

Fitbug Holdings Plc ('Fitbug' or 'the Company')
Final Results for the year ended 31 December 2013
Update on Sales and Orders for 2014

Fitbug Holdings Plc, the AIM listed provider of online personal health and well-being services, is pleased to provide its Final Results for the year ended 31 December 2013 as well as an update on sales and orders for the year 2014 to date. The report and accounts for the year ended 31 December 2013 are being sent to shareholders and will be available on the Company's website, www.fitbugholdings.com, shortly. In addition, the Company gives notice of its AGM to be held at 1st Floor Waterside House, 47 Kentish Town Road, London, NW1 8NX on 25 June 2014 at 1.00pm.

Final Results

- Revenue for year ended 31 December 2013 of £749,000;
- Loss before tax of £2,643,000 reflecting the significant investment in new product, infrastructure and distribution channels to support strategic decision to focus on the consumer market;
- Legal action against Fitbit is scheduled to go to trial in early 2015 - the Company believes that it has a strong case; and
- Supportive financial backers - all loans extended to end July 2015 on attractive terms.

Update on Sales and Orders for 2014 - year to date 60% above 2013 full year

- Sales and confirmed orders the year 2014 to date at £1.2 million - 60% higher than overall sales for the whole of 2013;
- Retailers include Tesco, Dixons and PC World in the UK, Dick Smith and Myer in Australia, Incredible Connections and Dion Wired in South Africa, Mvideo in Russia and Radioshack in the US;
- Ten distribution partners appointed since January 2014 providing strong foundations for future growth; and
- Early results validate strategic decision to prioritise establishing global retail distribution channels.

Malcolm Fried, recently appointed CEO of Fitbug Holdings Plc, said: "In broadening the product range, switching our strategic distribution focus to retail, and bolstering our management team, Fitbug has positioned itself for growth in 2014. The Company's strategy is supported by our financial backers including the Kirsh Group and we look forward to building revenues and market penetration in 2014."

Statement from Chairman and CEO

'Wearable technology' continues to progress strongly as the digital health sector becomes established. We are pleased to report that our new products launched both before and since the year end have strengthened Fitbug's position in the Wearables and Digital Health category. Following substantial investment our core product repertoire now consists of the Fitbug Orb, a Bluetooth Smart, wireless activity and sleep tracker, and Kikplan™, which is in development for release in Q3.

Kikplan™ is a personalised coaching service designed to work with activity trackers to meet health, weight and fitness goals.

Both Fitbug Orb and Kikplan™ have been commended on an industry level and, reflecting this, we have to date in 2014 secured new contracts, strengthened our sales teams, increased retail uptake, gained financing on attractive terms, and positioned the business for increased uptake and value enhancement.

At £1,200,000, sales and confirmed orders so far in 2014 are 60% higher than overall sales for the whole of 2013. Since January 2014 we have appointed ten retail distribution partners, to provide coverage in the UK, US, France, Germany, Italy, Russia, South Africa, S.E Asia, Australia and New Zealand. In the US, we signed an exclusive retail sales representative agreement with Griffin International Companies, Inc.

Following these appointments in 2014, we are pleased to announce that so far some 20 retailers have confirmed plans to stock Fitbug products. These retailers include Tesco, Dixons and PC World in the UK, Dick Smith and Myer in Australia, Incredible Connections and Dion Wired in South Africa, Mvideo in Russia and Radioshack in the US.

The Company's new products complement a portfolio of integrated connected health products as Fitbug increases its presence in the mobile healthcare market. Our key focus is now on building our presence and revenues across the retail market. This change in strategy is fuelled by highly positive industry forecasts. For example, in a February 2014 assessment of the market, Canalys Research predict wearable band sales to increase to 17 million in 2014, growing to over 45 million by 2017 (<http://www.canalys.com/newsroom/16-million-smart-bands-shipped-h2-2013>). Additionally, wearables were recognised as one of the fastest growing product categories at the January 2014 Consumer Electronic Show and, according to ABI research, total wearable adoption is expected to grow to 170 million per annum in 2017.

