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World Television Group PLC
('World Television' or the 'Group')

Preliminary Results
For the Year ended 31 December 2005

World Television, the international webcasting and multimedia visual communications company, today announces preliminary results for the year ended 31 December 2005.

Financial highlights:

- Turnover £9.6m (2004: £10.0m)
- Underlying revenue growth 7%
- Operating loss £0.8m (2004: £4.4m)
- Pre-exceptional EBITDA loss of £37k (2004: £1.087m), ahead of market expectations
- World Television and Virtue Broadcasting merger delivered a reduction in operating costs of circa £1.4m, £0.5m more than the target set by the Board

Operational highlights:

- Strong growth achieved in key markets including Spain, Sweden, Australia and the UK
- Disposal of two loss-making non-core businesses:
  - Kamera Content in March 2005 and Foroso in December 2005
- British Satellite News contract extended until 2008
- Secured 85 new client wins including BAA, Virgin Mobile, Toyota, O_2 & Microsoft UK
- Mike Neville, Chairman of World Television has decided to step down after 3 years in the role

Mike Neville, chairman of World Television commented:
"2005 was a year of considerable progress for World Television. We secured 85 new clients and delivered over 10,000 projects across 35 countries in 15 languages, more than ever before. We achieved substantial cost savings, well above expectations, and disposed of two loss-making businesses. At the same time we began the process of developing new digital services.

"Restructuring is now complete and I look forward to 2006 with some optimism. Our focus will be on improving the Group's profitability, particularly at the EBITDA level, to ensure a sustainable platform for growth in shareholder value.

"I have hugely enjoyed my time as Chairman, beginning in 2003 when Virtue Broadcasting was wholly focused on webcasting, had turnover from continuing operations of approximately £0.7m and was incurring significant losses. Now the Group has a solid foundation from which to develop to the next stage.

“I leave World Television in the hands of a strong management team. I would like to thank my fellow Board members and World Television’s highly professional and creative people for their support and hard work."

Steve Garvey, Group CEO, commented:
“Mike has provided outstanding leadership since joining Virtue, during some very difficult times. Under his guidance the Group has grown rapidly from webcasting to providing a comprehensive range of televisual communications services. We can now build on the international market-leading business that Mike has helped to create.”

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The Chairman, CEO and CFO will record an on demand webcast and podcast presentation of the Group’s results, available on 27 April at www.world-television.com.

World Television Group PLC
Preliminary Results

Chairman's statement

The merger of World Television Group Limited and Virtue Broadcasting PLC in August 2004 was designed to forge a leading IP-TV company, alleviate the competitive pressures on webcasting and take advantage of an enlarged customer base with value added sales. That process is now complete and the Group’s attention in 2005 was focused on consolidating its operations, achieving cost savings and driving sales growth in the core business.

We believe that World Television is now a leading international webcasting and multimedia visual communications company. Operationally in 2005 we successfully delivered over 10,000 projects across 35 countries in 15 languages, more than ever before in the history of the Group. During this transitional year we also completed the extremely complex process of integrating the two companies in twelve months and we delivered a reduction in operating costs of approximately £1.4m, £0.5m more than the Board expected at the time of the merger.

Following this period of integration we have recently completed a strategic review of the business in order to position the enlarged Group for the growth envisaged at the merger stage. As a result of our reduced cost base, we have had the opportunity to identify ways of building shareholder value through both organic growth and geographical expansion. We consider that this, underpinned by development of our technology, will keep us at the forefront of service delivery to our customers.

In addition, we are targeting further cost base reductions through the development of next generation technology, including significant investment in and focus on IP services and web television. We believe these services offer significant growth over the medium to long term, and sustainable and realisable margins. For a company such as World Television, with its focus on service delivery, high quality technology and superbly creative people, the IP services market looks rewarding indeed.

The corporate communications market is healthy as broadband Internet technologies continue to roll out. However, margins tend to be under pressure in a competitive market and some areas of our business are more sensitive than others. Worldwide broadband subscriber numbers grew by 37% in 2005 (source: www.point-topic.com) and our clients continued to use an increasing number of video applications, primarily due to easier distribution. We expect this trend to continue for some considerable time. The right type of proprietary software applications, such as those provided by World Television, are becoming a key success factor and these help position the business extremely positively in this high growth sector for some time to come.

In addition, we have seen some changes in the management team. Steve Garvey took over as Chief Executive in July and Evelyn Kimber became Chief Financial Officer in October. These moves were made to reinforce the management team and the Board, and to ensure that the business was suitably positioned for future expansion as the Group readies itself for the next stage of its development.

