



SUCCESSFUL £7M FUNDRAISING TO ACQUIRE BULGARIAN DIGITAL CHANNELS AND INVEST IN UK TELEVISION PRODUCTION

(London, Thursday 1, 2005) Apace Media plc, the intellectual property and branded content company announces that it has conditionally raised £7 million through the issue of 46,666,666 new ordinary shares at 15 pence per share. The placing, which attracted both new and existing institutional investors, included a £1.6 million investment by the Chairman and Deputy Chairman. The new funds are being used to invest in new television production and broadcasting assets. The placing is subject to shareholder approval at an EGM, which has today been called for 22 December 2005, notice of which has been sent to shareholders.

Some of the money raised will be used to fund the acquisition from Diema Group of a 50% holding in Diema Vision, the leading Bulgarian cable/satellite broadcaster. The acquisition is subject to certain closing conditions. Over the next two years, Apace will acquire another 16% of Diema Vision, the timing and consideration for which will be determined by the future performance of the business. The acquisition of Diema brings four additional television channels to the existing two channels Apace already owns in Bulgaria. This acquisition establishes Apace, alongside News Corporation, as one of the biggest multi-channel broadcasters in Bulgaria.

Diema's channels cover sport, films, news and pay-TV/pay-per-view. In addition to television rights, Diema retains home entertainment and cinema rights for some of the films it acquires. The group's sporting rights include exclusive broadcasting of English Premiership, French and Spanish football championships.

The new funding will also be used to invest in the development and creation of new products by Steadfast, Apace's UK entertainment production division acquired earlier this year, and by the group's other UK operations.

Making the announcement Apace Chairman, Didier Stoessel said,

“The success of this fundraising is a reflection of how well our strategy has been received by the investment community. The Bulgarian acquisition consolidates Apace's position as a content producer, rights controller and broadcaster in one of the fastest growing broadcast markets. It dovetails with our declared strategy of building a group of entertainment and production companies capable of exploiting their rights in the UK and other fast growing markets.”

Apace Deputy Chairman and Chairman of Steadfast, Chris Rowlands added,

“In addition to acquiring these valuable Bulgarian media assets, the funds will allow us to accelerate Steadfast's production activities by investing in key creative and business affairs executives. In this way we shall be able to create a well-resourced, internationally focussed production arm greatly enhancing Apace's commercial potential.”

Application has been made for the new ordinary shares to trading on AIM and dealings in 5,000,000 shares placed with VCT investors are expected to commence on 22 December. The

remaining shares are expected to commence trading on 23 December 2005, subject to shareholder approval.

Background on Apace

Apace Media was founded in 2002 and admitted to AIM in April this year. The business specialises in:

- the creation, distribution + exploitation of intellectual property in television and recorded music;
- the development and distribution of branded content.

In September, Apace announced revenues for the first six months of 2005 of £1.6 million, with a pre-tax profit of £0.9 million before amortisation of goodwill. At the same time it announced:

- the acquisition of MM Televizia, an integrated Bulgarian media group, including the country's leading music television channel TV channel;
- the acquisition of Steadfast Television Limited, a U.K. based independent TV production company specialising in factual entertainment programmes.

Background on Bulgaria.

Bulgaria is one of the emerging countries of Eastern Europe. It has a population of approximately eight million people and its entry into the European Union is currently targeted for January 1st, 2007. Bulgaria is substantially restructuring its economy and infrastructure in preparation for EU entry. A large-scale privatisation programme has been implemented and foreign investors are already very active in the country.

The Bulgarian economy has performed well over the last 3 years with GDP growth averaging 4.75 % per year. Inflation in 2004 was below 3.5%. The Bulgarian government has a GDP growth target of 5%- 6 % for 2005 and projects a budget surplus. After EU entry, EU funds representing 4%-5% of GDP for the 2007-2009 period are expected to be invested in infrastructure.

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