

VIRTUE BROADCASTING PLC

9 January 2004

ACQUISITION UPDATE OF KAMERA HOLDINGS AB

Virtue Broadcasting Plc ("Virtue") announces today that all of the conditions of the acquisition of Kamera Holdings AB ("Kamera"), which was announced on 27 November 2003, have been satisfied and that the purchase is now declared unconditional in all respects.

As previously announced Kamera had an outstanding rights issue to raise between £420,000 and £600,000. This rights issue was closed on 18 December 2003 raising a total of £599,000 before expenses. In addition, on 9 January 2004 Virtue received notice that Kamera's outstanding bridging loan of £80,000 had been converted into ordinary shares in Kamera. As a result the final consideration payable by Virtue will comprise 43,770,247 ordinary shares of 0.1 pence each, subject to rounding adjustment for part share calculations, and £100,000 in cash.

To date Virtue has received valid acceptances of a total of 1,038,360,577 Kamera shares, representing 90.8 per cent. of the Kamera share capital after the rights issue and conversion of bridging loan. As a result the Board of Virtue has, today, authorised the issue and allotment of a total of 39,762,200 new ordinary shares of 0.1 pence each in consideration. Application will be made for the new shares to be admitted to AIM and trading in the new shares is expected to commence on Friday 16 January 2004.

The offer to purchase the remaining Kamera shares has been extended and will remain open for acceptance until 30 January 2004. Kamera shareholders who have not yet accepted the offer are urged to complete and return their acceptance forms and supporting documentation as soon as possible. After this time, as Virtue now controls greater than 90 per cent. of the share capital of Kamera, it is its intention to acquire compulsorily the remaining shares in Kamera under the provisions of the Swedish Companies Act ("Aktiebolagslagen").

"We are delighted that the Kamera shareholders have accepted our offer", said Mike Neville, Chairman of Virtue, "the management teams now look forward to integrating the two businesses as quickly as possible to achieve the maximum synergies".

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