We have positioned our products as good value and high quality, with multi-wear functionality, to appeal to a broad range of consumers. Fitbug has also invested in App development, significantly broadening Android smartphone connectivity. With this in mind, in order to oversee our sales development we appointed Ann Jones as Group Sales Director post period end and will gain from her strong sales and account management record.

Corporate Review

Post period end we appointed two new members to the Fitbug Board. Malcolm Fried, previously head of Bloomberg's Europe, Mideast & Africa digital and broadcast business unit, has been appointed as CEO with David Turner moving to a non-executive role. We look forward to benefiting from Malcolm's experience in building and structuring operations to optimise efficiency and value. In addition to Malcolm's appointment we are very pleased that Ann Jones, previously at Lowendalmasai, an Enterprise Cost Management Consultancy, where she was European Business Development Director, has joined the Board as Group Sales Director.

Paul Landau remains CEO of the Company's subsidiary, Fitbug Limited, and will continue to oversee its strategic direction and pioneer product development.

Legal Action against Fitbit

The Company's legal action against Fitbit alleging trademark infringement, unfair competition and unfair business practices is progressing and scheduled to go to trial in the U.S. District Court for Northern California in early 2015. We believe that we

have a strong case.

Financial Review

Fitbug's financial results for the year ended 31 December 2013 show revenues of £749,000 (31 December 2012: £1,334,000) and a loss before tax of £2,643,000 (31 December 2012: £1,444,000) which reflects the significant investment in new product development and innovation and the strategic decision to focus the Company's product range on the retail consumer market where the Board believe there are substantial growth opportunities as wearable device adoption become mainstream. Fitbug's cash balance at 31 December 2013 was £139,000 (2012: £648,000).

Importantly, we have supportive financial backers in NW1 Investments and Kirsh Group. In 2013 we signed loan agreements for £2,000,000 with NW1 Investments Limited ('NW1') and Kifin Limited ('Kifin'), a Kirsh Group subsidiary, at an interest rate of 5%. Post period end we have signed additional loan agreements for £2,000,000 on the same terms, and were also delighted to announce an agreement that the repayment date of all loans to the Company were extended to 31 July 2015. The funds used will be used to support business development and the marketing of our products.

Outlook

Fitbug, by expanding the product range, switching our strategic distribution focus to retail, and bolstering management, has positioned itself for growth. The Company's strategy is supported by funding on attractive terms and we look forward to building revenues and market penetration in 2014.

Fergus Kee, Chairman, Fitbug Holdings Plc
Malcolm Fried, CEO, Fitbug Holdings Plc

The annual report for 2013/2014 is available for download at http://www.fitbugholdings.com/pdf/Fitbug_Annual_Report_2013_14.pdf

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For further information visit www.fitbugholdings.com or contact:

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About Fitbug

Fitbug is a leading provider of online health and well-being services to help individuals to improve their lifestyles by making realistic changes to their daily routine. It combines activity tracking devices, which download to fitbug.com to provide an understanding of each user's daily activity achievements, with web technology which provides users with personalised weekly activity and nutrition targets, feedback, advice and encouragement.

Key market sectors include health insurance and rewards providers, workplace health programmes, Primary Care Trusts, fitness operators and consumers. Increasingly, Fitbug's platform acts as the driving force behind third party services such as white label sites, activity driven games and challenge microsites and rewards programmes. The Company's main focus is now on building strategic partnerships with organisations, with the United States as a key market, which can integrate Fitbug into their own service/product offerings or resell to their customer base. For more information, visit www.fitbug.com.

The Fitbug business was founded by Paul Landau, CEO of Fitbug Limited. Fergus Kee, Executive Chairman of the Company is the former Managing Director of Bupa's £2.1 billion turnover UK and North American Division.