



## Sitestar Posts Strong Second Quarter Results

*Company Doubles Net Income, Reduces Current Notes Payable And Sets The Stage For Continued Growth*

For Immediate Release

LYNCHBURG, Va./EWorldWire/Aug. 17, 2006 --- Sitestar Corporation (OTCBB: SYTE), a provider of residential and business Internet access and value-added computer services, today announced its financial results for the quarter ended June 30, 2006. Highlights included dramatically increased net income and earnings before interest, taxes, depreciation and amortization (EBITDA) and significantly reduced current notes payable. The company maintained its above industry-average retention rate for its Internet access customers and continued to pursue and qualify target ISPs for acquisition.

Sitestar more than doubled net income for the first six months of 2006, posting \$515,343 compared to \$227,810 for the same period in 2005. The company's gross revenue for the first six months in 2006 was \$2,822,552, representing an increase of \$1,241,545 or 78.5 percent compared to the same period in 2005. In addition, net profits increased 75 percent over the first quarter of 2006. Further, Sitestar reported a 108.9 percent EBITDA increase of \$574,079 for the 2006 year to date compared to the same period in 2005. Lastly, the company paid down total current notes payable by \$610,437 or 50.8 percent from December 31, 2005, underscored by the retirement of debt for its 2005 purchase of the dial-up and residential Internet customer base from Idacomm.

"Sitestar has delivered on its promise to increase net income and EBITDA while servicing debt," said Frank R. Erhartic, Jr., CEO for Sitestar. "We have established a repeatable process through which we can increase our subscriber base through self-funded acquisitions and then retire that debt over a compressed period of time. Given our strong operating efficiency and extremely high customer retention rate, we believe Sitestar generates exceptional value to our current and prospective shareholders."

Sitestar has embarked upon an aggressive campaign in 2006 to grow its business by acquiring ISPs, forming strategic partnerships and reducing customer attrition. The company plans to build upon the momentum of its strong second quarter financial results and recent purchase of the customers of First Net with additional acquisitions in target markets. Sitestar is continuing to market its value-added services such as the SurfBoost(TM) web accelerator to Sitestar dial-up subscribers to increase both customer retention and share-of-wallet.

### About Sitestar

Sitestar (<http://www.sitestar.com>) is an Internet and computer solutions provider that offers narrow and broadband Internet access, Web hosting and design, and other value-added services. The company's customers include residential and commercial accounts throughout the United States and Canada. With a focus on competitive pricing, reliability, service and speed, Sitestar delivers customer value. Sitestar is headquartered in Lynchburg, Va. Its wholly owned subsidiaries include Sitestar.net (<http://www.sitestar.net>), NetRover, Inc. (<http://www.netrover.com>), SurfWithUs.Net (<http://www.surfwithus.net>), Lynchburg.net (<http://www.lynchburg.net>), Advanced Internet Services (<http://www.advi.net>), Computers by Design (<http://www.computersbydesign.com>) and CBD Toner Recharge (<http://www.recharge.net>).

### Forward Looking Statements

*This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Stockholders are cautioned that all forward-looking statements involve risks and uncertainty, including without limitation, Sitestar's ability to expand its customer base, make strategic acquisitions, general market conditions, and competition and pricing. Although management believes the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore, there can be no assurance that the forward-looking statements contained in the report will prove to be accurate.*

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**KEYWORDS:** Virginia, Lynchburg, technology, investment, Internet, Sitestar, web, hosting, shareholder, meeting

**SOURCE:** Sitestar