

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000, as amended, and who specialises in advising on the acquisition of shares and other securities in the UK.**

If you have sold or transferred all of your Ordinary Shares in Porta Communications plc, (the "Company") please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was affected, for transmission to the purchaser or transferee. If you have sold part only of your holding of Ordinary Shares in the Company, you should retain these documents.

The Directors, whose names appear on page 5 of this document, accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 5 to 7 of this document and which recommends that you vote in favour of the resolution (as the Board intend to do) to be proposed at the General Meeting referred to below.**

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# Porta Communications plc

*(Registered in England and Wales with registered number 05353387)*

## **Disposal of TSE Consulting SA and Notice of General Meeting**

***Nominated Adviser:***

**Zeus Capital**

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Notice convening a General Meeting of the Company to be held at 4 Park Place, London SW1A 1LP on 13 April 2011 at 10.00 a.m. is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by SLC Registrars Limited, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD as soon as possible but in any event by not later than 48 hours before the time and date of the General Meeting. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting. Further details of the action you should take are set out in the paragraph headed "Action to be taken by Shareholders" in the letter from the Chairman which is set out on pages 5 to 7 of this document.

Zeus Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser to Porta Communications plc and is acting for no-one else in connection with the Proposals and will not be responsible to anyone other than Porta Communications plc for providing the protections afforded to clients of Zeus Capital Limited nor for providing advice in connection with the Proposals or any other matter referred to herein. Zeus Capital Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Zeus Capital Limited for the accuracy of any information or opinions contained in this document or for the omission of any information.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Proposals, the expected timing and scope of the Proposals and other statements other than in relation to historical facts. Forward-looking statements including, without limitation, statements typically containing words such as “intends”, “anticipates”, “targets”, “estimates”, “believes”, “should”, “plans”, “will”, “expects” and similar expressions or statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the current expectations of Porta Communications plc and are naturally subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are also a number of other factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, local and global political and economic conditions, interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

Neither Porta Communications plc, or Zeus Capital nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules), neither Porta Communications plc, or Zeus Capital is under any obligation, and each of them expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2011</i>
Dispatch of this document	28 March
Latest date and time for receipt of Forms of Proxy	10.00 a.m. on 11 April
General Meeting	10.00 a.m. on 13 April
Effective date of Disposal	13 April

*Notes:*

1. References to time in this document are to London time.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a Registered Information Service.

## DEFINITIONS

“Act”	the Companies Act 2006;
“AIM”	a market operated by London Stock Exchange plc;
“AIM Rules”	the AIM Rules for Companies published by London Stock Exchange plc from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM;
“Board” or “Directors”	the board of directors of the Company at the date of this document and whose names are set out on page 5 of this document;
“Company”	Porta Communications plc;
“Disposal”	the disposal of the entire issued share capital of TSE Consulting SA;
“General Meeting”	the general meeting of the Company, convened for 10.00 a.m. on 13 April 2011, and any adjournment thereof, notice of which is set out at the end of this document, which will consider the Resolutions;
“FSA”	the Financial Services Authority;
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting;
“Investing Strategy”	the Investing Strategy of the Company as set out in paragraph 2 of Part I of this document;
“Issued Ordinary Share Capital”	the 3,725,600,000 Ordinary Shares in issue at the date of this document;
“London Stock Exchange”	London Stock Exchange plc;
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company;
“Proposals”	the Disposal and the transfer of the Turkish assets and business from TSE Consulting to a new Turkish subsidiary of the Company;
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the notice convening the General Meeting;
“RIS”	Regulatory Information Service;
“Shareholders”	holders of Ordinary Shares;
“TSE Consulting”	TSE Consulting SA, the Company’s Swiss based subsidiary;
“UK”	the United Kingdom of Great Britain and Northern Ireland; and
“Zeus Capital”	Zeus Capital Limited, a company registered in England and Wales with registered no. 04417845.

