The small company specialists

COMPANY INFORMATION

Vitesse Media Plc (LSE:VIS)

Info Sheet compiled October 2006

Company Eye Ranking **24/50**

EDITOR'S NOTE

The group is an AIM-listed on-line, print publishing and events company specialising in growing businesses. The group conducts this business through the parent and its subsidiary; Growth Company Investor Limited.
The company holds a commanding presence in AIM and the unquoted growing company sector and the directors are confident that the business will continue to grow.

We believe that full benefits of all The Company investment in infrastructure and new products will show through profitably in future financial years.
In our opinion the company is dependent on the appetite for the AIM Market continuing. It is also somewhat concerning that the company made a loss in the last financial year.

KEY POINTS

Vitesse Media Plc:
leading specialists in growth businesses through its flagship titles
* Growth Company Investor,
* Business XL,
* SmallBusiness.co.uk
* GrowthBusiness.co.uk.

Company Name	Vitesse Media Plc
Current Price	27.50
Status	AIM
Market Cap	£4.41 m.
Shares in Issue	18,121,414 m.
Activities	Vitesse Media publish a broad range of specialist titles focusing on growing businesses, tax and investment.
Sector	Media & Photography
Corporate advisor	KBC Peel Hunt Ltd
Registrar	Computershare Investor Services PLC

HISTORY

Vitesse Media Plc was founded in 1991 by Chairman and chief executive Sara Williams. Vitesse is her second business. She founded a medical and data company with her husband in1984. It was sold to Reuters in 1993. The experience of being an analyst and running her own business energized Williams' interest in growing companies and gave her the impetus for founding Vitesse.
Vitesse started with a strong database of people and company information before developing products to exploit those resources. This data is expensive and hard to replicate, which is problematic for competitors. It has detailed information, for example, about every AIM company and holds lists of thousands of private investors.
Vitesse also researches and writes about business growth from both the entrepreneurs' and investors' point of view, producing a wider analysis than more specialist publishers.

THE BUSINESS

Award-winning, AIM-listed information publisher Vitesse Media plc focuses on entrepreneurial business activities, with an expert hub of knowledge about AIM. Boasting leading websites, GrowthBusiness.co.uk, SmallBusiness.co.uk and GrowthCompany.co.uk, as well as magazines Business XL and Growth Company Investor, Vitesse Media reaches an audience of around 400,000 people each month, including CEOs, entrepreneurs, professional advisers, venture capitalists and other investors. Vitesse Media also runs many events for entrepreneurs and investors, including Quoted Company Awards, Investor All Stars, Growth Cycle Seminars, and Media & Money.
The group has been reorganised along brand names into six areas of activity: Growth Company Investor, Business XL, SmallBusiness.co.uk, GrowthBusiness.co.uk, Event Management and Other Products. This is to focus the drive of the business on developing those products with the greatest potential.

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ACTIVITIES

Growth Company Investor
The Aim Guide,research reports published under this brand name and events promoted by the title.
The redesign of the core magazine was well received by professionals and the drive of the business continues to be to improve the income derived from that source. A major redevelopment and redesign of the associated web sites (www.GrowthCompany.co.uk and www.SmallCompanies.co.uk) has begun in the current financial year and we expect this to lead to a significant reduction in the administration workload of the subscription team as well as to an improvement in our ability to market the product online. The magazine/web site provides original coverage on around 1,700 companies and this should be reflected in traffic volumes bringing visitors to the site to be made aware of our product, leading to a commensurate rise in subscription income.

Business XL
Ten issues of Business XL were published during 2004, compared to six the previous year. The Company also launched a series of seminars, Growth Cycle Seminars, during the year.

SmallBusiness.co.uk
Business Go, The Company email newsletter, was redesigned during the year and is now received by over 23,000 small businesses.

GrowthBusiness.co.uk
As the first in The Company web redevelopment programme and following its relaunch in January 2005, the site is attracting on average almost 1,000 visitors a day. Several strong brand names are now advertising on the site and early indications are that they find this a very successful new marketing outlet for theirproducts.

