

23rd April 2014**Porta Communications plc****Acquisition of Redleaf Polhill**

Porta Communications plc ("Porta" or the "Group"), the AIM quoted international marketing and communications group, is pleased to announce the acquisition of 51% of the issued share capital of Redleaf Polhill Limited ("Redleaf") (the "Acquisition"), a leading full service communications agency from its shareholders (Emma Kane, Ian Rosenblatt and Julian Polhill), with an option to acquire the remaining 49% over the following three years. The Acquisition is expected to be earnings accretive within its first full year.

Redleaf, which is based in the City of London, will become part of Porta's Public Relations division but will continue to be run as an independent agency by its existing team and will retain the Redleaf brand.

Terms of the Acquisition

Under the terms of the Acquisition, the Company has acquired 51% of the issued share capital of Redleaf for £1,795,000 ("Initial Acquisition"), satisfied as to £897,500 in cash and the balance through the issue of 6,998,050 ordinary shares of 10p each in Porta ("Ordinary Shares") (the "Consideration Shares") of which 1,760,010 will be issued following payment of certain sums under the Acquisition Agreement. The Consideration Shares are subject to a lock-in agreement which provides for a 24 month lock-in period and a further 12 month orderly market period. The Acquisition also involves the grant of put and call options relating to the purchase by Porta of the remaining 49% of the issued shares in Redleaf which are exercisable in three tranches following the end of each of the next three full financial years of Redleaf on similar terms to the Initial Acquisition. Any additional consideration payable under the put and call options will be satisfied 50% in cash and 50% in Ordinary Shares.

Reasons for the Acquisition

Porta has a stated strategy of acquiring established Public Relations, Advertising and associated businesses where there are clear synergies as the Group continues to build a fast growing international business. The Directors of Porta believe that Redleaf has a strong track record, an excellent client list and a highly regarded team and reputation.

In turn, the Directors of Porta believe that Redleaf and its employees and clients will benefit from being part of a larger and faster growing group with a significant international footprint.

About Redleaf Polhill

Redleaf was founded in January 2000 by Emma Kane who has over 25 years' experience in financial and corporate PR. In December 2010, Redleaf acquired Polhill, a specialist financial and professional services PR agency founded in January 1986. Today, Redleaf is a full service communications agency with specialist teams in financial PR, retail investor relations, property and private equity PR, insurance, professional and financial services PR, and professional services. In January 2014, Redleaf was awarded the Grant Thornton QCA PR Firm of the Year, and in March 2014 the KPMG/Shares Best Advisor-Financial PR; Redleaf also specialises in issues and crisis management and is currently shortlisted for Best Issues/Crisis Communications campaign 2014 by the Chartered Institute of Public Relations.

Redleaf made an operating profit of approximately £0.61 million in its financial year ended 30 November 2013. However, as a result of an exceptional write down of a related party loan, it made a loss after tax in the period of £0.29 million. At 30 November 2013, Redleaf had net liabilities of £0.2 million.

Commenting on the Acquisition, David Wright, Chief Executive of Porta, said:

"Redleaf Polhill has an exceptional market reputation and is known for delivering powerful communications and investor campaigns for its clients. It brings with it a very strong leadership team and strength and depth in its employees. We are delighted to welcome the team and its strong brand to the Group."

Emma Kane, Chief Executive of Redleaf Polhill, added:

"We are very excited about the opportunity to become part of Porta whilst remaining independent both operationally and as a brand. Access to Porta's ever increasing international network was particularly attractive as well as being a member of the same group of companies that comprises so many agencies we admire. This is great news for our team and clients and we look forward to be part of the exciting future that Porta offers."

Application will be made to the London Stock Exchange for 5,238,040 Ordinary Shares to be admitted to trading on AIM. It is expected that admission will occur and that dealings will commence at 8.00 a.m. on 29 April 2014. Following admission of these Ordinary Shares, Porta's total issued share capital will consist of 228,705,193 Ordinary Shares, each carrying one vote per share. This figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change in their interest in, the Company under the FCA's Disclosure and Transparency Rules.

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