

PRELIMINARY END OF 8 MONTH PERIOD REPORT ANNOUNCEMENT

Media Technology Group Limited

(Name of Listed Issuer)

For 8 months Ended

31-Mar-04

(referred to in this report as the "current period")

Preliminary 8 month report on consolidated results (including the results for the previous corresponding full year in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates [see Note [X] attached] and is based on audited financial statements. If the report is based on audited financial statements, any qualification made by the auditor is to be attached.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	*Consolidated Statement Financial Performance		
	Current Period (8 months) \$NZ'000	*Up/Down %	Previous corresponding full year \$NZ'000
1.1 OPERATING REVENUE			
(a) Trading Revenue	3,351	148.4%	1,349
(b) Other Revenue			
(c) Total Operating Revenue	3,351	148.4%	1,349
1.2 OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION	(2,476)	(34.9%)	(3,803)
(a) Less taxation on operating result	19		
1.3 OPERATING *SURPLUS (DEFICIT) AFTER TAX	(2,495)	(34.4%)	(3,803)
(a) Extraordinary Items after Tax [detail in Item 3]			
(b) Unrealised net change in value of investment properties			
1.4 NET *SURPLUS (DEFICIT) FOR THE PERIOD	(2,495)	(34.4%)	(3,803)
(a) Net *Surplus (Deficit) attributable to minority interests			
1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	(2,495)	(34.4%)	(3,803)

2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ 8 months	*Consolidated Statement of Financial Performance	
	Current Period (8 months) \$NZ'000	Previous corresponding full year \$NZ'000
2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
(a) Interest revenue included in Item 1.1(b)	1	
(b) # Unusual items for separate disclosure (gain/loss) (detail - Item 3)	190	
(c) Equity earnings (gain/loss) (detail - Item 16)		
(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	63	119
(e) Leasing and renting expenses	130	79
(f) Depreciation	72	
(g) Diminution in the value of assets (other than depreciation)		
(h) Amortisation of goodwill	114	
(i) Amortisation of other intangible assets		
(j) Impairment of goodwill	2,243	
(k) Impairment of other intangible assets		

5 EARNINGS PER SECURITY		Earnings Per Security	
		Current Period (8 months) \$NZ'000	Previous corresponding full year \$NZ'000
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share			
(a)	Basic EPS	(8.9)	(2.1)
(b)	Diluted EPS (if materially different from (a))	(8.9)	(2.1)

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES (See Note (VII) a)		
(a)	Name of subsidiary or group of subsidiaries	Digital Disc Holdings Ltd
(b)	Percentage of ownership acquired	100%
(c)	Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	\$(2,535)
(d)	Date from which such contribution has been calculated	01/02/2004

7 MATERIAL DISPOSALS OF SUBSIDIARIES (See Note (VII) attached)		
(a)	Name of subsidiary or group of subsidiaries	nil
(b)	Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	\$
(c)	Date from which such contribution has been calculated	
(d)	Contribution to consolidated net *Surplus (Deficit) (Item 1.4) for the previous corresponding full year	
(e)	Contribution to consolidated net *Surplus (Deficit) (Item 1.4) from sale of subsidiary	\$

8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

Information on the industry and geographical segments of the Listed Issuer is to be reported for the period in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the report for the period:

SEGMENTS **See attached schedule**

Industry

- Operating revenue:
 - * Sales to customers outside the group
 - * Intersegment sales
 - * Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

Geographical

- Operating revenue:
 - * Sales to customers outside the group
 - * Intersegment sales
 - * Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