Event management
During the 2004/5 financial year The Company completed the acquisition of the business of One Events. The events team moved into new offices during November 2004 and three further members have been added, bringing the team up to eight. Integration of the business has occurred and is now well established. The team are heading up the drive to create its own events and exploit its brand names, while maintaining a stream of income from managing events in the financial, health care and life sciences fields.

Other products
This area includes the Small Business Guide and Tax Guide, TheWrongPrice.com (an investor web site) and an email investor newsletter, Peter Shearlock's Small Cap Stock Picks.

LIST OF CLIENTS

London Business School
Founded in 1965, the School graduated over 800 MBAs, Executive MBAs, Masters in Finance, Sloan Fellows and PhDs from over 70 countries in 2005. The School's executive education department serves over 6,000 executives on its programmes every year.

Lloyds TSB
London Stock Exchange

DEVELOPMENT HIGHLIGHTS

June 2006
Acquisition of Blue Chip Publishing, publisher of M & A magazine.

2005
launch first-ever Quoted Company Awards (www.QuotedCompanyAwards.com). The event was supported by London Stock Exchange, Aim, Quoted Companies Alliance and Financial Mail on Sunday, as well as many highly-rated professional firms including Grant Thornton, Evolution and KBC Peel Hunt.
In the current financial year, Business XL Live has organized a highly successful and thought-provoking summit within the media sector (www.MediaAndMoney.co.uk). Further events under the Business XL brand name are at an advanced stage of development and are likely to be launched during the autumn.

29 March 2004
Vitesse Media Plc bought the rights to one of the city's most prestigious annual investor award ceremonies. The Investor All-Stars Awards are made to the investor and venture capital groups which demonstrate the greatest commitment towards supporting the growth companies of the future.

23 July 2004
Growth Company Investor, the UK's leading magazine for fast growing companies, has launched the Quoted Company Awards, designed to recognise the achievements of key individuals within quoted companies listed below the FTSE 350.

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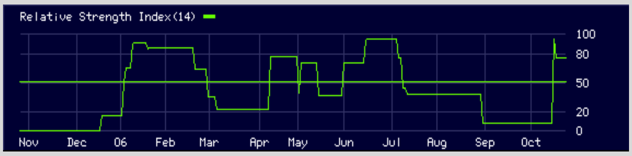
CHART

1YEAR RSI - 14



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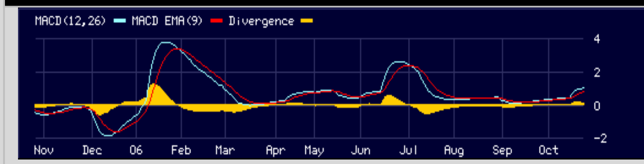

DIRECTORS

SARA WILLIAMS, Chairman and CEO
Sara Williams set up Vitesse Media plc, now an Aim-listed company, in 1997 with her own money. Formerly an investment analyst with Kleinwort Benson and a university lecturer in finance, she is also the editor of Business XL, the influential monthly magazine read by 30,000 CEOs of fast-growing unquoted and Aim companies, venture capitalists and professional advisers. She holds an M.Sc in Accounting and Finance from the London School of Economics and is a qualified investment adviser and investment manager. Sara is also the author of the Small Business Guide, an in-depth bible for small businesses (around two million copies have been sold). She has written for several national newspapers and leading magazines and is a regular broadcaster on TV and radio.

PETER WILLIAMS, Non-Executive Director
Peter Williams has raised over £13 million of venture capital for companies in which he has been involved. The first firm he founded was listed in the Independent on Sunday 100 as the fastest growing private company in the UK over the previous five years. He sold the business to Reuters for cash. Peter is now an investor and director of privately funded, VC-backed and quoted companies and runs Myles plc, a consultancy specialising in family-run businesses.