## PART I

### LETTER FROM THE CHAIRMAN

# Porta Communications plc

(Registered in England and Wales with registered number 05353387)

*Directors:*

Adam Reynolds (*Executive Chairman*)  
David Wright (*Chief Executive Officer*)  
Paul Foulger (*Finance Director*)  
Brian Blasdale (*Non-Executive Director*)

*Registered Office:*

14 Kinnerton Place South  
London  
SW1X 8EH

28 March 2011

*To the holders of Ordinary Shares*

Dear Sir/Madam,

### **Disposal of TSE Consulting SA and Notice of General Meeting**

#### **1. Introduction**

In November 2010, the Board announced a refocusing of the Company's strategy from that of an international sports consultancy business, to one of building an international communications and marketing business, a placing of new Ordinary Shares to raise £2.75 million, before expenses, changes to the Board (which included the appointment of David Wright as Chief Executive Officer) and a change of name of the Company.

Further, the Board announced that it was in discussions to dispose of TSE Consulting, its sole trading subsidiary.

Earlier today, the Board announced the conditional disposal of the entire issued share capital TSE Consulting SA to Lars Haue-Pedersen, a former director of the Company, and others for a consideration of CHF450,000 (equivalent to approximately £304,345 at current exchange rates). The Disposal is conditional, *inter alia*, on the approval of Shareholders at the General Meeting.

Under the AIM Rules, the Disposal represents a fundamental change to the business of the Company and is therefore subject to Shareholder approval. The Disposal is also a related party transaction under the AIM Rules as Lars Haue-Pedersen was a director of the Company within the last twelve months.

Following the Disposal the Company will become an investing company for the purposes of the AIM Rules and the Company will need to set out its investing strategy and seek Shareholder's approval for that investing strategy.

The Company's Investing Strategy is set out in paragraph 2 below and Resolution 2 set out in the notice of General Meeting seeks Shareholder's approval for the Investing Strategy. Once the Disposal is completed the Company will have 12 months to make an acquisition that constitutes a reverse takeover under Rule 14 of the AIM Rules or implement the Investing Strategy.

The purpose of this document is to provide you with information on the Disposal, to explain why your Board believes that the Disposal is in the best interests of the Company and its Shareholders, to seek your approval of the Disposal and the Investing Strategy at the General Meeting and to recommend that Shareholders vote in favour of the Resolutions as your Board intends to do.

## **2. The Company's Strategy**

As set out in the circular to Shareholders in November 2010, the Company's strategy is to utilise the Board's experience and expertise to build an international communications and marketing business, where there is a clear synergy between the services offered, with a view to maximising Shareholder value.

The Company intends to act as a holding company, with individual divisions within it, which will provide the following services:

- public relations (financial, corporate and public affairs);
- advertising and related services (media buying and media bartering); and
- market research.

As previously stated it is proposed that this will be undertaken through the recruitment of:

- (a) a team of proven, key public relations executives from within the industry;
- (b) key executives to build the advertising and marketing research divisions; and
- (c) an acquisition programme.

Since December 2010, when Shareholders approved the Company's refocused strategy and the fund raising of £2.75 million, the Board has been concentrating its efforts on a) commencing the implementation of the Company's strategy and b) agreeing the terms of the Disposal announced earlier today.

The Board is also reviewing several acquisition opportunities and will keep Shareholders informed as appropriate although discussions are at an early stage and there is no guarantee that any of these discussions will be successfully concluded. It is anticipated that, due to the size of any likely acquisition target compared to the Company, Shareholder approval will be required under the AIM Rules.

The Board expects to provide Shareholders with a further update on developments when it announces the Company's audited results for the year ended 31 December 2010, which are expected to be announced by 30 June 2011.

## **3. Disposal**

As previously reported the Board has been reviewing the trading position of TSE Consulting since September 2010 and has continued to talk to a number of sports related businesses which it thought might acquire or merge with the business. Until now these discussions had not led to an offer being made and therefore the Board was pleased to be able to announce, earlier today, that terms had finally been agreed, with Lars Haue-Pedersen and others, to purchase the entire issued share capital of TSE Consulting for a cash consideration of CHF450,000 (equivalent to approximately £304,345 at current exchange rates). At the same time all sums owed by the Company to TSE Consulting (and vice versa) will be written off.