As always, I am indebted to the creative talents of our people, who have worked tirelessly delivering high quality services to our global client base. Our creative skills and technical expertise were again recognised throughout the year. We won 11 industry awards during the year, making a total of 17 since the two companies merged.

Finally, I have decided to step down as Chairman after 3 years at the helm. The job of turning the original Virtue business around, restructuring and ensuring a solid foundation is now complete, and I am happy that the incoming Chairman will inherit a solid business, with wonderfully creative people and a strong and highly focused management team. I will continue in the role until my successor is found. The process of looking for the new Chairman is already under way.

When I joined Virtue in July 2003 the Group had decided to focus on the corporate communications business. Since then we have built an international market leader and in doing so our revenues have increased more than ten fold and our losses have narrowed significantly.

I have hugely enjoyed my time here. I am delighted to be able to leave World Television in good hands and I am confident this is the right time for me to move on. I wish the Group well in all its endeavours as it moves forward in IP services and exciting times.

Michael Neville
Chairman
27 April 2006

World Television Group PLC
Preliminary Results
Operational and Financial review

Group Summary of Activities

World Television is unique in its sector because it offers clients integrated digital solutions to meet their televisual communication needs. Operationally in 2005 we completed the creation of a group that offers a seamless blend of services on an international scale.

To deliver this strategy we focused on our core business of serving clients in the corporate, government and international organisations sectors. We organised our teams around our three central services of webcasting, news and corporate production.

We disposed of two loss-making businesses: Kamera Content in March 2005 and Foroso in December 2005, while retaining an interest in both businesses for the future. This enabled us to invest in developing our core business in our key markets. World Television has retained a 10% interest in the new company formed for the Kamera Content business and will receive 22.5% of the gross income generated during the year beginning 1 July 2005. World Television will receive a 20% share of revenue from Foroso in 2006 and 2007 arising from sales of its web-conferencing product.

We looked to the future to identify ways of accelerating growth in our core business. Technology development will play a key part in this, as will strengthening our relationships with existing clients in Europe and Australasia and carefully planned expansion into new markets. We began the process of developing podcasting and multimedia news release (MNR) services for introduction in 2006.

The Group achieved strong growth in key markets including Spain, Sweden, Australia and the UK. Germany was difficult in 2005 but we have taken steps to improve its performance in 2006. The new expanded BSN contract has started well. We secured 85 new client wins including BAA, Iberia, Virgin Mobile, Toyota, O_2, Nordea, Sage, Eli Lilly, Microsoft UK, Scania and Eumetsat.

The business benefited from its broader client base to avoid over-dependence on a small number of big clients and this process needs to continue.

Financial summary

Turnover for the Group during the period was £9.6m (2004 - £10.0m). Underlying revenue, reflecting the recurring business of the group, grew by 7%**.** This excluded the revenue from Kamera Content disposed of during 2005 and a one off government contract in 2004.

The business made substantial progress towards profitability during the year as the lower cost base began to bear fruit and the integration process neared completion. These factors contributed to an EBITDA loss pre-exceptionals of £37k compared with £1.087m in 2004, and against a broker's forecast loss of some £330k. Operating losses overall reduced from £4.4m in 2004 to £0.8m.

Cash outflow for the full year was £1.8m, compared with £1.4m in the first half. The outflow during the year was driven by restructuring and non-recurring costs resulting from the merger. Our cashflow was neutral in the fourth quarter and we continue to exercise tight control over our cash position. During the year, the Group put in place lease financing arrangements for its capital expenditure.

A provision of £496k was made for a claim made by HM Revenue & Customs for employers' National Insurance contributions and unpaid PAYE contributions relating to 1999/2000 and 2000/2001.

Development Expenditure

In order to protect our market leading position, we believe that product and software development is essential. We restructured our software development process and released new versions of our webcasting platform. We also invested in new technology as we began work on new digital solutions such as podcasting and MNRs.

Treasury Policy and financial risk management

The funding and treasury functions of the Group are managed centrally under guidelines approved by the Board. The treasury function raises all the funding for the Group and manages interest rate and foreign exchange rate risk. The treasury positions are managed in a non-speculative manner. The main financial risks faced by the Group are funding and credit risk. The Board continually reviews the funding requirements of the Group and its exposure to liquidity risk. Credit risk is controlled by tight credit management policies. The Group does not enter into derivative instruments.

