



Press Release

21 September 2005

Cellcast plc
("Cellcast" or "the Group")

First Day of Dealings

Cellcast plc today announces the commencement of dealings of its Ordinary Shares on the AIM market (AIM) of the London Stock Exchange. Daniel Stewart is acting as Nominated Adviser and as Broker to Cellcast. The stock market EPIC will be CLTV.L

Placing Statistics

Placing Price	71 pence
Number of Placing Shares to be issued	7,044,000
Number of Vendor Placing Shares to be Placed	2,634,167
Percentage of Enlarged Issued Share Capital being issued by the Company under the Placing	24.8 percent
Gross proceeds of the Placing	£5.0 million
Estimated net proceeds from the Placing to be received by the Company	£4.3 million
Number of Ordinary Shares in issue immediately following Admission	28,346,911
Market capitalisation of the Company on Admission at the Placing Price	£20.1 million

The Placing attracted high levels of interest resulting in it being oversubscribed, and in addition to raising £5 million for the Group, an existing shareholder (Atlas Group of Companies Limited) has sold £1.87 million of shares in the Placing.

Reasons for the placing and Admission and use of proceeds

The net proceeds of the Placing received by the Group will be used to strengthen the balance sheet and to finance its future growth. It will raise the Group's profile which is important, given its expansion plans, and will allow the Group to attract and motivate key staff through the issue of share options. It will also enable Cellcast to issue publicly traded shares as consideration for future acquisitions.

Andrew Wilson, Chief Executive of Cellcast plc, said: "We are delighted that the AIM flotation of the Group has been completed successfully and it is gratifying to witness such high levels of institutional demand. This listing makes both strategic and commercial sense as we take Cellcast to the next stage of its development and we now look forward to working with our new institutional shareholders."

Cellcast announces the appointment of Julian Paul as non-executive Chairman. Julian Paul qualified as a Chartered Accountant with Arthur Andersen in 1971, and subsequently spent nearly twenty years as a commercial and merchant banker. Since 1991 he has held several senior board positions with companies in the media and entertainment sector. He was Deputy Chairman of Castle Communications plc between 1991 and 1997 and Chairman of Tele-Cine Cell Group plc between 1994 and 1998. He is currently Deputy Chairman of Eagle Rock Entertainment Limited, of which he was a founder shareholder. He is also a non-executive director of Entertainment Rights plc, Pilat Media Global plc and Stagecoach Theatre Arts plc.

Commenting on the appointment of Julian Paul as non-executive Chairman, Andrew Wilson, said: "The Board is particularly pleased to welcome Julian to Cellcast as our Chairman. Julian brings with him a wealth of relevant knowledge as well as valuable experience of public company life. Our aim is to maintain our market leadership in the provision of global interactive digital broadcasting, and Julian will play a key role in our forward strategy."

Cellcast also announces the appointment of Michael Neville as non-executive director. Michael Neville has extensive experience in capital markets and has experience at board level in several public companies.

Cellcast will be reporting its maiden set of Interim Results on Wednesday 28 September 2005.

- Ends -

For further information:

Cellcast plc

Andrew Wilson, Chief Executive Officer

andrew@cellcast.tv

Tel: +44 (0) 20 7190 0300

www.cellcast.com

Daniel Stewart & Company Plc

Lindsay Mair, Head of Corporate Finance

lindsay.mair@danielstewart.co.uk

Tel: +44 (0) 20 7776 6550

www.danielstewart.co.uk

Media enquiries:

Abchurch

Henry Harrison-Topham / Tania Wild

henry.ht@abchurch-group.com

Tel: +44 (0) 20 7398 7700

www.abchurch-group.com

Further Information

Cellcast develops, aggregates and distributes a range of mobile and participation television applications. It produces live interactive programming which integrates mobile entertainment into the multi-channel television environment through audience participation via their mobile and/or fixed line phone. These formats and applications generate telephony-based pay-to-play and pay-to-participate income streams through revenue sharing agreements with broadcasters, mobile phone aggregators and fixed line operators. Participants' details are retained by the Group on a database that allows it to market other services to them.

The Group's applications and services can be utilised on multiple media platforms (television, internet and mobile), require no set-top box and are quick to implement as viewers can participate via their mobile phone. Its interactive content is also well suited to television over the internet.