According to the unaudited management accounts for the year ended 31 December 2010, TSE Consulting recorded an operating loss of (CHF295,687) and had shareholders equity of CHF24,527 (being total assets less total liabilities), equivalent to (£199,980) and £16,588 at current exchange rates.

The cash consideration received upon completion of the Disposal will be used for working capital purposes.

The Company has also agreed with the purchasers of TSE Consulting that, immediately prior to the completion of the sale of TSE Consulting and subject to Shareholder approval of the Disposal, TSE Consulting will transfer all the business and assets of its existing Turkish operation to the Company. The Directors propose that such business and assets will be held by a newly formed Turkish subsidiary of the Company. The consideration for this transfer is to be settled by the payment of CHF1 and the assumption by the Company of all the liabilities of TSE Consulting in respect of the Turkish business which are matched by corresponding assets.

The Turkish business is being retained for the time being.

### **Related Party Transaction**

The Disposal is deemed to be a related party transaction under the AIM Rules as one of the purchasers is Lars Haue-Pedersen, a director of the Company within the last twelve months. Where a Company enters into a transaction with a related party the AIM Rules require that the directors independent to the transaction, having consulted with the company's nominated adviser, consider whether the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

The Directors, who are all independent of the Disposal, having consulted with Zeus Capital, the Company's Nominated Adviser, consider that the terms of the transaction are fair and reasonable insofar as its Shareholders are concerned. In providing advice to the Board, Zeus Capital has taken into account the Directors' commercial assessment of the terms of the Disposal.

### **4. General Meeting**

Set out at the end of this document is the notice convening the General Meeting which will be held at 10.00 a.m. on 13 April 2011 at which ordinary resolutions will be proposed to approve the Disposal and the Investing Strategy.

The Board believes that the Disposal and the Investing Strategy are necessary and in the best interests of the Company and its Shareholders.

### **5. Action to be taken by Shareholders**

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, SLC Registrars Limited, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 11 April 2011. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she so wish.

### **6. Documents available**

Copies of this document will be available to the public, free of charge, at the Company's registered office and the offices of Zeus Capital at 3, Ralli Courts, West Riverside, Manchester M3 5FT during usual business hours on any week days, (Saturdays, Sundays and public holidays excepted) for one month from the date of this document. This document is also available on the Company's website. [www.portacomunications.plc.uk](http://www.portacomunications.plc.uk).

### **7. Risk factors**

The Board will seek to minimise the risks associated with the strategy however Shareholders should be aware in particular of the potential risk factors set out in Part II of this document.

### **8. Recommendation**

The Directors consider that the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings of 525,215,925 Ordinary Shares, representing approximately 14.09 per cent. of the Issued Ordinary Share Capital.

Yours faithfully

Adam Reynolds  
*Executive Chairman*

## **PART II**

### **RISK FACTORS**

**Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below. Ordinary Shares may not be a suitable investment for all of its recipients. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.**

**In addition to the usual risks associated with an investment in a company, the Board considers that the factors and risks described below are the most significant in relation to an investment in the Company and should be carefully considered, together with all the information contained in this document, prior to investing in the Ordinary Shares. The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.**

**It should be noted that the risks described below are not the only risks faced by the Company and there may be additional risks that the Board currently considers not to be material or of which they are currently not aware.**

**If any of the events described in the following risk factors actually occur, the Company's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. The information set out below is not set out in any order of priority. The Company's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions.**

#### **Strategy**

The Board believes there is a strategic opportunity for the Company to build an international communications and marketing business. Although the Board are confident in their stated strategy and have started the implementation process there is no certainty that this strategy will be successfully implemented by the Company. If the strategy is not successfully implemented this is likely to have a detrimental impact on the trading performance of the Company.

