

VRX Worldwide Inc.

HEAD OFFICE

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INVESTOR RELATIONS

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Prior to 2000, the company, doing business as Cambridge Ventures Ltd., was involved in mineral exploration. Due to poor market conditions for junior mining companies at that time, management of Cambridge elected to pursue alternative opportunities. In June 2000, the company acquired 100% of the shares of VRX Studios Inc., a private B.C. corporation, and its internet content syndication business which included its e-commerce enabled website, www.maxvr.com. Following this acquisition, in December 2000, Cambridge changed its name to VRX Worldwide Inc. To acquire the 100% interest in VRX Studios, the company invested a total of \$1.5 million in the development of VRX Studio's business plan and in March 2001, issued a total of 9.6 million shares to the founders of VRX Studios.

VRX Worldwide is a leading provider of online sales and marketing tools for the global travel and hospitality industries. Through VRX Studios, the company operates in three segments, namely, Interactive Content Licensing, Custom Content Solutions, and High Bandwidth Hosting. These business offerings are provided through an Application Service Provider (ASP) platform and have evolved from VRX's original Interactive Content Licensing product offering, MaxVR.com.

MaxVR offers travel related websites the ability to license 360° virtual tours and interactive maps of top vacation destinations throughout the Caribbean, Mexico, Hawaii and the continental U.S. The company maintains the world's largest archive of destination related 360° virtual

tours which are a series of digital photographs that are "stitched" together into an endless loop. The person viewing the virtual tours sees the images as if they were positioned in the middle of the loop. VRX complements its virtual tour offerings with interactive maps, an innovative means of sorting and organizing the virtual tours. Clicking on an icon imbedded in one of VRX's interactive maps brings up a separate window that contains the associated VRX virtual tour. Through its ASP platform, the company streams its interactive maps and virtual tours to a client's website. The actual content files, however, remain on VRX's servers. At present, the MaxVR archive includes over 3,000 virtual tours and close to 300 interactive maps. Going forward, VRX intends to continue to add to its archive of virtual tours until it has covered every major vacation destination resort in the world.

With the company's Interactive Content Licensing offering, businesses subscribe on a monthly basis for the use of VRX's content. The monthly fee, which can range from US\$9.95 to US\$3,000, is based on the number of virtual tours and associated interactive maps the customer is using at any time. Clients are allowed access as long as their accounts are prepaid and in good standing.

Through its Custom Content Solutions, the company provides a unique content solution by combining 360° virtual tours along with specially created interactive maps for the exclusive use of clients, which are predominantly travel related companies such as hotels, resorts, golf courses, and other travel and tourism related properties.

The fee structure for these services usually includes a charge for the creation of the content and a monthly hosting payment thereafter.

With its High Bandwidth Hosting offering, VRX is able to offer its Custom Content clients hosting and syndication services. These services can include content management and maintenance along with hosting to ensure the Custom Content is streamed as efficiently as possible with the highest quality. Revenue generated in this segment is based on the volume of data sent to a client's website.

In December 2002, VRX Studios signed an 18 month licensing agreement with Trisept Solutions, a full-service travel technology solutions firm. As part of the agreement, VRX will license its archive of 360° virtual tours and interactive maps to Trisept. In return, Trisept will integrate VRX's content into its client's websites, representing some of the top travel companies on the internet.

In February 2003, VRX provided details of a three year agreement with Expedia Inc. to enhance Expedia.com, the world's leading online travel site with interactive virtual tours

and detailed property maps. In 2002, VRX began providing 360° tours of Expedia special rate hotels and cruise ships throughout the Caribbean, Mexico and the U.S. In addition, Expedia now has unlimited access to VRX's entire archive of high-quality, destination-related interactive maps and 360° virtual tours. Management feels the agreement with Expedia provides a powerful new marketing channel for both the company's licensing and services division and heightens its profile as a leading provider of interactive travel content. Expedia provides more than 53,000 properties worldwide and is currently the largest on-line travel company in the world.

In June 2003, VRX Studios signed an agreement with Carnival Cruise Lines, the world's largest and most popular cruise line, to create and manage dynamic visual content for the company's website. Furthermore, as of July 2003, pursuant to the agreement with Trisept VRX had provided interactive maps and virtual tours to TransGlobal Vacations, Southwest Airlines Vacations, Funjet Vacations, ATA Vacations, and U.S. Airways Vacations.

FINANCIAL POSITION & OPERATING RESULTS

(all financial figures presented in thousands of Canadian dollars)

Balance Sheet (as at June 30, 2003)		Income Statements		
		6 Months Ended June 30		Year Ended December 31
		2003	2002	2002
Current Assets	\$ 1,033			
Total Assets	1,166	\$ 1,588	\$ 458	\$ 1,265
Current Liabilities	253			
Long-Term Debt	nil	730	66	336
Shareholders' Equity	914	\$ 0.024	\$ 0.002	\$ 0.011
		Revenues		
		Net Earnings		
		Earnings per Share		

SHARES

Issued		Trading Symbol & Exchange	VRW : TSX-V
Management & Insiders	- Escrow nil	52 Week Price Range	\$ 0.04 - \$ 0.60
	- Free-trading 10,539,088	Current Price (August 1, 2003)	\$ 0.56
Public	- Restricted nil	3-Month Average Daily Trading Volume	100,200 shares
	- Free-trading 19,345,597	Market Capitalization	\$ 16.7 million
	<u>29,884,685</u>		
Fully-Diluted	<u>33,258,418</u>		

CONCLUSION

For the six months ended June 30, 2003, revenues increased by 247% while net income surged by 1,010%. Management is confident that third quarter results will exceed those of the second quarter and anticipates that fiscal 2003 revenues to be approximately \$4 million based on current activity levels with profit margins to continue in the 40% range. In addition, the

company is continuing to pursue additional business opportunities, which, if successful, will increase revenue beyond current forecasts.