Accounting Standards

The Group has commenced examining the impact of the transition to International Accounting Standards which will be adopted in the year commencing 1 January 2007. The group accounts are currently prepared under UK GAAP.

Board Changes

Mike Neville has decided to step down as Chairman of World Television Group plc after 3 years in the role. Mike has agreed to continue as Chairman until his successor is found. The Board has begun the process of looking for a new Chairman and will provide an update when a suitable candidate has been selected.

Outlook for 2006

In 2006 we are focusing on further improvements in the Group's profitability, particularly at the EBITDA level, to ensure a sustainable platform for growth in shareholder value. Trading in the first quarter has been in line with our budget and market expectations, and the Directors are confident about trading prospects for the remainder of the year.

The Group's future prosperity lies in the continued development of market-leading technology combined with the creative flair needed to produce compelling and effective content. We intend to consolidate the Group's position as an international leader in IP television for our target clients, and we intend to broaden the client base further to reduce the risk of over-dependence on certain key relationships. Our product development programme underpins the Group's ability to grow internationally as we develop new markets and expand our service offering in existing markets.

<u>Consolidated profit and loss account for the year ended 31 December 2005</u>

	Total 2005 £'000	**Total 2004 £'000**
Turnover	**9,563**	9,964
Operating expenses before exceptional items and goodwill amortisation	**(9,988)**	(11,451)
- Reorganisation expenses	**(45)**	(342)
- Provision for bad debt	**310**	(310)
- Net goodwill amortisation	**(235)**	(547)
- Goodwill impairment	**-**	(1,710)
- Tornado PAYE provision	**(496)**	-

Total net operating expenses	**(10,454)**	(14,360)
	(891)	(4,396)
Other operating income	**72**	-
Operating loss	**(819)**	(4,396)
Exceptional items – non-operating		
- Merger expenses	**-**	(510)
- Loss on sale and termination of operations	**(81)**	-
Loss on ordinary activities before interest	**(900)**	(4,906)
Net interest receivable / (payable)	**2**	(167)
Loss on ordinary activities before taxation	**(898)**	(5,073)
Taxation	**81**	(122)
Loss on ordinary activities after taxation	**(817)**	(5,195)
Minority interests	**25**	106
Loss for the financial year	**(792)**	(5,089)
Loss per share (pence)		
Basic and diluted	**(0.1)**	(1.2)

Consolidated balance sheet at 31 December 2005

	2005 £'000	**2005 £'000**	**2004 £'000**	**2004 £'000**
Fixed assets				
Intangible assets		**1,033**		1,174
Tangible assets		**473**		564
Unlisted investments		**1**		-
		1,507		1,738
Current assets				
Debtors	**2,406**		2,024	
Cash at bank and in hand	**230**		1,922	
	2,636		3,946	
Creditors: amounts falling due within one year	**(4,504)**		(3,713)	
Net current (liabilities)/assets		**(1,868)**		233

Total assets less current liabilities	**(361)**	1,971
Creditors: amounts falling due after more than one year	**(85)**	(1,455)
Provisions for liabilities and charges	**(714)**	(416)
Net (liabilities)/assets	**(1,160)**	100
Capital and reserves		
Called up share capital	**18,582**	18,834
Share premium account	**8,904**	8,977
Capital redemption reserve	**16,874**	16,874
Merger reserve	**(15,999)**	(15,999)
Other reserves	**2,365**	2,365
Profit and loss account	**(31,791)**	(30,881)
Shareholders' (deficit)/funds	**(1,065)**	170
Minority interests	**(95)**	(70)
	(1,160)	100

<u>Consolidated cash flow statement for the year ended 31 December 2005</u>

	2005 £'000	**2005 £'000**	**2004 £'000**	**2004 £'000**
Net cash outflow from operating activities		**(1,402)**		(1,199)
Returns on investment and servicing of finance				
Interest received	**15**		16	
Interest paid	**(13)**		(16)	
Net cash outflow from returns on investment and servicing of finance		**2**		-
Taxation				
Corporation tax		**(174)**		(29)
Capital expenditure and financial investment				
Payments to acquire intangible assets	**(94)**		-	
Payments to acquire tangible assets	**(110)**		(203)	
Receipts from sales of tangible assets	**1**		-	
Cash outflow from capital expenditure and financial investment		**(203)**		(203)
Acquisitions and disposals				
Purchase of subsidiary undertakings	**-**		(645)	
Cash disposed of with subsidiary				

undertaking	**(2)**		-	
Cash outflow from acquisitions and disposals		**(2)**		(645)
Cash outflow before financing		**(1,779)**		(2,076)
Financing				
Issue of ordinary shares	**9**		3,101	
Share issue costs	**-**		(829)	
Purchase of own shares	**-**		(600)	
Cash element of merger consideration	**-**		(1,000)	
Issue of loan finance	**-**		1,110	
Repayment of loans	**-**		(45)	
Capital element of finance lease payments paid	**(64)**		-	
Cash (outflow)/inflow from financing		**(55)**		1,737
Decrease in cash		**(1,834)**		(339)