#### **Management of Growth**

The ability of the Company to implement its strategy requires effective planning and management control systems. The speed at which the business develops may place a significant strain on the Company's management, operational, financial and personnel resources. Failure to expand and improve operational, financial and management information and quality control systems in line with the Company's growth could have a detrimental impact on the trading performance of the Company. In mitigation the Company has an experienced management team and a clear strategy for the integration and management of the expected business growth.

#### **Attraction and Retention of Key Employees**

The Company will depend on the continued service and performance of the Chief Executive Officer and other key employees and whilst it has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed. The loss of the services of any of the Chief Executive Officer or other key employees could damage the Company's business. Equally the ability to attract new employees and senior executives with the appropriate expertise and skills cannot be guaranteed. The Company may experience difficulties in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Company.



## **Competition**

The Company will be engaged in business activities where there are a number of competitors. Many of these competitors are larger and have access to greater funds than the Company. However, the Directors believe that there is an opportunity to build a new financial communications and marketing business.

## **Future Funding**

Whilst the Directors have no current plans for raising additional capital it is possible that the Company will need to raise extra capital in the future to develop fully the Company's business or to take advantage of future acquisition opportunities. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Company or to the Company's shareholders.

## **AIM**

The Issued Ordinary Share capital is already admitted to AIM and it is emphasised that no application is being made for admission of any of the Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List of the UK Listing Authority. Further, the London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised for the purposes of FSMA who specialises in the acquisition of shares and other securities.

## **Liquidity and Possible Price Volatility**

The market price of the Ordinary Shares may be subject to significant fluctuations in response to many factors, including variations in the results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, legislative changes in the Company's sector and other events and factors outside of the Company's control. In addition, stock market prices may be volatile and may go down as well as up. The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company and others of which are extraneous. These factors could include the performance of the Group's business, changes in the values of its investments, changes in the amount of distributions or dividends, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, legislative or regulatory or taxation changes and general economic conditions.

The value of the Ordinary Shares will therefore fluctuate and may not reflect their underlying asset value. Investors may realise less than the original amount invested.

The admission of the Ordinary Shares to trading on AIM should not be taken as implying that there is or will be a liquid market for the Ordinary Shares. It may be more difficult for an investor to realise an investment in the Company than in a company whose shares are quoted on the Official List. In addition, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.

## NOTICE OF GENERAL MEETING

# Porta Communications plc

**NOTICE IS HEREBY GIVEN** that a general meeting of the Company will be held at 4 Park Place, London SW1A 1LP at 10.00 a.m. on 13 April 2011 for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions. Expressions used in this Notice of General Meeting have the meanings given to them in the circular to shareholders of the Company dated 28 March 2011 of which this Notice of General Meeting forms part (unless the context otherwise requires).

### ORDINARY RESOLUTIONS

1. THAT, the disposal of the issued share capital of the TSE Consulting SA to Lars Haue-Pedersen and others, and the terms thereof, be and are hereby approved.
2. THAT, the Investing Strategy be and is hereby approved.

BY ORDER OF THE BOARD

Paul Foulger  
Secretary

Dated: 28 March 2011

#### Notes:

1. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 6.00 p.m. on 12 April 2011 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this Circular. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 5.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- (a) completed and signed;
- (b) sent or delivered to SLC Registrars Limited, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD; and
- (c) received by SLC Registrars Limited no later than 48 hours before the scheduled time of the meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. Members who have general queries about the meeting should call the Company Secretary on 020 7245 1100 (no other methods of communication will be accepted).
8. As at 5.00 p.m. on the day immediately prior to the date of posting of this notice of meeting, the Company's issued share capital comprised 3,725,600,000 ordinary shares of 0.1p each and 72,000,000 deferred shares of 0.9p each. Each ordinary share carries the right to one vote at a general meeting of the Company while the deferred shares carry no right to vote at a general meeting of the Company. Therefore, the total number of voting rights in the Company as at 5.00 p.m. on the day immediately prior to the date of posting of this Circular is 3,725,600,000.



