

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

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors (whose names and functions appear on page 4 of this document) and the Company (whose registered office appears on page 4 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (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.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Placing Shares and the Loan Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares and the Loan Shares will commence on 19 March 2013. The Placing Shares and the Loan Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. 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. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FSA or any other competent authority. It is emphasised that no application is being made for admission of the Existing Ordinary Shares, the Placing Shares or the Loan Shares to the Official List of the United Kingdom Listing Authority.

PORTA COMMUNICATIONS

Porta Communications plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05353387)

Proposed Placing of 40,000,000 new Ordinary Shares at a price of 10 pence per Ordinary Share

and

Notice of General Meeting

This document should be read as a whole. However, your attention is drawn to the letter from the Chairman of the Company which is set out on pages 8-11 of this document and which contains the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

Nplus1 Singer Advisory LLP ("**N+1 Singer**"), which is authorised and regulated in the United Kingdom by the FSA, is acting as nominated adviser and broker to the Company in connection with the Placing and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of N+1 Singer or for advising any other person in respect of the Placing or any transaction, matter or arrangement referred to in this document. N+1 Singer's responsibilities as the Company's nominated adviser and broker are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on N+1 Singer by the FSMA or the regulatory regime established thereunder, N+1 Singer does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing or the Loan Conversion. N+1 Singer accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Notice of a General Meeting of Porta Communications plc, to be held at 33 King William Street, London EC4R 9AS at 11.30 a.m. on 18 March 2013, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, SLC Registrars Limited, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD by not later than 4.30 p.m. on 14 March 2013. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

A copy of this document will be made available from the Company's website, www.portacommunications.plc.uk. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Placing Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**US Securities Act**”) and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the Placing Shares are being offered in reliance on Regulation S under the US Securities Act. The Placing Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Placing Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Placing Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “**Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

Basis on which information is presented

Various figures and percentages in tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

In the document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

Third party information

Where third party information has been used in this document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data.

References to defined terms

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

All times referred to in this document are, unless otherwise stated, references to London time.

CONTENTS

	Page
Directors and Advisers	4
Placing Statistics	5
Expected Timetable of Principal Events	5
Definitions	6
Letter from the Chairman of Porta Communications plc	8
Notice of General Meeting	12

DIRECTORS AND ADVISERS

Directors

Bob Morton (*Non-Executive Chairman*)
David Wright (*Chief Executive Officer*)
Keith Springall (*Finance Director*)
Brian Blasdale (*Non-Executive Director*)
Raymond McKeeve (*Non-Executive Director*)

All of whose business address is at the Company's registered office

Registered Office

33 King William Street
London EC4R 9AS

Company website

www.portacomunications.plc.uk

Company Secretary

Keith Springall

Nominated Adviser and Broker

N+1 Singer Advisory LLP
One Bartholomew Lane
London EC2N 2AX

Legal advisers to the Company

Osborne Clarke
One London Wall
London EC2Y 5EB

Legal advisers to N+1 Singer

Mills and Reeve LLP
Botanic House
100 Hills Road
Cambridge CB2 1PH

Registrars

SLC Registrars Limited
Thames House
Portsmouth Road
Esher
Surrey KT10 9AD

PLACING STATISTICS

Number of Existing Ordinary Shares	102,433,955
Placing Price	10 pence
Number of Placing Shares to be issued by the Company pursuant to the Placing	40,000,000
Number of Loan Shares to be issued by the Company pursuant to the Loan Conversion	5,000,000
Number of Ordinary Shares in issue following admission of the Placing Shares and the Loan Shares	147,433,955
Percentage of the Enlarged Share Capital being placed pursuant to the Placing	27%
Total proceeds of the Placing	£4 million
Estimated net proceeds of the Placing receivable by the Company	£3.7 million

(Note: The above assumes that there are no further issues of ordinary shares between the date of this document and Admission).

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2013
Publication of this document	28 February
Latest time and date for receipt of Form of Proxy	4.30 p.m. on 14 March
General Meeting	11.30 a.m. on 18 March
Admission and commencement of dealings in the Placing Shares and the Loan Shares on AIM	8.00 a.m. on 19 March
Where applicable, expected date for CREST accounts to be credited in respect of Placing Shares in uncertificated form	19 March
Where applicable, expected date for despatch of definitive share certificates for Placing Shares in certificated form	by 29 March

(Note: Each of the above dates is subject to change at the absolute discretion of the Company and N+1 Singer).

