Profit retained	96	919	1,400
Earnings per share	3		
- basic	0.3p	4.4p	13.8p
- diluted	0.3p	3.4p	10.9p
Adjusted basic earnings per share	5.1p	4.4p	13.8p
Adjusted diluted earnings per share	4.9p	3.4p	10.9p

RDF MEDIA GROUP PLC**CONSOLIDATED SUMMARISED BALANCE SHEET AT 31 JULY 2005**

	(Unaudited) At 31 July 2005 £'000	(Unaudited) At 31 July 2004 £'000	(Audited) At 31 January 2005 £'000
Fixed assets			
Tangible Assets	1,455	1,617	1,398
Investments	66	-	-
	<u>1,521</u>	<u>1,617</u>	<u>1,398</u>
Current assets			
Stocks and work in progress	9,641	9,396	5,063
Debtors	13,436	10,877	13,331
Cash at bank and in hand	5,166	4,286	5,410
	<u>28,243</u>	<u>24,559</u>	<u>23,804</u>
Creditors: amounts falling due within one year	<u>(21,983)</u>	<u>(20,841)</u>	<u>(19,597)</u>
Net current assets	<u>6,260</u>	<u>3,718</u>	<u>4,207</u>
Total assets less current liabilities	7,781	5,335	5,605
Creditors: amounts falling due after more than one year	-	(215)	(62)
Provisions for liabilities and charges	-	(20)	(18)
	<u>7,781</u>	<u>5,100</u>	<u>5,525</u>
Capital and reserves			
Called up share capital	339	-	-
Share premium account	3,677	1,949	1,949
Profit and loss account	3,765	3,151	3,576
Equity shareholders' funds	<u>7,781</u>	<u>5,100</u>	<u>5,525</u>

RDF MEDIA GROUP PLC**CONSOLIDATED SUMMARISED CASH FLOW STATEMENT**

For the period ended 31 July 2005

		(Unaudited)	(Unaudited)	(Audited)
	Note	6 months to 31 July 2005 £'000	6 months to 31 July 2004 £'000	12 months to 31 January 2005 £'000
Net cash (outflow)/inflow from operating activities	4	(3)	11	5,732
Returns on investments and servicing of finance		12	(7)	(4)
Taxation		(551)	(449)	(799)
Capital expenditure and financial investment		(471)	(665)	(890)
Equity dividends paid		(1,500)	-	-
Financing		2,174	4,059	99
(Decrease)/increase in cash	5	<u>(339)</u>	<u>2,949</u>	<u>4,138</u>

RDF MEDIA GROUP PLC

OTHER PRIMARY STATEMENTS

For the period ended 31 July 2005

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	(Unaudited) 6 months to 31 July 2005 £'000	(Unaudited) 6 months to 31 July 2004 £'000	(Audited) 12 months to 31 January 2005 £'000
Profit for the period	96	919	2,900
Currency differences on foreign currency net investments	94	46	(9)
Total recognised gains for the period	190	965	2,891

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	(Unaudited) 6 months to 31 July 2005 £'000	(Unaudited) 6 months to 31 July 2004 £'000	(Audited) 12 months to 31 January 2005 £'000
Profit for the period	96	919	2,900
Dividends and other appropriations	-	-	(1,500)
	96	919	1,400
Other recognised gains and losses	94	46	(9)
Issue of shares	2,066	-	-
Net increase in shareholders' funds	2,256	965	1,391
Shareholders' funds at 1 February 2005	5,525	4,134	4,134
Shareholders' funds at 31 July 2005	7,781	5,099	5,525

RDF MEDIA GROUP PLC

OTHER PRIMARY STATEMENTS

For the period ended 31 July 2005

1 BASIS OF PREPARATION

The interim financial information has been prepared in accordance with principal accounting policies of the Group as set out in the Group's 2005 annual report and financial statements.

The financial information set out in this report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The figures for the year ended 31 January 2005 have been extracted from the statutory accounts, which have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain a statement under section 237(2) of the Companies Act 1985.

2 DIVIDENDS

	6 months to 31 July 2005 £'000	6 months to 31 July 2004 £'000	12 months to 31 January 2005 £'000
Ordinary shares – final dividend of 48p per share	-	-	1,500

RDF MEDIA GROUP PLC

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For the period ended 31 July 2005

3 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Shares held in employee share trusts are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	(Unaudited) 6 months to 31 July 2005 £'000	(Unaudited) 6 months to 31 July 2004 £'000	(Unaudited) 12 months to 31 January 2005 £'000
<i>For basic earnings per share</i>			
Profit for the financial period	<u>96</u>	<u>919</u>	<u>2,900</u>
<i>For adjusted earnings per share</i>			
Profit for the financial period	96	919	2,900
Add back: exceptional flotation costs	1,328	-	-
Adjusted profit for the financial period	<u>1,424</u>	<u>919</u>	<u>2,900</u>
Weighted average number of shares	Number of shares	Number of shares	Number of shares
For basic earnings per share	27,851	21,017	21,017
For diluted earnings per share	29,185	26,659	26,659

The adjusted EPS has been calculated to reflect the underlying profitability of the business by excluding the exceptional flotation costs.

RDF MEDIA GROUP PLC

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For the period ended 31 July 2005

4 NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	6 months to 31 July 2005 £'000	6 months to 31 July 2004 £'000	12 months to 31 January 2005 £'000
Operating profit before tax, interest and associates	-	1,286	4,093
Depreciation	417	345	781
(Increase)/decrease in stocks and work in progress	(4,578)	(3,487)	846
Increase in debtors	(106)	(3,017)	(5,470)
Increase in creditors	4,264	4,884	5,482
Net cash (outflow)/inflow from operating activities	<u>(3)</u>	<u>11</u>	<u>5,732</u>

5 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	6 months to 31 July 2005 £'000	6 months to 31 July 2004 £'000	12 months to 31 January 2005 £'000
(Decrease)/increase in cash in the period	(339)	2,949	4,138
Cash inflow from financing – short term	(186)	(4,115)	(233)
Cash inflow from financing – long term	(2,066)	-	-
Cash outflow from finance leases	78	56	134
Change in net funds resulting from cash flows	<u>(2,513)</u>	<u>(1,110)</u>	<u>4,039</u>
Effect of foreign exchange changes	94	46	(9)
Movement in net funds in the period	<u>(2,419)</u>	<u>(1,064)</u>	<u>4,030</u>
Net funds at 1 February 2005	4,668	652	638
Net funds/(deficit) at 31 July 2005	<u>2,249</u>	<u>(412)</u>	<u>4,668</u>