

**World Television Group PLC  
(‘World Television’ or the ‘Group’)**

**Interim results for the  
six months ended 30 June 2007 (unaudited)**

**Financial Highlights**

- Profit before tax of £365k (2006: £298k)
- Earnings before interest and tax (EBIT) excluding Australia, reflecting group recurring trading, of £163k (2006: loss of £173k), an improvement of £336k.
- Group turnover excluding other operating income £4.88m (2006: £4.75m).
- Underlying turnover, reflecting recurring business, £4.82m (2006: £4.48m), representing growth of approximately 8%
- Operating expenses before exceptional items, accounting for share options and goodwill amortisation £4.63m (2006: £4.83m).

**Chairman’s statement**

In our Preliminary Results statement of 26 April 2007, we announced the following key goals for 2007:

- To achieve profitability in 2007.
- To generate additional profitable revenues through new product launches.
- To focus management time on our growth businesses.
- To recruit business developers and salespeople in growth markets.

I am delighted to report we have made good progress towards all these goals in the first half of 2007. We have continued the trend of the past two years with a £336k improvement in underlying profitability, resulting in the first positive EBIT since the merger of World Television and Virtue Broadcasting. Underlying revenue grew at 8% as a result of strong performances from existing products, and we substantially strengthened the balance sheet with transactions relating to the sales of Australian webcasting assets and the 2004 and 2007 Loan Notes. As a result of our stronger financial position we began the process of recruiting business developers in key areas.

The Group’s streaming businesses performed strongly once again, with double digit revenue growth in the UK, Spain, Switzerland and Sweden and triple digit growth in Germany. We took steps to address continuing weakness in UK Corporate TV revenues by allocating additional resources for business development and sales. We launched two new products, Video News Manager and Channel Player, at the end of the second quarter.

World Television’s transactions relating to Australia and the 2004 and 2007 Loan Notes had an overall positive effect on the profit and loss account. The Australian sale resulted in a one-off gain after expenses of £568k and our ownership of the business until mid-February produced an EBIT loss of £48k. The Loan Notes transaction resulted in a redemption premium of £318k to the P&L when the 2007 Notes were converted into equity.

Total turnover during the period increased by £133k to £4,881k. Underlying revenues, which discount the effect of the disposal of the Australian business, showed an increase of £340k or 8%. Operating expenses before exceptional items, accounting for share options and goodwill amortisation fell by £202k from £4,833k to £4,631k.

The Group generated an EBIT profit (pre-exceptionals and accounting for share options) of £115k, an improvement of £267k from a £152k loss. Excluding Australia, EBIT (pre-exceptionals and accounting for share options) for the Group was £163k profit compared to a loss of £173k.

### **Outlook**

We will maintain our strategy of organising the Group according to four business areas (investor relations, internal communications, public relations and sales and marketing) as well as geographical territories. We will also continue to invest in product development and additional sales resource, while reducing Group overheads at every opportunity.

The principal commercial risks to the Group are, in the Board's opinion, the performance of the UK Corporate TV business and any potential downturn in the world economy. However the Directors believe that demand for the group's streaming media services will continue to be strong in the second half of 2007, and that the effect of new product launches and staff recruitment will begin to be seen in revenues and profits. The Board expects year-on-year underlying revenue growth in the second half to be between 5% and 8%.

In summary it is clear to me that the changes we have made since 2005 are beginning to bear fruit in the form of profits. We will continue to build value in your company by growing profits and positioning World Television as the international leader in video communications for large organisations

Steve Garvey  
Chairman  
19 September 2007

## WORLD TELEVISION GROUP PLC

For the half year ended 30 June 2007

### Summary consolidated operating results

| £ thousands                                                       | (Unaudited)<br>Six months<br>to 30.06.07 | (Unaudited)<br>Six months<br>to 30.06.06 | (Audited)<br>12 months<br>to 31.12.06 |
|-------------------------------------------------------------------|------------------------------------------|------------------------------------------|---------------------------------------|
| Europe                                                            | <b>4,817</b>                             | 4,477                                    | 8,695                                 |
| Australasia                                                       | <b>64</b>                                | 271                                      | 518                                   |
| <b>Turnover</b>                                                   | <b>4,881</b>                             | 4,748                                    | 9,213                                 |
| Europe                                                            | <b>391</b>                               | 80                                       | 80                                    |
| Australasia                                                       | <b>(43)</b>                              | 36                                       | 19                                    |
| <b>EBITDA (pre-exceptionals and accounting for share options)</b> | <b>348</b>                               | 116                                      | 99                                    |
| Europe                                                            | <b>(228)</b>                             | (253)                                    | (553)                                 |
| Australasia                                                       | <b>(5)</b>                               | (15)                                     | (22)                                  |
| <b>Depreciation and Amortisation</b>                              | <b>(233)</b>                             | (268)                                    | (575)                                 |
| Europe                                                            | <b>163</b>                               | (173)                                    | (473)                                 |
| Australasia                                                       | <b>(48)</b>                              | 21                                       | (3)                                   |
| <b>EBIT (pre-exceptionals and accounting for share options)</b>   | <b>115</b>                               | (152)                                    | (476)                                 |