Cellcast's programming is able to generate revenue throughout its broadcast period and benefits from low cost user-generated content. As a result, its programming offers additional yield potential when compared to regular advertising based and teleshopping programming. In the UK and a number of other European countries advertising on television is limited to 12 minutes in any hour and the amount of teleshopping is also restricted. In the UK, for example, on general entertainment channels such as those broadcast by Cellcast, teleshopping is restricted to three hours in any one day. Given these regulatory restrictions, Cellcast's applications are able to generate revenue as a part of the programme and thus create new revenue streams for broadcasters.

Also while viewer interaction is initiated by a particular television programme, Cellcast's applications and services are designed to encourage viewers to continue to interact after the broadcast has finished, for example, in the areas of gaming and dating. The Directors believe that this model creates the opportunity to generate follow-on revenues which are incremental to those initially generated by participation in the interactive programme.

KEY STRENGTHS

The Directors believe that the key strengths of the Group are the following:

- its programming produces additional revenue streams for broadcasters at limited cost;
- it has a proprietary technology platform;
- its services may be accessed by the public via multiple media platforms;
- its applications have post-broadcast follow-on revenue opportunities;
- the international scalability of the business model; and
- the experience of its management team.

BACKGROUND AND HISTORY

In 2002, Andrew Wilson and Bertrand Folliet (Chief Executive Officer and Chief Operating Officer of the Group respectively) identified the participation television market as having significant growth potential and established the Group to capitalise on this and on their experience in this market.

BUSINESS ACTIVITIES AND SERVICES

The Group markets directly to consumers via its owned and operated broadcast channels and air time on third party channels and provides a range of programming and services to television broadcast and network partners.

The Group currently broadcasts approximately 80 hours of live UK television per day across nine channels on the Sky Digital platform in the UK.

The Group's formats and applications include:

- voting and polling;
- game shows and competitions;
- gaming and gambling;
- reverse auctions;
- interactive astrology and psychic readings;
- interactive talk shows; and
- dating and chat lines.

The Group provides the following services to television broadcast and network partners:

- a portfolio of successful and innovative interactive TV formats;
- interactive TV programme production;
- indirectly, through third party providers, technical, marketing and customer relationship support including database management, data-mining and mobile marketing;
- indirectly, through third party providers, fully-hosted SMS and IVR services including billing
- solutions; and
- the facility to enable international broadcasting and distribution.

The Group's customers comprise broadcasters who license and distribute its programmes. Its key suppliers are satellite and cable providers who supply bandwidth and distribution. It also has strong relationships with telecommunications companies and aggregators, who pay the Group a proportion of the revenues they earn from traffic generated by viewers' calls, MMS, video and SMS in response to the Group's programmes.

The Group markets directly to consumers through its wholly owned and operated broadcast channels and through purchased air time on third party channels. The Group distributes proprietary applications and programming on many major overseas channels and platforms and collaborates with broadcasters in Europe, the Middle East, India and South America. These include Future TV, LBC, MBC, Dubai Television and Rotana in the Middle East; and Zee TV and Star TV in India. The Group is planning to launch an interactive 24-hour channel on the AsiaSat 3S platform which is accessible in at least 50 countries and to licence its formats and programming to Canal+ in France.

The Group has indirect relationships, through telecommunications aggregators, with a range of telecommunications carriers including BT, Vodafone, Orange, Virgin Mobile, 3 Mobile, O2 and T-Mobile.

Cellcast Interactive Platform ("CIP")

The Group has developed a platform that deploys existing technology to integrate viewer-generated content including messaging, speech and video, into pre-recorded and live TV programming and which facilitates the distribution of content to a wide

range of consumer devices including mobile phones, PDAs, television and the internet.

The CIP's client-server architecture enables multiple clients to connect to a central Cellcast Interactive Server so that broadcasters can increase interactivity without a significant upfront investment. This allows them to test market demand and rapidly deploy applications and programmes. It also enables broadcasters to push their content to three key consumer platforms: television; mobile phones; and the internet, including broadband television and IPTV.

As well as providing multiple content distribution channels, the platform handles responses from voice and IVR, SMS, MMS and 3G, mobile applications; set-top box applications, and internet browsers.