Consolidated cash flow statement for the year ended 31 December 2005 ***(Continued)***

	2005 £'000	2004 £'000
Reconciliation of net cash flow movements in net (debt)/funds		
Decrease in cash	**(1,834)**	(339)
Cash flow from decrease/(increase) in debts	**64**	(1,065)
Change in net (debt)/funds resulting from cash flow	**(1,770)**	(1,404)
New finance leases	**(133)**	-
Unpaid interest in debts	**-**	(167)
Debt acquired in subsidiaries	**-**	(124)
Movement in net (debt)/funds	**(1,903)**	(1,695)
Net funds at the start of the year	**521**	2,216
Net (debt)/funds at the end of the year	**(1,382)**	521

Notes to the cashflow statement

a. Reconciliation of operating loss to net cash outflow from operating activities

	2005 £'000	2004 £'000
Operating loss	**(900)**	(4,906)
Depreciation of tangible fixed assets	**316**	400
Amortisation of goodwill	**235**	682
Write-back of negative goodwill	**-**	(135)
Impairment of goodwill	**-**	1,710
(Increase)/decrease in debtors	**(826)**	967
Increase/(decrease) in creditors	**(492)**	115
Loss on sale of operations	**81**	-
Loss on disposal of fixed assets	**6**	28
Increase in provisions	**297**	-
Non-cash transactions	**(119)**	(60)
Net cash outflow from operating activities	**(1,402)**	(1,199)

b. Analysis of net (debt)/funds

	At 1 January 2005 £'000	Cash flow £'000	Non-cash flows £'000	At 31 December 2005 £'000
Cash in hand and at bank	1,922	(1,834)	-	**88**
Convertible loan stock	(1,277)	-	-	**(1,277)**
Finance leases	(124)	64	(133)	**(193)**
Total	521	(1,770)	(133)	**(1,382)**

World Television Group PLC

Notes forming part of the financial statements for the year ended 31 December 2005

1. Accounting policies

The preliminary results have been prepared in accordance with applicable Accounting Standards and on the basis of the accounting policies set out in the annual report and accounts for the year ended 31 December 2004, which have remained unchanged, except for the adoption of a new accounting policy on development costs.

The financial information is derived from the full Group financial statements for the year ended 31 December 2005 and does not constitute full accounts within the meaning of section 240 of the Companies Act 1985. The Group financial statements on which the auditors have given an unqualified report and which do not contain a statement under Section 237 (2) or (3) of the Companies Act 1985, will be delivered to the Register of Companies in due course, and posted to shareholders in June.

Going concern basis

As at 31 December 2005 the Group had net liabilities of £1.2m and net current liabilities of £1.9m.

Under the terms of the issue of Convertible Unsecured Loan Notes 2006, the Convertible Loan Notes of £1,110,000 are redeemable at the rate of £1.15 for every £1 nominal amount at any time after 30 November 2006. In assessing the going concern of the Group, the Board has written to each Noteholder requesting confirmation that no demand for redemption or repayment shall be made until after 31 May 2007. The Board has obtained confirmation from a majority holding not less than 75% in nominal amount of the Loan Notes which will be binding on all the Noteholders.

The Group has received a claim from HMRC relating to employers' National Insurance contributions and unpaid PAYE arising from the exercise of share options exercised by ex-employees of Tornado Group PLC in March 2000. The Group has appealed against the assessment and the appeal process is still continuing. The directors have considered the impact of a successful claim by HMRC on its position and intend to negotiate a payment plan with HMRC. The Company will defend vigorously its position and seek to recover unpaid PAYE and other related charges from the former employees in question. The directors believe that on this basis the Company will have the resources to make the necessary payments.

