PRESS RELEASE

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UBC MEDIA GROUP PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

6 MONTHS FINANCIAL HIGHLIGHTS

- Turnover £6.51 million (2002: £4.96 million), up 31%

- Profit before Amortisation and Development Expenditure £152,000 (2002: loss of £24,000)

- Development Expenditure £503,000 (2002: £489,000)

- Cash at 30 September 2003 £3.52 million (2002: £3.24 million)

- Loss before tax -£758,000 (2002: -£1.03 million)

STRATEGIC HIGHLIGHTS

- Marked improvement in advertising revenues during the latter months of the period.

- Production Division benefited from new commissions for BBC digital services.

- Classic Gold Digital profits before digital licence costs up 31% to £665,000 (2002: £509,000).

- Classic Gold Digital saw strong growth in sponsorship revenues.

- Appointment of Hoare Govett as sole Nominated Adviser and principal broker.

Simon Cole, Chief Executive, commented:

"despite a tough year in the sector, marked by disappointment and pessimism, the growth in our profitability has remained on track and inline with expectations. Our decision to invest in creating the *AA Roadwatch* service positions us to benefit from an advertising recovery, of which we have seen the first encouraging signs in the last few months. The entire radio industry is now alive to the opportunities in digital radio – opportunities in which we have carefully been investing for the last three years"

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There will be a presentation to analysts and investors at 9.30am BST, which will take place at Bloomberg's offices - 39-45 Finsbury Square, London, EC2A 1PQ, in Room 5 on the lower ground floor.

Attendees should register by contacting Miranda Good at miranda.good@portlandpr.co.uk or +44 20 7421 6121.

OVERVIEW
UBC has again demonstrated the strengths of its strategy, delivering organic growth and improved operating margins; while its mix of different businesses has again shown UBC's defensive qualities. The response to weak advertising markets has been to strengthen and extend UBC's core brands and to innovate, while controlling costs and remaining totally customer-focused.

Although still in its early stages, the take-off of DAB digital radio is now gathering momentum and the results for the first half of the financial year show that UBC is well positioned to benefit from its investment over the past three years.

Production
In the first-half of the year UBC's radio Programming Division has once again performed well, with revenues up 6% at £1.19 million (2002: £1.12 million) and operating margins in line with the previous year. UBC ranks as the largest independent supplier of audio programmes to the BBC, and includes amongst its core programme offering the BBC's flagship programmes, *Pick of the Pops*, *Pause for Thought*, the *Richard Allinson Show* and *Something Understood*. Part of the growth in the first six months of the year has come from the award of a number of important new commissions from BBC Radio 3 and Radio 4, which further extend the range and depth of UBC's programming operations. Since the period end UBC has announced that it will cease to produce the *Hit 40 UK* radio programme from 1 January 2004. The effect of this is immaterial to turnover and profitability this year. Also since the period-end, UBC has been successful in several unbudgeted 'top-up' commissioning rounds from BBC Radio 1, Radio 3 and Radio 5Live. These latest successes demonstrate UBC's ability to produce programming across the full range of genres, and it is particularly significant that the Radio 1 commissions include programming for the BBC's new digital service, 1Xtra. UBC sees the growth in spending by the BBC on its digital services as a key area for future revenue growth by the Production Division.

UBC's Commercial Division experienced very different trading conditions in the first and second quarters of the new financial year. Market conditions in April and May were as tough as any experienced in the last two years. In contrast, the second quarter saw a marked improvement in advertising revenues. UBC took swift action in response to the downturn in the national advertising market at the start of the period, initially scaling back the daily syndicated business news service, and taking the decision to focus on the two largest bartered programme formats, *Entertainment News* and the *AA Roadwatch* traffic and travel news service. In the six months period to 30 September 2003 revenues for the Commercial Division more than doubled to £2.39 million (2002: £1.10 million), largely reflecting the contribution from the *AA Roadwatch* service. The service was launched in the final quarter of the last financial year in the belief that it positioned UBC well to benefit from any advertising recovery. Airtime sales have continued to perform well since September. However, while we have growing confidence about prospects for the full year, trading conditions remain challenging and we continue to monitor progress closely.