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the Placing Shares and the Loan Shares to trading on AIM following completion of the Placing and the Loan Conversion and such admission becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies and guidance notes published by the London Stock Exchange from time to time
“certificated form” or “in certificated form”	an ordinary share recorded on a company’s share register as being held in certificated form (namely, not in CREST)
“Company” or “Porta”	Porta Communications plc, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05353387
“Convertible Loan Facility”	the convertible loan agreement between Porta and Hawk dated 3 April 2012 pursuant to which Porta was advanced £500,000 by Hawk for its acquisition plans and general working capital purposes
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)
“Dealing Day”	a day on which the London Stock Exchange is open for business in London
“Directors” or “Board”	the directors of the Company whose names are set out on page 4 of this document, or any duly authorised committee thereof
“EIS”	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Enlarged Share Capital”	the issued share capital of the Company immediately following Admission comprising the Existing Ordinary Shares, the Placing Shares and the Loan Shares
“Existing Ordinary Shares”	the 102,433,955 ordinary shares of 10 pence each in issue at the date of this document, all of which are admitted to trading on AIM and being the entire issued ordinary share capital of the Company
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company to be held at 33 King William Street, London EC4R 9AS at 11.30 a.m. on 18 March 2013, notice of which is set out at the end of this document
“Group”	the Company, its subsidiaries and its subsidiary undertakings
“Hawk”	Hawk Investment Holdings Limited, a company beneficially owned by Bob Morton, Non-Executive Chairman of the Company, and his wife

“HMRC”	Her Majesty's Revenue & Customs
“Independent Directors”	David Wright, Keith Springall, Brian Blasdale and Raymond McKeeve
“Loan Conversion”	the conditional conversion of the Convertible Loan Facility into Loan Shares
“Loan Shares”	the 5,000,000 new Ordinary Shares to be issued pursuant to the Convertible Loan Facility
“London Stock Exchange”	London Stock Exchange plc
“Newgate Communications”	Newgate Communications LLP (a limited liability partnership incorporated in England and Wales with registered number OC373930), whose registered office is at 33 King William Street, London EC4R 9AS
“Nominated Adviser” or “N+1 Singer”	Nplus1 Singer Advisory LLP, the Company's nominated adviser and broker
“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this document
“Ordinary Shares”	the ordinary shares of 10 pence each in the capital of the Company
“Placing”	the conditional placing of the Placing Shares by N+1 Singer, as agent on behalf of the Company, pursuant to the Placing Agreement, further details of which are set out in this document
“Placing Agreement”	the conditional agreement dated 28 February 2013 made between N+1 Singer and the Company in relation to the Placing, further details of which are set out in this document
“Placing Price”	10 pence per Placing Share
“Placing Shares”	the 40,000,000 new Ordinary Shares to be issued pursuant to the Placing
“Prospectus Rules”	the prospectus rules made by the FSA pursuant to section 73A of the FSMA
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“VCT Scheme”	Venture Capital Trust scheme under the provisions of Part 6 of the Income Tax Act 2007

LETTER FROM THE CHAIRMAN OF PORTA COMMUNICATIONS PLC

Porta Communications plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05353387)

Directors:

Bob Morton (*Non-Executive Chairman*)
David Wright (*Chief Executive Officer*)
Keith Springall (*Finance Director*)
Brian Blasdale (*Non-Executive Director*)
Raymond McKeeve (*Non-Executive Director*)

Registered office:

33 King William Street
London EC4R 9AS

28 February 2013

Dear Shareholder,

**Proposed Placing of 40,000,000 new Ordinary Shares at a price of 10 pence per Ordinary Share
and
Notice of General Meeting**

1. **Introduction and summary**

Your Board announced today that it has conditionally raised £4.0 million (before expenses) by way of a placing of 40,000,000 new Ordinary Shares at a price of 10 pence per share with certain institutional and other investors.