In assessing the going concern of the Group, the directors have prepared forecast information for the period ending 12 months from the date of their approval of these financial statements. On the basis of these forecasts and the underlying assumptions, the directors believe that the Group should have sufficient funding to continue in operational existence for at least twelve months from the date of approval of these financial statements. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

The Financial Statements do not include any adjustments that may be necessary should the Group's financing arrangements be insufficient.

2. Exceptional items

	2005 £'000	**2004 £'000**
Exceptional operating expenses:		
Reorganisation expenses [1]	**45**	342
Impairment of goodwill	**-**	1,710
Bad debt [2]	**(310)**	310
Tornado PAYE provision [5]	**496**	-
Exceptional items charged to operating profit:	**231**	2,362
Non operating exceptional items:		
Merger expenses [3]	**-**	510
Loss on sale and termination of operations [4]	**81**	-
Total	**312**	2,872

[1] The reorganisation expenses in 2005 relate to the disposal of certain assets relating to the subsidiary Kamera Holdings AB and the redundancy of former directors.

The reorganisation expenses in 2004 relate to a fundamental restructuring of continuing operations which arose in respect of the merger with World Television Group Limited (now Virtue Broadcasting Limited) in August 2004. These consist of provision for operating leases expense of £255,000, bonuses paid to directors of £70,000, redundancy costs of £76,000 and other re-organisation costs written back of £(59,000).

[2] Matrix Holding Services Limited participated in a placing of ordinary shares in Virtue Broadcasting PLC (now World Television Group PLC) by issuing a signed placing letter dated 4 May 2004 for 15,384,616 ordinary shares for a total of £500,000. The placing letter provided that Matrix would pay for the shares in two tranches: £250,000 payable on 7 June 2004 and the remaining half on 5 July 2004. Matrix defaulted on its obligations set out in the placing letter as it paid only £165,000 to World TV leaving an amount outstanding of £335,000. This amount less the nominal value of the shares issued was provided in full in 2004.

On 12 April 2005 Matrix Holding Services Limited waived its right to subscribe for the remaining 10,294,923 shares. The directors have subsequently considered the status of these shares and have determined legally that they have not been issued. Hence the entries relating to the shares have been reversed in the current year.

[3] The expenses relate to the merger of the Group with World Television Group Limited (now Virtue Broadcasting Limited) in August 2004.

[4] The loss on sale and termination of operations relates to a loss of £119,000 on the sale of Foroso Communications GmbH and a profit of £38,000 on the liquidation of Kamera Interactive SAS.

[5] HMRC issued a claim relating to 1999/2000 and 2000/2001 against World Television Group PLC for employers' National Insurance contributions (NIC) relating to the exercise of share options by ex-employees of Tornado Group plc (now World Television Group PLC) at the time of its flotation in March 2000. HMRC calculates that the Company's liability amounts to £183,000 which includes the original original unpaid NIC and interest from the date of exercise to the beginning of November 2005, but excludes penalty charges.

HMRC has also informed the Company that it holds the Company liable for unpaid PAYE contributions in respect of the same employees and the same transaction. HMRC's initial assessment of PAYE due is £313,000, excluding interest and penalties.

The Company has appealed against the assessment of NIC and PAYE. The Company will seek to recover unpaid PAYE and other related charges from the former employees in question.

3. Dividends

No dividends were paid or proposed in respect of the results for 2005 or 2004.

4. Loss per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares being those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. No diluted earnings per share has been presented as the Group has made losses.

Adjusted basic EPS has been calculated to exclude the effect of goodwill amortisation (£235,000), Tornado PAYE provision (£496,000) and non operating exceptional items (£81,000).

	2005 Earnings £'000	**2005 Weighted average number of shares Thousands**	**2005 Pence per share amount**	**2004 Earnings £'000**	**2004 Weighted average number of shares Thousands**	**2004 Pence per share amount**
Basic loss per share						
Earnings attributable to ordinary shareholders	**(792)**	**749,781**	**(0.0)**	(5,089)	436,251	(1.2)
Adjusted basic earnings per share						
Adjusted earnings attributable to ordinary shareholders	**20**	**749,781**	**0.0**	(2,322)	436,251	(0.5)

There is no material difference between the basic earnings per share and diluted earnings per share as the Group has been loss making in both periods. 39,629,897 potentially issuable shares have not been brought into the calculation of diluted earnings per share because they are antidilutive.

5. Post balance sheet events

In April 2006, the Group received undertakings from its Convertible Loan Noteholders that they shall not demand redemption or repayment of the Loan Notes until after 31 May 2007.