



ADB Systems International Ltd.

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(TSX: ADY; OTCBB: ADBY)

For Immediate Release

ADB REPORTS Q2 2003 RESULTS

Meets Q2 revenue guidance, completes \$1.17 million financing, and provides outlook for Q3

Toronto, ON – July 23 2003 – ADB Systems International (TSX: ADY; OTCBB: ADBY), a global provider of asset lifecycle management solutions, announced its financial results for the second quarter ended June 30, 2003. All figures are in Canadian dollars. As at June 30, 2003, the exchange rate was CDN \$1.36 to US\$ 1.00.

ADB reported revenues of \$1.4 million for the quarter, meeting previously announced forecasts. The total represents an increase of 11 percent over the results achieved in the first quarter of 2003. In the same period of 2002, ADB generated revenues of \$1.54 million. Revenue was comprised of software license sales, service fees for software implementation, application hosting, support and training, and transaction fees from on-line activities performed for customers.

ADB also reported net income for the period of \$527,000 or \$0.01 per basic share. The net income includes a gain of \$2.2 million realized on the transfer of the shares in ADB's associated company, Bid.Com International, to the Brick Warehouse Corporation, as previously announced and in full satisfaction of the demand loan from The Brick and accrued interest. The Q2 results compare to a net loss of \$1.76 million or \$0.03 per basic share in the first quarter and a net loss of \$2.47 million or \$0.06 in the same period of 2002.

“Despite difficult economic conditions around the world, we have been able to execute against our plan with respect to new customer wins and improving our overall corporate performance,” said Jeff Lymburner, CEO of ADB Systems International. “As evidenced by our Q2 results, ADB continues to make significant progress.”

Excluding gains and losses, both realized and unrealized, from the disposal of marketable securities, strategic investments, capital assets, investment in an associated company, and the recovery of assets, ADB reported a loss from operations of \$1.76 million or \$0.03 per share. In the first quarter of 2003, ADB recorded a loss from operations of \$1.74 million

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ADB reports Q2 results/2

or \$0.03 per share. In the same period of 2002, ADB reported a loss from operations of \$2.41 million or \$0.06 per share. The Company's net cash outflow from operations for the period was approximately \$1.6 million.

The operating loss and net cash outflow from operations in the quarter were impacted by a number of one-time items relating to the Company's annual general meeting and other administrative activities that required pre-payment.

Operating loss and operating expenses are not measures of performance calculated in accordance with GAAP, and may be calculated differently by other issuers. Operating loss is defined as net loss excluding restructuring costs and the effects of gains and losses from asset disposals, asset impairments and marketable securities.

As at June 30, 2003, ADB held cash and marketable securities totaling \$534,000. Recently, the company announced that it completed a private placement that resulted in an infusion of \$1.17 million in new capital. Because of timing issues, a portion of the proceeds raised from the private placement is not included in the cash total at the end of the period.

"Related to our financial position is our current contract backlog with customers," said Mr. Lymburner. "Although our contractual commitments with customers are not reflected in our financial statements, we have agreements in place worth an additional \$2 million in revenues expected by the end of 2003. These contractual commitments provide a basis for our forecasts and outlook."

Q2 Achievements

In addition to its financial performance, the Company experienced a number of significant operating achievements in the second quarter, including:

- ADB signed a customer agreement with Talisman Energy. ADB's enterprise asset management solution will support the oil and gas company's expansion into the North Sea.
- The Company raised \$1.17 million in new capital through a private placement. The funding will be used to support ADB's operating activities.
- ADB signed a customer agreement with Vinmonopolet, Norway's sole retailer of wine and spirits. ADB will enable Vinmonopolet to launch an electronic procurement initiative that will result in reduced purchasing costs and streamlined buying activities.
- The Company continued to build on its relationships with existing customers, including Calpine, GE Capital, the National Health Service and Paramount Resources.

Outlook

"By continuing to add to our customer base and improve our financial performance, ADB

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is making considerable progress relating to a number of key metrics,” said Mr. Lymburner. “Based on current evidence, we believe that our Q3 results will see continued improvements in revenue and bottom-line performance. We expect to generate at least \$1.7 million in revenue, a growth of 35 percent over the same period in 2002, and we expect a combined loss from operations in Q3 and Q4 of approximately \$600,000. We believe these results will represent an unprecedented level of improvement for ADB, and we are reconfirming that will achieve positive cash flow from operations in Q1 of 2004.”

ADB Systems will hold a conference call at 10:00 a.m (Eastern Time) on Thursday, July 24, 2003 to discuss its financial results and review operational activities. Followers of ADB Systems are invited to listen to the call live over the Internet on the Investor Relations section of the Company’s website at www.adbsys.com.

About ADB Systems International Ltd.

ADB Systems International delivers asset lifecycle management solutions that help organizations source, manage and sell assets for maximum value. ADB works with a growing number of customers and partners in a variety of sectors including oil and gas, government, healthcare, manufacturing and financial services. Current customers and partners include BP, Forest Oil, GE Capital, Halliburton Energy Resources, HFK, the National Health Service (UK), permanent TSB, Talisman Energy, and Vesta Insurance.