Classic Gold Digital

Classic Gold Digital continues to perform strongly within the UBC Group, with revenues in the six months to 30 September 2003 up 5% on the same period last year at £2.40 million (2002: £2.28 million), and the Company reporting a profit before interest, goodwill amortisation and digital licence costs of £665,000 (2002: £509,000). Classic Gold Digital owns and produces the Classic Gold Digital format, which is broadcast on a network of analogue AM and digital platforms across the UK. Unlike the rest of the commercial radio sector, the performance of Classic Gold Digital is not linked directly to the sale of advertising, which is handled by GWR Group, but instead to an audience fee which GWR Group pays to Classic Gold Digital and which is based on the number of listeners to the Classic Gold Digital network.

Given the inferior reception associated with services broadcasting on AM frequencies, declining audiences has been a long-term characteristic of all 'Gold' formats in the UK, including Classic Gold Digital. UBC's strategy for Classic Gold Digital is based on a belief that 'Gold' services will benefit disproportionately from the migration to digital platforms, with all radio services broadcasting at the same quality. The challenge for UBC continues to be arresting the long-term decline in Classic Gold Digital's analogue audience in the interim period until the establishment of significant digital audiences. This year, any decline in analogue audiences has been offset by an increase in sponsorship and promotions revenues. In the six months to 30 September 2003 UBC maintained its strategy of investing in Classic Gold Digital, with the launch of the new breakfast show hosted by Tony Blackburn at the start of the period, continued promotion of the network in its key markets, and evolving the music format to attract a younger audience. UBC last year strengthened the sponsorship sales team at Classic Gold Digital, recognising that the new breakfast show in particular presents a prime sales opportunity.

RAJAR will begin measuring Classic Gold Digital's audience on digital platforms in the final quarter of 2003. The results of this first survey will have only a limited impact this year on Classic Gold Digital's revenues. However, we believe Classic Gold Digital's audience on digital platforms will become an important new revenue source in the future.

Oneword Radio

Oneword Radio broadcasts a critically acclaimed spoken word radio format on terrestrial digital radio, Sky and Freeview. The size of a radio station's audience is the currency on which a commercial radio station trades. Oneword Radio published its first RAJAR audience figures during the period and has successfully used these numbers to generate its first revenues from mainstream advertising agencies.

Facilities and Radio Services
UBC's Facilities and Radio Services businesses continued to perform to budget in the period, with revenues in the six months to 30 September 2003 up 16% at £530,000 (2002: £458,000). Despite continuing over-capacity in the London facilities market, we have seen further improvements in both occupancy rates and yields for our studio facilities. An important additional source of revenues in the period was the supply of outside broadcast services to clients such as dmg world media. In addition, since the end of the period, UBC has been awarded a further three-year contract by Gala Bingo to supply its bespoke in-house radio service and has provided outside broadcast facilities at events such as *The Autumn Ideal Home Show* and the *Daily Mail Ski and Snowboard Show*.

UBC's software development arm, Unique Interactive, has continued to make good progress in the period. Unique Interactive specialises in the development and sale of software that is used in the delivery of broadcast services to both the analogue and digital radio sectors. During the six months to 30 September 2003 Unique Interactive began trials of its 'ManDLS' system (which is used to manage the scrolling text that forms part of every digital radio service) with the BBC's regional radio stations across England. Unique Interactive's revenues from software sales are still at an early stage of development. However, UBC is gaining increasing recognition as one of the foremost software developers in its area of expertise, and is well positioned to benefit from the growing investment in digital radio that is taking place in both the UK and now increasingly across Europe.

