PORTA

Communications with impact

16 March 2016

Porta Communications Plc
("Porta", "the Group" or "the Company")

PROPOSED ADOPTION OF A NEW EXECUTIVE SHARE INCENTIVE PLAN AND

NOTICE OF GENERAL MEETING

Porta Communications Plc (AIM: PTCM), the international marketing and communications group, is pleased to announce proposals for an Executive Share Incentive Plan.

Shareholders will be invited to vote on the proposals for the plan at a General Meeting, to be held at **Sky Light City Tower, 50 Basinghall Street, London EC2V 5DE at 12 p.m. on 6 April 2016. A Circular will be posted to all shareholders shortly.**

Introduction and background to the Plan

Porta has grown rapidly from a small start-up with six people to become an integrated, multi-jurisdictional communications agency with over 250 people working for FTSE 100 clients and capable of attracting some of the top talent in the industry. It is important to all shareholders that this progress be reflected in the share price performance of the Company.

As a result, the Remuneration Committee has considered various ways to incentivise Management and to more closely align their interests with those of Shareholders. The Remuneration Committee is now proposing an Executive Share Incentive Plan (“the Plan”). The Plan has an ambitious target at its heart, linked to the Company’s share price performance, and will reward outstanding performance from Management.

David Wright, Group Chief Executive Officer, Steffan Williams, Group Managing Director and Gene Golembiewski, Group Finance Director of Porta (together the “Management”) will be entitled to participate in the Plan from the outset.

Management have been issued the following individual participations which are conditional upon Shareholder Approval of the Plan: Group Chief Executive Officer: 40%; Group Managing Director: 35%; and Group Finance Director: 25%. During the term of the Plan, Management will also not be entitled to participate in any other option award over Porta Shares.

Initial awards under the Plan have been through the issue of a new class of A ordinary shares (the **"A Shares"**) in the share capital of a new intermediate holding company ("Porta Midco"). On maturity of the Plan Management will exchange their A Shares for Ordinary Shares in Porta. The monetary value will represent 15% of the growth in the value of Porta Shares above a share price of 13p, (equivalent to a market capitalisation of £36.3m) (the "Hurdle"). Given the current share price of 6.38p per Porta Share (on 15 March 2016, the last day before this Announcement), Management must therefore more than double the price of a Porta Share before they receive any benefit under the Plan.

For example, if the market capitalisation of the Company was to increase by 25% above the Hurdle level of £36.3m (which would equate to a market capitalisation of Porta of approximately £45.3m and a price per Porta Share of approximately 16.3p) then management would receive Porta Shares worth approximately £1.36m, resulting in a dilution of approximately 2.91% to shareholders that will have benefitted from an increase in share price of over 147% from the closing price of a Porta Share on 15 March 2016 of 6.38p.

It is intended that the aggregate number of Porta Shares which may be issued in respect of the Plan will be capped at 10% of the Company's issued ordinary share capital (following the issue of the Porta Shares to satisfy the Award) on a fully diluted basis. Any further value to the A Shares above this limit will be satisfied in market purchased shares or cash. Porta does not currently anticipate making any payments in cash to Management pursuant to the Plan.

The Award will be satisfied by the issue of Porta Shares on the end date of the Plan which is expected to be three years from 15 March 2016. Following the issue of Porta Shares under the Plan those Porta Shares will be subject to a Lock-in Period of two years subject to the usual exemptions.

Whilst the Company is not subject to the Corporate Governance Code 2014, the Remuneration Committee is very aware of the principles contained in the 2014 Code. The Plan is therefore also subject to appropriate malus and clawback provisions and good leaver and bad leaver provisions.

As the recipients of the Plan are directors of the Company the proposed awards are classified as related party transactions in accordance with Rule 13 of the AIM Rules for Companies. The non-executive directors have consulted with the Company's nominated adviser, Allenby Capital Limited, and concluded that the proposed awards are fair and reasonable insofar as the interests of the shareholders are concerned.

A summary of the principal terms of the Plan are set out in a Circular to be sent to shareholders by post shortly.

Management currently have the following awards under the Company's EMI and Unapproved Share Option Scheme:

PORTA

Communications with impact

Name	*Number of options over Porta Shares*	*% of current issued Share capital*	*Strike price*
David Wright	1,374,340	0.49%	£0.10
David Wright	1,300,000	0.46%	£0.20
Steffan Williams	1,500,000	0.54%	£0.10
Gene Golembiewski	1,250,000	0.45%	£0.20

- ends -

Enquiries:

Porta Communications Plc
www.portacomms.com
David Wright, Group Chief Executive
Gene Golembiewski, Group Finance Director
+44 (0) 20 7680 6500

Allenby Capital Limited
Simon Clements / Virginia Bull
+44 (0) 20 3328 5656

Redleaf Communications - Media Enquiries
Charlie Geller / Harriet Lynch
+44 (0) 20 7382 4769

Notes to Editors:

Porta has two divisions:

- Communications - financial, corporate and consumer public relations, public affairs and research;
- Marketing & Advertising - multi-capability marketing, brand and creative communications.

The Group currently has offices in Aberdeen, Abu Dhabi, Beijing, Brisbane, Bristol, Canberra, Cardiff, Edinburgh, Hong Kong, London, Manchester, Melbourne, Singapore and Sydney.

The brands and companies it owns are: Newgate Communications, PPS Group, Redleaf Communications, 13 Communications, Publicasity, 2112 Communications and Summit Marketing Services.

Porta Communications' corporate website is - www.portacomms.com.