



**Press Release**

**22 August 2005**

**Cellcast announces intention to float on AIM**

Cellcast plc ("Cellcast" or "the Group"), a global interactive digital broadcaster, today announces its intention to seek admission of its shares to trading on the AIM Market ("AIM") of the London Stock Exchange. Dealings are expected to commence on AIM in September 2005.

Established in 2002 Cellcast develops, aggregates and distributes a range of mobile and participation television applications. The Group 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 income streams through revenue sharing agreements with telephone networks.

Cellcast produces a broad range of programming which is distributed domestically in the UK and also internationally. The common theme is a requirement for low cost production with live feeds promoting interactivity with the viewers. The current portfolio of themes includes talk shows, gameshows, dating and chat, astrology and psychic television, reverse auctions, betting, gaming and voting.

Cellcast's business model enables broadcasters, content developers, media ventures, 3G services and mobile networks to maximise revenue opportunities arising from the convergence of television, the internet and mobile communications.

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. In the UK over 370 channels are now available to UK audiences and broadcasters are seeking to find new ways of winning audience share and generating new revenue streams that reduce reliance on traditional advertising revenue. Programmes such as Big Brother and Pop Idol have demonstrated the success of interactive formats that include voting and polling.

In the UK and many other countries, regulations limit the number of minutes of advertising on television that may be shown in any hour and the amount of teleshopping is also restricted. Cellcast's live programming is able to generate revenue throughout the entire broadcast period and further benefits from low-cost user-generated content.

The market has grown rapidly since its inception. In 2003, the 900 million messages sent in the European SMS-TV market generated an estimated US\$509 million shared by broadcasters, mobile operators, and technology providers. According to a report by McKinsey, the addition of SMS can boost viewing figures of popular free-to-air television shows by up to 20% and can encourage ratings growth of between 50% and 100% for niche cable and satellite channels. Furthermore, according to McKinsey, the European SMS-TV market could reach US\$947 million by the end of 2005.

A number of companies produce and broadcast interactive formats. Some sell their formats and/or buy airtime to promote them. Others focus on a single genre such as interactive quiz shows but do not have the extensive portfolio of live interactive formats that the Group has developed.

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. Cellcast believes that this model creates the opportunity to generate follow-on revenues which are incremental to those initially generated by participation in the interactive programme.

Cellcast's trade 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 viewers' calls, MMS, video and SMS messaging 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 channels and platforms and collaborates with broadcasters in Europe, the Middle East, India and South America. These include Sky Digital in the UK; 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 over 50 countries and to licence its formats and programming to Canal+ in France.

On the decision to float on AIM, Andrew Wilson, Chief Executive Officer of Cellcast, commented: "The AIM listing clearly demonstrates that participation TV has now become a serious and commercially successful broadcast model. The funds that we are set to raise will allow Cellcast to continue its international expansion, building a presence in the USA and Latin America, whilst growing current operations in Europe, the Middle East and Asia. Furthermore it will enable us to strengthen and develop our proprietary technology and broaden distribution across media partners."

Daniel Stewart is acting as both Nominated Adviser and Broker to Cellcast.

**For further information:**

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**Photography**

Soft copies of photographs of Andrew Wilson, Chief Executive Officer, and Emmanuelle Guicharnaud, Chief Financial Officer, are available from Abchurch.