

11 November 2014

**Porta Communications PLC
("Porta" or "the Group")**

Acquisition of PPS Group

Porta Communications PLC (AIM: PTCM), the international marketing and communications group, today announces the acquisition of PPS Group Limited ("PPS") for a total consideration of £6,161,270. PPS is a leading independent consultancy specialising in reputation management, community engagement and political consensus building, advising on projects such as complex property, infrastructure and energy developments.

The business will operate as Newgate PPS and will become Porta's public affairs arm, managed by Stephen Byfield. The Group's existing, smaller public affairs division within Newgate Communications will be integrated into Newgate PPS.

PPS employs 45 staff operating from offices in London, Manchester, Bristol, Edinburgh, Aberdeen and Cardiff. In the year ended 30 April 2014, PPS's fee income was £4,647,299 with profits before tax of £706,277; the balance sheet showed current assets of £2.67m and net current assets of £1.6m. PPS has cash at bank on completion of £1.6m.

The total consideration comprises £2,930,635 in cash and £850,000 in loan notes with the balance of £2,380,635 satisfied by the issue of 23,806,350 ordinary £0.10 Porta shares at 10p each. The loan notes totaling £0.85m nominal value carry a coupon of 6 per cent and are redeemable 12 months from date of issue for cash. The consideration shares are subject to a lock-in agreement which provides for a 24 months lock-in period with a further 12 months orderly market period.

Commenting on the acquisition, Porta Chief Executive David Wright, said:

"This acquisition is in line with Porta's strategy of building critical mass across the marketing communications mix. PPS is a very successful, professionally run company that will bring a new area of expertise to the Group and is complementary to our existing specialist public affairs offering. PPS's strength in the regions and Scotland will also enable the Group to capitalise fully on the opportunities created by the devolution of powers to those areas."

Stephen Byfield, Managing Director of PPS, said:

"As part of Porta, PPS will be able to offer its clients an even more cohesive and powerful offering. PPS has significant respect for the Newgate team and looks forward to being part of the enlarged team."

Application has been made to AIM for the consideration shares to be admitted to trading and admission is expected to take place on 17 November 2014. On admission of the consideration shares, the Company will have 253,533,895 shares in issue. For the purposes of the Financial Conduct Authority's Disclosure and Transparency Rules ("DTRs"), the issued ordinary share capital of the Company following this allotment consists of 253,533,895 ordinary shares with voting rights attached (one vote per share). There are no shares held in treasury. This total voting rights figure may be used by shareholders as the denominator for the calculations by which they will determine whether they are required to notify their interests in, or a change to their interest in, the Company under the DTRs.

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Enquiries:

Porta Communications plc

www.portacomms.com

David Wright, Chief Executive

Gene Golembiewski, Finance Director

+44 (0) 20 7680 6500

PPS Group Limited

Stephen Byfield

+44 (0) 20 7529 1700

Sanlam Securities UK Limited

Simon Clements/Virginia Bull

+44 (0) 20 7628 2200

Redleaf PR - Media Enquiries

Charlie Geller/Emma Kane

+44 (0) 7382 4747

Notes to Editors:

- Porta has two divisions:
 - **Public Relations** - financial, corporate, consumer, public affairs and research
 - **Advertising** - marketing communications, digital services and media planning and buying
- The Group currently has offices in Abu Dhabi, Beijing, Brisbane, Brussels, Canberra, Frankfurt, Hong Kong, London, Melbourne, Singapore and Sydney
- The brands and companies it owns are: Newgate Communications, Newgate Threadneedle, Redleaf Polhill, Thirteen Communications, TTMV and 21:12 Communications
- Further information is available at www.portacommunications.plc.uk