(Note (VIII) attached has particular relevance for the preparation

Consolidated Statement of Financial Position			
	At end of current period \$NZ'000	As shown in last Annual Report \$NZ'000	If half yearly as shown in last half yearly report \$NZ'000
9 CURRENT ASSETS:			
(a) Cash	370	4	
(b) Trade receivables	2,677	62	
(c) Investments			
(d) Inventories	410		
(e) Other assets, current			
TOTAL CURRENT ASSETS	3,457	66	
9.1 NON-CURRENT ASSETS			
(a) Trade receivables			
(b) Investments			
(c) Inventories			
(d) Property, plant and equipment	1,500		
(e) Goodwill	6,732		
(f) Deferred Taxation Assets			
(g) Other Intangible Assets			
(h) Other assets, non current			
9.2 TOTAL NON-CURRENT ASSETS	8,232		
9.3 TOTAL ASSETS	11,689	66	
9.4 CURRENT LIABILITIES			
(a) Trade Creditors	3,886	670	
(b) Income in advance, current			
(c) Secured loans	2,410		
(d) Unsecured loans		140	
(e) Provisions, current			
(f) Other liabilities, current		105	
TOTAL CURRENT LIABILITIES	6,296	915	
9.5 NON-CURRENT LIABILITIES			
(a) Accounts payable, non-current			
(b) Secured loans			
(c) Unsecured loans			
(d) Provisions, non-current			
(e) Deferred Taxation Liability, non-current			
(f) Other liabilities, non-current			
9.6 TOTAL NON-CURRENT LIABILITIES			
9.7 TOTAL LIABILITIES	6,296	915	
9.8 NET ASSETS	5,393	(849)	
9.9 SHAREHOLDERS' EQUITY			
(a) Share capital (optional)	17,371	8,460	
(b) Reserves (optional) (i) Revaluation reserve			
(b) Reserves (optional) (ii) Other reserves	(174)		
(c) Retained Surplus (accumulated Deficit) (optional)	(11,804)	(9,309)	
9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	5,393	(849)	
(a) Minority equity interests in subsidiaries			
9.1 TOTAL SHAREHOLDERS' EQUITY	5,393	(849)	
(a) Returns on Assets (%) (EBIT divided by Total Assets)	-21%	-5582%	
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	-46%	n/a	
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	117%	n/a	

		Consolidated Statement of cash flows for period	
		Current Period (8 months) \$NZ'000	Corresponding full year \$NZ'000
(See Note (IX) attached)			
10 CASH FLOWS RELATING TO OPERATING ACTIVITIES			
(a)	Receipts from customers	2,850	80
(b)	Interest received	1	
(c)	Dividends received		
(d)	Payments to suppliers and employees	(3,176)	(267)
(e)	Interest paid	(78)	(27)
(f)	Income taxes paid		
(g)	Other cash flows relating to operating activities	(92)	
NET OPERATING FLOWS		(495)	(214)
(See Note (IX) attached)			
11 CASH FLOWS RELATING TO INVESTING ACTIVITIES			
(a)	Cash proceeds from sale of property, plant and equipment		
(b)	Cash proceeds from sale of equity investments		12
(c)	Loans repaid by other entities	30	70
(d)	Cash paid for purchases of property, plant and equipment	(66)	
(e)	Interest paid - capitalised		
(f)	Cash paid for purchases of equity investments		
(g)	Loans to other entities		
(h)	Other cash flows relating to operating activities		
NET INVESTING CASH FLOWS		(36)	82
(See Note (IX) attached)			
12 CASH FLOWS RELATED TO FINANCING ACTIVITIES			
(a)	Cash proceeds from issue of shares, options, etc.	650	80
(b)	Borrowings	165	
(c)	Repayment of borrowings	(93)	
(d)	Dividends paid		
(e)	Other cash flows relating to operating activities		
NET FINANCING CASH FLOWS		722	80
(See Note (IX) attached)			
13 NET INCREASE (DECREASE IN CASH HELD)		191	(52)
(a)	Cash at beginning of period	(101)	(49)
(b)	Cash acquired with acquisition of Subsidiaries	278	
	Foreign exchange gain on conversion of cash balances	2	
(c) CASH AT END OF PERIOD		370	(101)

14 NON-CASH FINANCING AND INVESTING ACTIVITIES

Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:

In January 2004 Digital Disc Holdings Ltd and its subsidiary companies (the DDH Group) was acquired in exchange for 72,236,438 Media Technology Group shares after the consolidation of the companies shares to 1:40. The details of the acquisition are as follows:

	\$000's
Shares issued	8,668
Net assets acquired:	
Current assets	3,595
Property, plant and equipment	1,505
Intangibles	2,243
Current liabilities	(5,521)
Total net assets acquired	1,822
Goodwill	6,846
Total net assets acquired	8,668

15 RECONCILIATION OF CASH

For the purposes of the above Statement of cash flows, cash includes:

