

Acquisition and BT Contract

London, UK - 14 May 2004

Virtue Broadcasting Plc, a leading online corporate communications group, today is pleased to announce that its Australian subsidiary, Virtue Broadcasting Pty Ltd ('Virtue Australia'), has acquired the Webcom business assets of Red Source Group Pty Ltd and Red Source Technology Pty Ltd ('Webcom').

Webcom supplies end to end online communications solutions to the Australasian corporate market and has an annual turnover of £430,000. Webcom provides Webcasting; carrier grade email applications and hosting solutions to corporations.

Unaudited management accounts of Webcom for the nine months to 31 January 2004 show annualised revenues of AUD1,037,000 (£430,000) and book value of fixed assets acquired of AUD294,000 (£122,000). In consideration Virtue Australia will pay a total of AUD115,000 (£48,000) in cash net of working capital adjustments.

Virtue is also pleased to announce that Virtue Australia has signed a AUD240,000 (£100,000) annual contract with BT Global Services for the provision of hosting and IP related services.

Mike Neville, Chairman, commented:

"The acquisition of Webcom enables the Group to broaden its footprint in the Australasian communications market and will further complement our international 'Virtue Communications' brand. As a Group we are dedicated to providing innovative, high-quality online communications solutions to our clients and this acquisition is inline with that ambition. The integration of Webcom and Virtue Australia will bring further cost savings to that market segment and add further value to our shareholders"

About Virtue Communications

Virtue Communications, part of Virtue Broadcasting Plc, is a leading corporate communications solutions provider in Europe and Asia Pacific enabling corporations to communicate both internally and externally, to support their business goals, cost-effectively. Virtue provides organizations with the technology infrastructure and software solutions, which empower them to create and deliver communication messages which complement their global communications strategies. It is headquartered in London, and has offices in Zurich, Frankfurt, Stockholm, Madrid and Sydney.

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