The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to disapply pre-emption rights and to grant the Board authority to allot the Placing Shares. Completion of the Placing is therefore conditional upon the passing of all of the Resolutions set out in the Notice of General Meeting at the end of this document.

The Placing, which has been arranged by N+1 Singer pursuant to the terms of the Placing Agreement, is also conditional upon Admission and has not been fully underwritten by N+1 Singer. The Placing proceeds will be used to further implement the Company's growth strategy and to fund the working capital requirements of the Group, further details of which are set out in paragraph 2 below.

The purpose of this document is to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, which will be held at the offices of the Company at 33 King William Street, London, EC4R 9AS on 18 March 2013 at 11.30 a.m.

2. **Background to and reasons for the Placing and use of proceeds**

The purpose of the Placing is to raise funds to be used by the Company to implement the next phase of its acquisition strategy and fund the working capital requirements of the Group by strengthening its balance sheet and thereby improving the ability of the Group to develop its income stream. In particular, the Directors intend to use the proceeds of the Placing as follows:

Expansion of Newgate Communications, the Company's corporate and public affairs subsidiary into the Asia Pacific region	£1.75m
Strengthen the Group's balance sheet	£0.95m
Potential acquisition of a UK based Public Relations firm	£0.5m
Repayment of Hawk loan	£0.5m
Transaction expenses	£0.3m
Total	£4.0m

The Directors believe that the expansion of Newgate Communications, the Company's corporate and public affairs subsidiary, into the Asia Pacific region will open up additional fee earning avenues for the Group in some of the World's major finance centres and enhance the Group's international product offering, leading to increased client retention, more profitable client relationships and international cross selling opportunities. The Company intends to continue its strategy of recruiting high calibre individuals into start-up ventures as operations in this region are expected to be developed by the hiring of appropriately incentivised and experienced industry practitioners rather than by acquiring existing, developed businesses with high valuations, thereby avoiding goodwill payments. The Directors anticipate that the Group's new operations in Asia Pacific territories will be profitable from 2014.

In addition, the Directors also believe that the proposed acquisition of a small UK based public relations ("PR") firm will further enhance Newgate Communications' service offering and help maintain its status as a leading financial PR provider in the UK.

The Group's total indebtedness to Hawk as at 27 February 2013 was £3.45million and Hawk has provisionally agreed to advance a further £300,000 to the Group shortly. An appropriate regulatory announcement will be made once terms have been agreed. The Directors intend to use £500,000 of the Placing proceeds to repay one of the loans provided to the Company by Hawk and which is otherwise due for repayment by the Group on 2 April 2013. In addition, the Company has agreed with Hawk, subject to the terms of the Convertible Loan Facility and obtaining Shareholder approval at the General Meeting, to convert a further £500,000 of debt into new Ordinary Shares at a price of 10 pence per Ordinary Share. Further information in respect of the Loan Conversion is set out in paragraph 6 below. The Directors estimate that the repayment and the Loan Conversion will help reduce the Company's interest payments by approximately £120,000 per annum, freeing up important cash for the Company during this period of domestic and international growth, as well as helping to put the Company in a stronger financial position for the longer term.

3. **Trading update**

On 14 January 2013, the Company announced the following trading update for the year ended 31 December 2012:

"The Board of Porta Communications Plc (the "**Group**") is pleased to provide a trading update for the year ended 31 December 2012:

- trading ahead of management expectations
- the Group has shown consistent growth throughout the second half with an exceptional end to the year
- over £1m in annual fees of new business won across the Group in November and total revenues in the second half were more than 4 times higher than the total in the first six months
- annualised revenues are now running in excess of £16m, a significant increase on the prior year"

David Wright, chief executive of the Group commented:

"With all the main Advertising and Public Relations companies within the Group continuing to show strong revenue growth and all expected to be profitable in 2013, the outlook for the current year is extremely encouraging.

It was always the Group's strategy to build a solid base for long term growth by recruiting quality executives in start-up ventures, thereby avoiding huge goodwill payments, bolstered by income producing acquisitions where there was clear synergy with the core businesses.

Not only has this policy generated underlying shareholder value but it should also ensure regular earnings growth in the future as these start-up companies become more mature.

