



1 June 2006

Ideal Shopping Direct Plc

Acquisition of Superstore TV Limited

Ideal Shopping Direct Plc ("Ideal"), Britain's leading independent multi-channel TV home shopping business, today announces its first acquisition.

Ideal has agreed to purchase Superstore TV Limited ("Superstore") from Simply Media TV Limited, the television broadcast and on-line media company owned by Henry Scott and media entrepreneur Mike Luckwell. Under the terms of the acquisition agreement, Ideal will purchase the entire share capital of Superstore TV for £0.5m, and repay £1m of intercompany loans, making a total consideration of £1.5m, all of which is goodwill. The consideration will be funded from the existing cash resources of Ideal.

Superstore is a product design, sourcing and wholesale business with a sourcing and quality control office in Fuzhou in mainland China, and a product design and sales office near Manchester. Superstore has historically sourced a variety of craft products for wholesale customers in the UK market. Although loss-making in 2005, Superstore has recently won a number of new accounts, including a contract to supply craft products into Asda stores, and is forecast to be profitable in 2006.

Ideal expects the acquisition to be earnings neutral in 2006 (before amortisation of goodwill) and earnings enhancing in 2007.

Ideal also confirmed today that it plans to close its niche channel, Jewellery Vault, in July. This channel was launched last year but has not generated sufficient turnover to support the costs of a standalone channel. The Jewellery Vault concept will continue on Ideal's main Ideal World channel. The elimination of Jewellery Vault's losses will remove its negative impact on the core business performance, although there will be a one-off exceptional charge of £400k in the first half of 2006 to cover exit costs.

Andrew Fryatt, Chief Executive of Ideal Shopping Direct Plc, said:

"The acquisition of Superstore is a key strategic move for Ideal and one which is highly complementary to our core business. It gives us the ability to source products directly from overseas manufacturers, providing innovative and competitive merchandise for our successful Create & Craft TV and web business. Looking ahead, we expect that this new supply chain will enable us to achieve margin benefits in our other merchandise categories. We will also continue to develop Superstore's wholesaling business, sourcing products in craft and other categories complementary to our existing product range."

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Notes to Editors

Ideal Shopping Direct currently operates 4 shopping channels:

1. "Ideal World" on Sky, Freeview and NTL
2. "Create and Craft", which addresses the niche hobby & craft market, on Sky
3. "Ideal Vitality", which focuses on Health, Beauty & Fitness on Sky
4. "Jewellery Vault", which is a falling price jewellery auction channel, launched in July 2005, on Sky.

Each channel is supported by a transactional website.

Ideal was advised by Landsbanki Corporate Finance on the acquisition of Superstore.