ADB has offices in Toronto (Canada), Stavanger (Norway), Tampa (U.S.), Dublin (Ireland), and London (U.K.). The company's shares trade on both the Toronto Stock Exchange (TSX: ADY) and the OTC Bulletin Board (OTCBB: ADBY).

This news release may include comments that do not refer strictly to historical results or actions and may be deemed to be forward-looking within the meaning of the Safe Harbor provisions of the U.S. federal securities laws. These include, among others, statements about expectations of future revenues, cash flows, and cash requirements. Forward-looking statements are subject to risks and uncertainties that may cause ADB’s (“the Company”) results to differ materially from expectations. These risks include the Company’s ability to raise additional funding, develop its business-to-business sales and operations, develop appropriate strategic alliances and successful development and implementation of technology, acceptance of the Company’s products and services, competitive factors, new products and technological changes, and other such risks as the Company may identify and discuss from time to time, including those risks disclosed in the Company’s Form 20-F filed with the Securities and Exchange Commission. Accordingly, there is no certainty that the Company’s plans will be achieved.

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(financial tables follow)

ADB Systems International Ltd.
Consolidated Statements of Operations
(expressed in thousands of Canadian dollars, except per share amounts)
(Canadian GAAP, Unaudited)

	<u>Three Months Ended</u>			<u>Six Months Ended</u>		
	<u>June 30</u>			<u>June 30</u>		
	<u>2003</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2003</u>	<u>2002</u>
	translated into US\$ at Cdn\$ 1.3553 for convenience			translated into US\$ at Cdn\$ 1.3553 for convenience		
Revenue	\$ 1,398	\$ 1,032	\$ 1,538	\$ 2,659	\$ 1,962	\$ 3,025
General and administrative	1,433	1,057	1,971	2,555	1,885	3,463
Software development and technology expense	730	539	864	1,593	1,175	2,037
Sales and marketing costs	328	242	506	647	477	995
Depreciation and amortization	591	436	617	1,192	880	1,239
Interest expense	75	55	-	175	129	-
Interest income	(1)	(1)	(14)	(6)	(4)	(32)
	<u>3,156</u>	<u>2,328</u>	<u>3,944</u>	<u>6,156</u>	<u>4,542</u>	<u>7,702</u>
Loss from operations	<u>(1,758)</u>	<u>(1,296)</u>	<u>(2,406)</u>	<u>(3,497)</u>	<u>(2,580)</u>	<u>(4,677)</u>
Realized gains/(losses) on disposals of marketable securities, capital assets and strategic investments	23	17	4	7	5	(98)
Realized gain on sale of investment in associated company	2,195	1,620	-	2,195	1,620	-
Unrealized gains/(losses) on revaluation of strategic investment	-	-	(50)	-	-	56
Retail activities	67	49	-	67	49	-
Goodwill impairment	-	-	(14)	-	-	(14)
	<u>2,285</u>	<u>1,686</u>	<u>(60)</u>	<u>2,269</u>	<u>1,674</u>	<u>(56)</u>
Net Income/(Loss)	<u>\$ 527</u>	<u>\$ 390</u>	<u>\$ (2,466)</u>	<u>\$ (1,228)</u>	<u>\$ (906)</u>	<u>\$ (4,733)</u>
Basic earnings/(loss) per share	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ (0.06)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.11)</u>
Fully diluted earnings/(loss) per share	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ (0.06)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.11)</u>
Weighted average common shares	<u>51,712</u>	<u>51,712</u>	<u>41,538</u>	<u>51,182</u>	<u>51,182</u>	<u>41,538</u>
Fully diluted common shares	<u>54,794</u>	<u>54,794</u>	<u>41,538</u>	<u>51,182</u>	<u>51,182</u>	<u>41,538</u>
Loss per share from operations	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>	<u>\$ (0.06)</u>	<u>\$ (0.07)</u>	<u>\$ (0.05)</u>	<u>\$ (0.11)</u>

ADB Systems International Ltd.
Consolidated Balance Sheets
(expressed in thousands of Canadian dollars)
(Canadian GAAP, Unaudited)

	<u>June 30</u> <u>2003</u> (unaudited)	<u>June 30</u> <u>2003</u> (unaudited) (in US\$)	<u>December 31</u> <u>2002</u> (audited)
		translated into US\$ at Cdn\$ 1.3553 for convenience	
Cash	\$ 521	\$ 384	\$ 1,337
Marketable securities	13	10	20
Other current assets	1,693	1,249	2,006
Other assets	1,749	1,290	2,992
Total assets	<u>\$ 3,976</u>	<u>\$ 2,933</u>	<u>\$ 6,355</u>
Current liabilities	\$ 2,064	\$ 1,523	\$ 2,288
Deferred revenue	432	319	832
Demand loan	-	-	2,000
Other liabilities	56	41	34
Minority interest	3	2	3
Total shareholders' equity	1,421	1,048	1,198
Total liabilities and shareholders' equity	<u>\$ 3,976</u>	<u>\$ 2,933</u>	<u>\$ 6,355</u>