Appointment of Nominated Adviser and Broker
UBC has today announced the appointment of Hoare Govett as sole Nominated Adviser and principal broker to the Company. Seymour Pierce will continue to act as secondary broker.

Prospects for Digital Radio
In the three years since its flotation, UBC has concentrated on building a business that will benefit across all its divisions from the radio industry's transition to digital. Until last year, many questioned the likely uptake of this new medium. The absence of affordable receivers held back demand amongst consumers, while no major electrical retailer was likely to show interest in digital radio until there were affordable products in the market and it could see real consumer demand for the technology. The last 12 months, however, has witnessed a major change in market sentiment.

A year ago the radio industry welcomed the launch of the first sub-£100 digital radios and the enthusiastic response of customers. Since then, the momentum has gathered pace. There are currently more than 40 different DAB digital radio products on the market in the UK, with nearly 70 products expected in the market by the end of 2003, extending across the entire range of radios - from kitchen radios to hand-held portables, from clock radios to personal stereos. Sony is the most recent company to announce plans to launch a range of digital radio products, and which is expected to take place in the first quarter of 2004.

In 2002 sales of DAB digital radios grew by 170% to 175,000 units. This rate of growth has continued through 2003. UBC's own projections are that the number of sets will have more than doubled by the end of December 2003. With a steady stream of new manufacturers and products coming to the market, industry observers are forecasting sales of 1 million units by the end of 2004. In addition, consumer awareness of digital radio continues to grow, with the most recent Digital Radio Development Board (DRDB) survey reporting an awareness of the new technology amongst 30% of consumers (equivalent to 17.2 million of the population), and with 6% of consumers (equivalent to 3.4 million consumers) reportedly planning to purchase a DAB digital radio in the next six months – which we believe represents a significant level of consumer awareness and support for a new technology.

Furthermore, responding to the strong consumer demand for digital radios shown throughout the year, the number of retailers selling digital radios has grown in 12 months from 600 to over 3,000. Dixons Group, the UK's largest electrical retailer, reports that sales of digital radios are now running at approximately 50% (by retail value) of their sales of portable radios. In a sign of further growing retailer confidence in digital radio, both Sainsbury's and Tesco have announced plans for trial sales of DAB digital radios, with the possibility of a further roll out across all their stores.

The past 12 months have transformed perceptions of digital radio amongst consumers, electronics manufacturers and retailers. We believe the next year will see further substantial growth and that over the next 12-18 months UBC will be well positioned to grow its revenues from its portfolio of digital assets.

Outlook

We continue to look at ways to grow the business, both by strengthening our current product portfolio and by acquisition, and are ready to respond to the right opportunity when it arises. Although market conditions continue to be challenging, we have seen a marked improvement in the advertising market in the second quarter of the current financial year and we are well positioned to benefit from any continuation of this trend. Overall, we believe prospects for the remainder of the year are positive.

FINANCIAL REVIEW

The main financial highlights of the six-month period to 30 September 2003 are as follows:

- Turnover in the period increased 31% to £6.51 million (2002: £4.96 million).

- Reduction in administrative costs in the period to £1.50 million (2002: £1.65 million).

- Gross profit in the period increased 2% to £1.65 million (2002: £1.62 million).

- Operating profit before amortisation and development expenditure of £152,000 (2002: -£24,000), and operating loss after amortisation and development expenditure of -£530,000 (2002: -£817,000).

- Development expenditure in the period totalled £503,000 (2002: £489,000).

- Losses before Interest, Tax, Depreciation and Amortisation (EBITDA) for the Group in the period were -£267,000 (2002: -£439,000) or a Profit before Interest, Tax, Depreciation and Amortisation of £236,000 (2002: £50,000) before development costs.

- At 30 September 2003 UBC had £3.52 million in cash in the bank (2002: £3.24 million).