ANDREW BRODE, Non-Executive Director
Andrew Brode, a chartered accountant, was between 1978 and 1990 chief executive of Wolters Kluwer (UK) plc, one of the UK's largest business-to-business information groups. In 1990 he led the management buy-out of the Eclipse Group, which was sold to Reed Elsevier in 2000. In 1995 he led the management buy-in of RWS Group plc, the UK's largest technical translations group. He is also a nonexecutive director of a number of private equity-financed media companies.

CHRIS INGRAM, Non-Executive Director
Chris is a media entrepreneur with considerable experience of building and managing rapid-growth companies. He has spent his entire 40 year career in the media and marketing communications industry. He is widely regarded as the inventor of the modern media agency. In 2000 Chris was voted Ernst & Young's London Entrepreneur of the Year and UK Business Services Entrepreneur of the Year. In 2002, with his son, he launched a private equity business, Genesis Investments, specialising in media ownership and content. In July 2003 he acquired three companies in order to launch a strategic consultancy, The Ingram Partnership, specialising in brand building and communications for senior management. Chris is also on the board of London Business School's Foundation for Entrepreneurial Management and Centre for Creative Business.

Major Shareholders

In July 2001 Vitesse Media raised £1 million in a private placing with Bob Morton and Artemis AIM VCT.

Bob Morton
Bob Morton has backed many successes in his time and currently chairs six Aim companies, including facilities management group MacLellan and e-commerce solutions provider Systems Union.

Artemis AIM VCT
Artemis AIM VCT is managed by John Dodd, another

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experienced small-cap specialist. Artemis currently has over £600 million under management, primarily across the Artemis unit trust range. The company recently merged with ABN Amro.

Chris Ingram
In November 2004, the company raised £500,000 from Chris Ingram and family (see above for Chris' details)

SHAREHOLDINGS

	Number	%
ESM Williams	6,340,609	48.77
C Ingram	1,979,167	15.22

	Number	%
PRT Williams	972,167	7.48
Clive Hall	846,326	5.3
N Brookes	7,500	0.057
AS Brode	50,000	0.38

FINANCIAL HISTORY

Profit and loss account for the 6 months to 31st July 2006

£000	6 months ended 31 July 2006	Year ended 31 January 2006
Continuing operations	1,286	2,347
Acquisitions	143	-
TURNOVER	1,429	2,347
Cost of sales	(533)	(1,072)
Gross profit	896	1,275
Administrative expenses	(1,080)	(1,891)
OPERATING (LOSS)/PROFIT	(183)	(616)
Interest receivable and similar income	5	13
Interest payable and similar changes	(4)	(3)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(182)	(606)
Taxation	-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	(182)	(606)
EARNINGS/(LOSS) PER SHARE		
Basic	(0.96p)	(3.90p)
Diluted	(0.96p)	(3.90p)

Balance Sheet 31 July 2006

£000	31 July 2006	31 January 2006
Intangible assets	524	382
Tangible assets	186	173
FIXED ASSETS	710	555
Debtors	631	368
Cash at bank and in hand	470	465
CURRENT ASSETS	1,101	833
CREDITORS: Amounts falling due within one year	(792)	(805)
NET CURRENT ASSETS	309	28
TOTAL ASSETS LESS CURRENT LIABILITIES	1,019	583
CREDITORS: Amounts falling due after more than one year	(119)	(31)
DEFERRED INCOME	(505)	(255)
NET ASSETS	396	297
CAPITAL AND RESERVES		
Called up share capital	1,894	1,595
Share premium account	1,616	1,333
Other reserves	104	104
Profit and loss account	(3,218)	(2,735)
EQUITY SHAREHOLDERS' FUNDS	396	297

OVERVIEW

•Underlying sales growth of nearly 25 per cent despite a tough advertising climate; overall sales up by nearly 40 per cent
•Two months contribution from Blue Chip Publishing (acquired in June 2006) showing a small profit
•Gross profit up 63 per cent; overall operating loss halved compared with the same time last year; loss per share reduced from 2.47p to 0.96p
•Positive indicator with the level of deferred income up nearly 25 per cent to £506k over the same time last year