### Group profit and loss account

| £ thousands                                                           | (Unaudited)<br>Six months<br>to 30.06.07 | (Unaudited)<br>Six months<br>to 30.06.06 | (Audited)<br>12 months<br>to 31.12.06 |
|-----------------------------------------------------------------------|------------------------------------------|------------------------------------------|---------------------------------------|
| <b>Turnover</b>                                                       | <b>4,881</b>                             | <b>4,748</b>                             | 9,213                                 |
| Operating expenses before exceptional items and goodwill amortisation | <b>(4,631)</b>                           | <b>(4,833)</b>                           | (9,500)                               |
| - Reorganisation expenses                                             | -                                        | -                                        | (322)                                 |
| - Share option expense                                                | -                                        | <b>(38)</b>                              | (63)                                  |
| - Amortisation of goodwill and intangible fixed assets                | <b>(138)</b>                             | <b>(133)</b>                             | (299)                                 |
| - Tornado PAYE provision                                              | -                                        | <b>496</b>                               | 446                                   |
| Total net operating expenses                                          | <b>(4,769)</b>                           | <b>(4,508)</b>                           | (9,738)                               |
|                                                                       | <b>112</b>                               | <b>240</b>                               | (525)                                 |
| Other operating income                                                | <b>3</b>                                 | <b>66</b>                                | 84                                    |
| <b>Operating profit / (loss)</b>                                      | <b>115</b>                               | <b>306</b>                               | (441)                                 |
| Exceptional items – non-operating                                     |                                          |                                          |                                       |
| - Profit / (Loss) on sale of operations                               | <b>568</b>                               | -                                        | (14)                                  |
| <b>Profit / (loss) on ordinary activities before interest</b>         | <b>683</b>                               | <b>306</b>                               | (455)                                 |
| Net interest payable                                                  | <b>(318)</b>                             | <b>(8)</b>                               | (28)                                  |
| <b>Profit / (loss) on ordinary activities before taxation</b>         | <b>365</b>                               | <b>298</b>                               | (483)                                 |
| Taxation                                                              | -                                        | -                                        | -                                     |
| <b>Profit / (loss) on ordinary activities after taxation</b>          | <b>365</b>                               | <b>298</b>                               | (483)                                 |
| Equity minority interests                                             | -                                        | <b>(1)</b>                               | 17                                    |
| <b>Retained profit / (loss) for the period</b>                        | <b>365</b>                               | <b>297</b>                               | (466)                                 |

## Consolidated balance sheets

As at 30 June 2007

| £ thousands                                           | (Unaudited)<br>at 30.06.07 | (Unaudited)<br>at 30.06.06 | (Audited)<br>at 31.12.06 |
|-------------------------------------------------------|----------------------------|----------------------------|--------------------------|
| <b>Fixed assets</b>                                   |                            |                            |                          |
| Goodwill                                              | 587                        | 822                        | 704                      |
| Other Intangible assets                               | 113                        | 133                        | 110                      |
| Tangible assets                                       | 272                        | 455                        | 359                      |
| Unlisted Investments                                  | -                          | 1                          | -                        |
|                                                       | <b>972</b>                 | <b>1,411</b>               | 1,173                    |
| <b>Current assets</b>                                 |                            |                            |                          |
| Debtors                                               | 2,415                      | 2,097                      | 1,783                    |
| Cash at bank and in hand                              | 395                        | 262                        | 42                       |
|                                                       | <b>2,810</b>               | <b>2,359</b>               | 1,825                    |
| <b>Creditors:</b> amounts falling due within one year | <b>(2,578)</b>             | <b>(4,332)</b>             | (4,392)                  |
| <b>Net current liabilities</b>                        | <b>232</b>                 | <b>(1,973)</b>             | (2,567)                  |
| <b>Total assets less current liabilities</b>          | <b>1,204</b>               | <b>(562)</b>               | (1,394)                  |
| <b>Creditors:</b> amounts falling due after one year  | <b>(77)</b>                | <b>(91)</b>                | (45)                     |
| <b>Provisions for liabilities and charges</b>         | <b>-</b>                   | <b>(110)</b>               | (25)                     |
| <b>Net assets/(liabilities)</b>                       | <b>1,127</b>               | <b>(763)</b>               | (1,464)                  |
| <b>Capital and reserves</b>                           |                            |                            |                          |
| Called up share capital                               | 19,499                     | 18,590                     | 18,599                   |
| Share premium account                                 | 10,361                     | 8,967                      | 9,011                    |
| Capital redemption reserves                           | 16,874                     | 16,874                     | 16,874                   |
| Merger reserve                                        | (15,999)                   | (15,999)                   | (15,999)                 |
| Other reserve                                         | 2,428                      | 2,365                      | 2,428                    |
| Profit and loss account                               | (32,019)                   | (31,466)                   | (32,265)                 |
| <b>Equity shareholders' surplus/(deficit)</b>         | <b>1,144</b>               | <b>(669)</b>               | (1,352)                  |
| Equity minority interests                             | (17)                       | (94)                       | (112)                    |
|                                                       | <b>1,127</b>               | <b>(763)</b>               | (1,464)                  |