



London, UK – 23 February 2004

Trading Overview

Virtue Broadcasting Plc (“the Group”), a leading European provider of online corporate communications, presents its trading overview for the second half of 2003.

The board is pleased that the Group has successfully continued to implement its turnaround strategy outlined in the interim statement released in September 2003. Substantial progress has been made in its focus on the Corporate Communications and IP services sector, including signing new customers, continuing to make cost savings and initiating consolidation through acquisition, in what is a fragmented European market place.

Trading has been in line with expectations following the increase in revenues from continuing operations reported in the first half of 2003 and the Group is looking forward to building on the progress made so far.

Corporate Activity

In July 2003 the company was able to acquire the business of its main rival, Unit.Net, for a total consideration of £nil but repaid £100,000 of loans to the parent of Unit.Net. This acquisition has brought with it several key advantages: the move to a single infrastructure and technology platform and research centre resulting in a combined cost saving of £1.4 million pa; a significant contribution to the top line including a full year impact in 2004; upside from cross selling other high margin products and services; and as importantly as those mentioned above, the ability to service locally our growing corporate customer base in the European market.

Following the release of our interim figures in September the group has successfully raised £1.8 million before expenses via two placings in October and November of last year. The purpose of the fundraisings was to strengthen the balance sheet providing a stronger base from which to pursue the company's consolidation strategy. This proved to be prudent as in January of this year the company successfully acquired Kamera Holdings AB for a total consideration of £2.4 million before expenses. A market leader in the Nordics, Kamera provides webcasting and content distribution services to large corporations and professional institutions including Nokia, AstraZeneca and the Stockholm Stock Exchange.

As with Unit.Net the acquisition of Kamera will bring further combined cost savings, increased revenue and cross-selling opportunities. The board is encouraged by the speed with which the recent acquisitions have been integrated into the existing group structure.

Looking forward

Mike Neville, Chairman commented: “I am happy to report that the recent acquisitions of Unit.Net and Kamera are now fully integrated and performing to expectation, which augers well for the future, as well as the core Virtue business in the UK, which continues to win new high quality customers every month. The acquisition of Kamera has enhanced the ability of the group to achieve profitability in the short term.

We have taken action to strengthen the Group's balance sheet and we fully intend to continue our aggressive expansionist policy, both in vertical integration and consolidation opportunities, to provide growth in shareholder value and enhancing the bottom line of the business.

With a growing list of prestigious clients such as DaimlerChrysler, Dixons and StoraEnso and having positioned ourselves to emerge as the leading player in a European market set to experience exponential growth over the next 5 years, we are extremely excited for the future of the company.

We look forward to presenting our final figures for the 12 month period ended 31 December 2003 in due course and a further announcement will be made when a date is set.”

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