ROLLING EPS

•Net current assets up from £205k to £309k, an increase of over 50 per cent over the same time last year; cash balance at 31 July £470k (£465k at 31 January 2006)

RISK FACTORS

In addition to the other relevant information, the following specific factors should be considered carefully when evaluating whether to make an investment in the Company. The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective Investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the

acquisition of shares and other securities. A prospective Investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her. There are various risk and other factors associated with an investment of the type described in this document. In particular:
The value of an investment in the Company is largely dependent upon the expertise of the Directors and their ability to identify and acquire or invest in suitable companies or businesses. There can be no certainty that the Company will be able to identify suitable acquisition targets or complete the purchase of any identified targets at a price the Directors consider acceptable. In the event of an aborted acquisition it is likely that resources mayhave been expended on investigative work and due diligence, which cannot be recovered.
The acquisition of other businesses can involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Company.

GROWTH POTENTIAL AND RETURN

Vitesse Media Plc is optimistic that in the coming months and years The Company will achieve its objectives of continuing to grow both organically and by acquisition. Their leading position in providing information and advice to both the investors in growing businesses, including quoted small caps, and the managers of the businesses will provide The Company with increasingly profitable opportunities as Vitesse Media Plc take the business forward.

CONTACT

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RANKING

	Ranking out of 50 (50 being highest)
Business model - competitive advantage	
Competition	25
Customers	25
Low cost	25
Management	
- corporate governance	
- quality	25
- shareholding	20
Product	20
Sector	28
Financial evaluation	
Early and profitable exit potential	25
Financial strength	
- cash flow	
- conservative accounting	
- need for funding	
Growth at a reasonable price	
Risk	23
Overall average rating	**24**

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FURTHER INFORMATION ABOUT THE RANKING

Competitive advantage
Companies are assessed according to their business model and how this translates into strong and sustainable competitive advantage. This can only be achieved with low cost activities and doing something different from the competition. This 'differentiation' must add value to the customer who is then prepared to pay a premium price. The differentiation is most obvious in the product but it can exist anywhere in the company's value chain of activities, such as easy payment terms, convenient locations, superior management, and quality of suppliers. Companies that do not achieve competitive advantage because they have the same costs and/or do the same as the competition are marooned in a profitless zone. They helplessly try to compete with the one weapon left open to them, which is the disaster of cutting prices and typically leads to similar retaliation by competitors, with disastrous results.

THE FOLLOWING ELABORATES ON THE RANKING CRITERIA

Competition
How intense is the competition and are there barriers to entry?

Customers
Is the company controlling its customers and therefore its revenue streams? Are customers glued to the company and providing valuable and reliable recurring revenue or are they one-off, or 'transactional', providing shaky revenue? The company should ideally have weak and numerous customers.

Low costs
Has the company achieved low cost activities thus allowing more of the top line revenue to trickle down to the profit line?

Management
Is there good corporate governance? What is the quality of management, as this is crucial to any business? Are the directors' shareholdings significant but not so large that they control the company?

Product
Is the product different from the competition and adds value to the customer? Are there threatening substitutes? Does it have a powerful brand?

Sector
Is the company in an attractive sector that is profitable and adds value? Services tend to be more protected than products from international competition. Does the sector ride the tailwind of multi-year mega trends? Is the business well positioned in the current stage of the economic cycle? What is its resistance to a recession?

Profitable exit potential
What is the potential for selling the share profitably? This is more applicable to pre-flotation investments.

Financial strength
Does the company have strong cash flow, the lifeblood of any business? Is the accounting conservative or is there 'accounting for growth'? Does it need more funding? Is the profit margin healthy and at least equal to its sector? What has been the track record in the growth rate of profits?

Growth at a reasonable price
Does the share offer growth at a reasonable price? This is commonly measured using the PEG. This is the price earnings ratio (PE) divided by the forecast growth rate in earnings per share (EPS). The lower the PEG the better and under 1.0 is considered good for a blue chip company and under 0.6 for a small growth company.

Risk
What is the risk rating of the share due to factors such as new markets, its business model and strategies?