Current Period (8 months) \$NZ'000	Previous Corresponding full year NZ\$'000
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Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:

Cash on hand and at bank	370	4
Deposits at call		
Bank overdraft		(105)
Other (provide details eg Term Deposits)		
Total = Cash at End of Period (Item 13(c) above)	370	(101)

16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

16 GROUP SHARE OF RESULTS OF ASSOCIATES

Equity Earnings	
Current Period (8 months) \$NZ'000	Previous corresponding full year NZ\$'000
n/a	n/a

- (a) OPERATING *SURPLUS (DEFICIT) BEFORE TAX
- (b) Less tax
- (c) OPERATING *SURPLUS (DEFICIT) AFTER TAX
 - (i) Extraordinary items
- (d) NET *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX

16 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES

- (a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of Period		Contribution to net *surplus (deficit) (Item 1.5)	
	Current Period	Previous Corresponding Full Year	Current Period (8 months) \$NZ'000	Previous Corresponding full year NZ\$'000
Equity Accounted Associates	nil	nil	n/a	n/z
			<i>Equity Accounted in current year</i>	
Other Material Interests	nil	nil	n/a	n/a
			<i>Not Equity Accounted in current year</i>	

- (b) Investments in Associates

Carrying value of investments in associates beginning of period

Share of changes in associates' post acquisition surpluses/and reserves:

- Retained surplus
- Reserves

Net goodwill amortisation and impairment adjustments in the period

Less Dividends received in the period

Equity carrying value of investments at the end of period

Amount of goodwill included in carrying value at end of that period

Current Period (8 months) \$NZ'000	Previous Corresponding full year NZ\$'000
n/a	n/a

17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD

Category of Securities	Issued	Quoted	Cents	Paid-Up Value (If not fully paid)
PREFERENCE SHARES:				
# (Description)	nil			
Issued during current *half year/full year	nil			
ORDINARY SHARES:				
Beginning of period	191,091,339	191,091,339		
Consolidated at 1:40	4,777,283	4,777,283		
Issued during current period	80,254,202	80,254,202	12	9,630,504
	85,031,485	85,031,485		
CONVERTIBLE NOTES				
# (Description)	nil			
Issued during current *half year/full year				
OPTIONS:				
	Issued	Quoted	Exercise Price	Expiry Date
	nil			
Issued during current *half year/full year				
DEBENTURES - Totals only:	nil	\$		
UNSECURED NOTES - Totals only:	nil	\$		
OTHER SECURITIES	nil	\$	\$	

Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

18 COMMENTS BY DIRECTORS

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- (a) Material factors affecting the revenues and expenses of the group for the current period
On 20 January the Group acquired Digital Disc Holdings Ltd and its subsidiary companies (DDH Group). The contributions to Revenues and Operating Deficit from the DDH Group for the two months to 31 March 2004 have been included in the Media Technology Group results for the period.
- (b) Significant trends or events since end of current period
Nil
- (c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed
In the current period the financial statements were prepared on the going concern basis whereas in the previous period they were prepared on the realisation basis. The effect of this change on results and financial position is immaterial.
- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain
nil
- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty
*Overhead costs of the parent have been carried for the full period while revenues from the new business are only for the two months since acquisition.
The written down value of the Goodwill on the acquisition of the Australian entities by Digital Disc Holding Limited has been written off at year end. The Directors considered this was prudent. This resulted in a write off of \$2,243,490.*
- (f) Other comments
*Following the acquisition of the DDH Group, the Company changed its balance date to 31 March. Accordingly the results for the current period are for 8 months whereas the comparative results are for 12 months.
After the resultant transition in business activities arising from the acquisition of the DDH Group, the Group is performing well in the first quarter of the 2005 reporting year and the Directors remain confident that the Group will continue to perform well during the remainder of the year.*

19 DIVIDEND

(a) Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share)

n/a

(b) Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)

n/a

20 ANNUAL MEETING (if full year report)

(a) To be held at

To be advised

(b) Date

200

Time

(c) Approximate date of availability of Annual Report

15-Jun-04

If this report was approved by resolution of the Board of Directors, please indicate date of meeting:



(signed by) Authorised Officer of Listed Issuer

28 May 2004

(date)

*Delete as required