The CIP facilitates the collection of revenue through Premium Rate Telephony; Premium Rate SMS; credit and debit cards; and PayPal.

THE MARKET AND COMPETITION

The growth of special interest cable and satellite television channels in the digital broadcast environment has resulted in audiences and revenues being spread over an increasing number of channels. For example, in the UK, one of the most competitive markets in the world, Ofcom issued 162 new licences to broadcast television services in 2004, and over 370 channels are now available to UK audiences. Competition for customers is thus intense and, as a result, traditional television broadcasting models, which are based on advertising revenue, are coming under pressure. Broadcasters are seeking to find new ways of winning audience share and generating revenue streams, whilst seeking to reduce the operational costs of providing new formats and services. Among early participation television applications, voting and polling demonstrated the potential of the new medium. This is evidenced by the success of programmes such as Big Brother and Pop Idol.

The market has grown rapidly since its inception. In 2003, the 900 million messages sent in the European SMS-TV market generated an estimated A400 million shared by broadcasters, mobile operators, and technology providers. According to a report in the McKinsey Quarterly (McKinsey & Company), the addition of SMS boosts the viewership of popular free-to-air television shows by up to 20 per cent. and can encourage ratings growth of circa 50-100 per cent. for niche cable and satellite

channels. Further, according to McKinsey & Company, the European SMS-TV market could reach A750 million by the end of 2005.

Television is a highly effective medium through which to market mobile entertainment services, which are now a significant part of the mobile content sector. Research and Markets forecasts that the mobile content market will generate in the region of US\$78 billion in revenues worldwide by 2007, up from US\$16.7 billion in 2003.

A number of companies produce and broadcast interactive formats. These operators focus on the sale of their formats and/or on buying airtime to promote them. They tend to focus on a single genre such as interactive quiz shows and formats and do not have the extensive portfolio of live interactive formats that the Group has developed.

STRATEGY OF THE GROUP

The Group intends to grow its business in the following ways:

- continued international expansion of the business by developing operations in Italy, India, the US, Argentina, and, in due course, China and other Asian markets;
- launching new channels on Sky;
- broadening the Group's distribution capabilities through regional satellite syndication by establishing local production and broadcast facilities serving Latin America, the United States, India, China and South-East Asia;
- developing its applications and interactive programming into formats suitable for new media platforms including 3G, IPTV, enhanced broadband, mobile video and wireless broadband services;
- taking advantage of the increasing functionality of mobile phones to deliver more sophisticated applications, appealing formats, and new premium services; and
- targeting its customer database of approximately 1 million mobile user numbers to:
 - facilitate higher returns from current services and applications; and
 - to encourage participation by cross selling its products and services directly to users.

Worldwide revenues for mobile gaming are predicted to be US\$19.3 billion by 2009 and the Group is developing a number of interactive multi-platform applications to

increase its gaming capabilities to capitalise on this growing market by providing applications for channels it operates such as GetLucky TV and for third party channels to facilitate live betting.

SUMMARY FINANCIAL INFORMATION

The following table sets out the key financial information relating to the Group which has been derived from the AIM Admission document.

	<i>Year ended 31 December 2004 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Period ended 31 December 2002 £'000</i>
Turnover	8,198	3,104	2,134
Gross profit	1,825	793	1,258
Operating loss	(708)	(713)	(71)
Loss on ordinary activities before taxation	(706)	(713)	(68)

Historic turnover has grown by over 280 per cent. over the past three years. Losses have been increasing over the last three years as the Group has incurred significant expenditure in developing new markets, and, testing and implementing new applications.

RECENT DEVELOPMENTS

The Group has recently entered into an agreement with Top Up TV whereby Top Up TV has agreed to broadcast the Cellcast Content during available overnight hours controlled by Top Up TV on the Freeview DTT platform. The Directors believe this is a strategic opportunity for the Group to expand its operations in the UK market. Further details of this agreement are set out in AIM Admission document.

The Board will continue to promote and expand the Group's business in the UK and also internationally. The Group is in advanced discussions to start tests in the US, Italy and Argentina and launch new applications in France.

