

Apace Media Plc

Albanian Broadcasting

(London, October 15, 2007) Apace Media Plc ("The Company") has learned that on 10 October 2007 the Albanian National Council for Radio and Television ("NCRT"), the regulatory body for the broadcasting sector in the Republic of Albania, issued a preliminary decision to suspend the National Broadcasting License of the Albanian national television broadcaster, TVA - TV Arberia sh.p.k ("TVA"). The NCRT has at the same time issued a warning to the other Albanian national broadcaster – TV Klan.

This preliminary decision by the NCRT is based on a claim that TVA has not complied with the terms of its existing license. NCRT has invited the management of TVA to present its objections and defense within a 30-day period.

Prior to the Company's decision to invest significantly in TVA (approximately £2 million mainly in loans), the NCRT had taken the decision to reduce the period of TVA's existing broadcasting license by one year, due to non-compliance with its license requirements. On 1 October, 2007 this decision was overturned in favour of TVA by the Tirana District Court, through lack of evidence. If NCRT does not lodge an appeal before a set deadline, the original period of the broadcasting license will remain in force until 3<sup>rd</sup> January 2009. TVA will also lodge a formal application for renewal of its license. As part of this process and to strengthen the international resources of the broadcaster, Apace Media plc has decided (through its wholly-owned subsidiary Apace Media Albania) to take up the option for 40% of the equity of TVA.

While TVA had breached some of its license terms in the past, largely as a consequence of lack of resources, since January 2007 the newly-appointed management of TVA has considerably improved the performance (in line with the requirements of the law and of the TVA license). These improvements include the acquisition and/or in-house production of a large volume of new programming. Up-to-date equipment and technology has also been bought to enhance the technical quality and viewing coverage.

Apace Media plc acquired its stake in TVA in the full knowledge that this was a speculative investment. Apace Media plc will support TVA's management and work with the other shareholders to contest and reverse the above decisions of NCRT and to continue with the regeneration of TVA as a successful broadcaster.

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