In the six-month period to 30 September 2003 UBC expensed £503,000 (2002: £489,000) of development expenditure in digital carriage fees for the Group's audio and data services. In addition, in the six-month period UBC continued its investment in the development of its joint ventures, primarily comprising Oneword Radio and Digital News Network, which together totalled £278,000 (2002: £249,000).

In response to institutional demand for the Company's shares, in July 2003 UBC placed a total of 3,500,000 new ordinary shares at 29.5p per share, raising an additional £1.03 million (net of expenses) for the Company. In addition, in July 2003 UBC also received proceeds of approximately £600,000 from the exercise of warrants for 2.4 million new ordinary shares that had been issued at the time of the Company's admission to AIM in June 2000. The Company intends to use the proceeds of both the share placing and exercise of warrants to finance its ongoing digital strategy.

The Board is not recommending the payment of a dividend for the interim period.

Consolidated Profit & Loss Account for the six months ended 30 September 2003

	Notes	**Unaudited six months ended 30 September 2003 £'000**			Unaudited six months ended 30 September 2002 £'000			Audited Full year March 31st 2003 £'000
		Before Goodwill and Development Items	**Goodwill and Development Items (Note 3)**	**Total**	Before Goodwill and Development Items	Goodwill and Development Items (Note 3)	Total	Total
Turnover (including share of joint ventures)								
Continuing operations		**6,514**	**-**	**6,514**	4,960	-	4,960	10,375
Less: Share of turnover of joint ventures		**-**	**-**	**-**	(3)	-	(3)	(52)
Group turnover		**6,514**	**-**	**6,514**	4,957	0	4,957	10,323
Cost of sales		**(4,860)**	**-**	**(4,860)**	(3,336)	-	(3,336)	(7,080)
Gross profit		**1,654**	**-**	**1,654**	1,621	-	1621	3,243
Administrative expenses		**(1,502)**	**(682)**	**(2,184)**	(1,645)	(793)	(2,438)	(4,769)
Group operating profit/(loss)								
Continuing operations		**152**	**(682)**	**(530)**	(24)	(793)	(817)	(1,526)
Acquisitions		**-**	**-**	**-**	-	-	-	-
Group operating profit/(loss)		**152**	**(682)**	**(530)**	(24)	(793)	(817)	(1,526)
Share of operating profit/(loss) in joint ventures		**-**	**(277)**	**(277)**	0	(249)	(249)	(679)
Total operating profit/(loss): group and share of joint ventures		**152**	**(959)**	**(807)**	(24)	(1,042)	(1,066)	(2,205)
Interest receivable		**49**	**-**	**49**	41	-	41	124
Interest payable		**-**	**-**	**-**	(4)	-	(4)	(16)
Profit/(Loss) on ordinary activities before taxation		**201**	**(959)**	**(758)**	13	(1,042)	(1,029)	(2,097)
Tax (charge)/ credit	5	**(20)**	**-**	**-20**	0	-	-	27
Profit/(Loss) on ordinary activities after taxation		**181**	**(959)**	**(778)**	13	(1,042)	(1,029)	(2,070)
Equity minority interest		**-**	**-**	**-**	(95)	138	43	88
Retained (loss) for the financial year		**181**	**(959)**	**(778)**	(82)	(904)	(986)	(1,982)
Earnings per share (pence)				**(0.51)**			(1.42)	(1.39)