DIRECTORS AND MANAGEMENT

Directors

Julian Paul FCA, *Non Executive Chairman (aged 60)*

Julian qualified as a Chartered Accountant with Arthur Andersen in 1971, and subsequently spent nearly twenty years as a commercial and merchant banker. Since 1991 he has held several senior board positions with companies in the media and entertainment sector. He was Deputy Chairman of Castle Communications plc between 1991 and 1997 and Chairman of Tele-Cine Cell Group plc between 1994 and 1998. He is currently Deputy Chairman of Eagle Rock Entertainment Limited, of which he was a founder shareholder. He is also a non-executive director of Entertainment Rights plc, Pilat Media Global plc and Stagecoach Theatre Arts plc.

Andrew Wilson, *Chief Executive Officer (aged 44)*

Andrew co-founded the Group in 2002. With twenty years' experience in the telecoms and information industries, he has a proven track record of building innovative international businesses in the telecoms, broadcasting and new media sectors. Before co-founding the Group, he was a director of the Tokyo based JASDAQ-listed e-Lux Corporation, and an executive director of the publicly listed Hong Kong company, e-New Media Limited. Prior to this he was a director of the international telemedia services provider, Voice Information System Limited ("VISL") and Joint Managing Director of Marketing Solutions, a subsidiary of DDB Needham. Andrew is a frequent speaker at industry conferences. Andrew has an Honours Degree in Film Studies from the University of Warwick.

Bertrand Folliet, *Chief Operating Officer (aged 39)*

Bertrand co-founded the Group in 2002. He has many years' experience in the telecoms, digital content and multimedia industries, and a successful record of building profitable businesses providing value-added billing and distribution services in the international telecom sector. Bertrand was formally the Chief Operating Officer of JASDAQ-listed e-Lux Corporation's key operating subsidiary in Hong Kong, prior to which he was an executive director of the publicly listed Hong Kong company e-New Media Limited. He also served as Managing Director of e-New Media subsidiary New Media Corporation, which grew to US\$140 million in revenues and US\$10 million in profit in 1999, and was Director of Operations of that Company's predecessor, VISL. Before joining VISL, he was Vice President of Matra-Hachette Multimedia On-line. Bertrand has a PhD from Paris Dauphine University.

Emmanuelle Guicharnaud, *Chief Financial Officer (aged 32)*

Emmanuelle spent 4 years as a Management Consultant for Price Waterhouse Coopers. In 1999 she joined a privately held chain of hotels with the responsibility of evaluating new acquisitions. In 2000 she relocated to the UK and took up a position as the financial controller of m-Quest, a telecoms company providing value added telephony and SMS solutions that was subsequently acquired by Monsternob PLC. She joined the Group as financial controller in 2002. Emmanuelle holds a DECF (Accountancy and Finance Diploma) from an International Business School (ESC).

Michael Neville, *Non Executive Director (aged 51)*

Michael has extensive experience in capital markets and is director of a number of public and private companies. He is the Chairman of Atlas, which will, at Admission, own 28.3 per cent. of the Enlarged Issued Share Capital. His background is in the telecommunications and technology arena, where he has worked for the last 17 years specialising in strategy, mergers and acquisitions, and turn around situations. Michael has worked for companies such as C&W, Norweb, Ozemail Interline Pty and OnCue Telecommunications Limited where he has been involved in large and small scale fund raisings as well as various merger and acquisitions transactions. Michael holds an engineering degree as well as a MBA.

Cellcast intends to appoint another non-executive director following Admission.

The following have disclosable interests in Cellcast's issued ordinary share Capital:

Atlas Group of Companies Limited hold 8,017,288 shares representing 28.2 per cent. of the Company's issued share capital;

SMSMedia Limited hold 8,762,953 shares representing 30.9 per cent. of the Company's issued share capital; and

Sardik Limited hold 1,888,503 shares representing 6.7 per cent. of the Company's issued share capital.

The Directors have the following beneficial interests in the Cellcast's issued ordinary share capital:

Julian Paul has no interest;

Andrew Wilson is beneficially interested in 2,907,384 shares representing 10.3 per cent. of the Company's issued share capital;

Bertrand Folliet is beneficially interested in 2,907,384 shares representing 10.3 per cent. of the Company's issued share capital;

Emmanuelle Guicharnaud is beneficially interested in 353,777 shares representing 1.25 per cent. of the Company's issued share capital; and

Michael Neville has no interest.