Consolidated Balance Sheet at 30 September 2003

	Notes	**Unaudited As at 30 September 2003 £'000**	Unaudited As at 30 September 2002 £'000	Audited As at 31 March 2003 £'000
Fixed assets				
Goodwill and intangible assets		**492**	868	645
Tangible assets		**198**	338	209
Investments				
Share of Gross Assets		**115**	84	-
Share of Gross Liabilities		**(2,109)**	(1,290)	(1,720)
Goodwill Arising on Acquisition		**-**	57	-
Net Interest in Joint Ventures		**(1,994)**	(1,149)	(1,720)
		(1,304)	57	(866)
Current assets				
Work in progress		**-**	60	52
Debtors				
- due after more than one year		**1,966**	1,089	1,605
- due within one year		**2,476**	1,573	2,092
		4,442	2,662	3,697
Cash at bank and in hand		**3,516**	3,238	3,351
		7,958	5,960	7,100
Creditors: amounts falling due within one year		**(2,129)**	(1,471)	(2,634)
Net current assets		**5,829**	4,489	4,466
Total assets less current liabilities		**4,525**	4,546	3,600
Creditors: amounts falling due after more than one year		**(337)**	(368)	(341)
Provisions for Liabilities & Charges		**-**	-	-
Net assets		**4,188**	4,178	3,259
Capital and reserves				
Called up share capital		**1,591**	1,465	1,471
Share premium account		**12,806**	11,103	11,219
Other reserves		**(801)**	(801)	(801)
Profit and loss account		**(9,408)**	(7,448)	(8,444)
Equity shareholders' funds		**4,188**	4,319	3,445
Equity minority interest		**-**	(141)	(186)
Capital employed		**4,188**	4,178	3,259

Consolidated Cash Flow Statement 6 Months ended 30 September 2003

	6 Months 30 September 2003 £'000	6 Months 30 September 2002 £'000	12 Months 31 March 2003 £'000
Net cash (outflow) from operating activities	**(1,132)**	(1,174)	(884)
Returns on investments and servicing of finance			
Interest received	**92**	14	124
Interest paid	**(43)**	(51)	(54)
Net cash inflow/(outflow) from returns on investment and servicing of finance	**49**	(37)	70
Taxation			
UK Corporation tax paid	**0**	14	(27)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	**(78)**	(66)	(84)
Purchase of intangible fixed asset	**(27)**	(10)	(10)
Sale of tangible fixed assets	**5**	-	-
Loans to joint ventures	**(360)**	(240)	(549)
Net cash (outflow) from capital expenditure and financial investment	**(460)**	(316)	(643)
Acquisitions and disposals			
Purchase of interest in subsidiary	**-**	0	(38)
Purchase of interest in joint ventures	**-**	(22)	-
Net cash (outflow) from acquisitions and disposals	**0**	(22)	(38)
Financing			
Unsecured loan stock	**-**	0	(1,349)
Issue of ordinary share capital	**1,708**	5,471	5,592
Repayment of Long Term Loan	**-**	(1,349)	0
Expense of share issue	**0**	(502)	(502)
Capital element of finance lease	**0**	(20)	(41)
Net cash inflow from financing	**1,708**	3,600	3,700
Increase in cash in the year	**165**	2,065	2,178
Cash balances at the beginning of the year	**3,351**	1,173	1,173
Cash balances at the end of the year	**3,516**	3,238	3,351
Represented by			
Cash and bank balances	**3,516**	3,238	3,351
	3,516	3,238	3,351

Notes

1 **Basis of Preparation**

These financial statements do not constitute statutory accounts within the meaning of the Companies Act 1985 and are unaudited. The figures for the year to 31 March 2003 have been extracted from the statutory accounts for that year which have been delivered to the Register of Companies and contain an unqualified audit report.

2 **Accounting Policies**

The statements have been prepared on the basis of the accounting policies applied at the year ended 31 March 2003.

3 **Goodwill and Development**

Goodwill and Development costs include goodwill of £179,000 (2002: £304,000), digital license fees of £503,000 (2002: £463,000) and other costs of £nil (2002: £26,000).

4 **Loss per share**

The loss per share for the six months ended 30th September 2003 is 0.51 pence (2002: 1.42 pence). The loss per share has been calculated based on the loss for the period and the weighted average of shares in issue during the period.

5 **Taxation**

A provision of £20,000 has been made for taxation for Classic Gold Digital Limited. The rest of the Group has trading losses for the period to 30 September 2003