It is the Board's intention to maintain this strategy in the current year, particularly in the overseas development, where a number of exciting opportunities have been identified, either through acquisitions or start-ups. The first of these is our new public relations venture in Hong Kong which will also be our launch pad into mainland China."

4. **The Placing**

The Company has conditionally raised £4 million (net of expenses) through the issue of the Placing Shares at the Placing Price, which represents a discount of 8.0 per cent. to the closing middle market price of 10.88 pence per Existing Ordinary Share on 27 February 2013, being the latest Dealing Day prior to the publication of this document. The Placing Shares will represent approximately 27 per cent. of the Company's issued ordinary share capital immediately following Admission.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, N+1 Singer has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares with certain institutional and other investors. The Placing has not been fully underwritten by N+1 Singer but N+1 Singer has agreed to subscribe for Placing Shares in the event of non-payment of subscription monies by an institutional investor where such investor is in default under the terms of a duly executed placing letter. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 19 March 2013 (or such later time and/or date as the Company and N+1 Singer may agree, but in any event by no later than 8.00 a.m. on 28 March 2013). If any of the conditions are not satisfied, the Placing Shares will not be issued and all monies received from the placees will be returned to them (at the placees' risk and without interest) as soon as possible thereafter.

The Placing Agreement contains warranties from the Company in favour of N+1 Singer in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify N+1 Singer in relation to certain liabilities it may incur in respect of the Placing. N+1 Singer has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties given to N+1 Singer in the Placing Agreement, the failure of the Company to comply with any of its obligations under the Placing Agreement (in such a way that, in the reasonable opinion of N+1 Singer adversely affects, or makes it inadvisable to proceed with the Placing), the occurrence of a *force majeure* event or a material adverse change in (amongst other things) the financial or political conditions in the United Kingdom (which in the reasonable opinion of N+1 Singer adversely affects, or makes it inadvisable to proceed with the Placing), any circumstance arising giving rise to claim under the corporate finance indemnity or an adverse change affecting the business of the Group (which is material in the context of the Placing).

Settlement and dealings

Application will be made to the London Stock Exchange for the Placing 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 19 March 2013 on which date it is also expected that the Placing Shares will be enabled for settlement in CREST.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

5. EIS and VCT Schemes

The Company has applied for and obtained advanced assurance from HMRC that the Placing Shares placed with VCT schemes are expected to constitute a qualifying holding for such VCT schemes. HMRC has also confirmed that the Placing Shares should satisfy the requirements for tax relief under EIS. Although the Company currently expects to satisfy the relevant conditions for VCT investment and to remain a qualifying company for EIS purposes, no guarantee or assurance can be given in that regard.

6. Director's Dealings, Loan Conversion by Hawk and Related Party Transaction

A company beneficially owned by Bob Morton and his wife is participating in the Placing at the Placing Price as described below:

	<i>Amount subscribed (£)</i>	<i>Number of Placing Shares</i>	<i>Number of shares held including the Placing Shares and Loan Shares¹</i>	<i>Percentage of Enlarged Share Capital</i>
Hawk	1,000,000	10,000,000	26,457,937	17.95%

Note¹: 500,000 of these Ordinary Shares are held by Hawk Pension Fund Limited, a company beneficially owned by Bob Morton.

£500,000 of the proceeds of the Placing will be used to repay the £500,000 loan from Hawk to the Company under a loan agreement between Hawk and the Company dated 22 October 2012 which is otherwise due for repayment on or before 2 April 2013.

In addition, and pursuant to the Convertible Loan Facility, Hawk has notified the Company that it will, subject to Shareholder approval, convert the amount due under the Convertible Loan Facility (which is otherwise due for repayment on or before 2 April 2013) into new Ordinary Shares. In accordance with the conversion terms of the Convertible Loan Facility, the aggregate sum of £500,000 advanced by Hawk under the facility will be capitalised into 5,000,000 new Ordinary Shares at a conversion price of 10 pence per Ordinary Share.

Application will be made to the London Stock Exchange for the Loan 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 19 March 2013.

The Loan Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

The conditional agreement to subscribe for Placing Shares entered into by Hawk is classified as a related party transaction under the AIM Rules. The Independent Directors consider, having consulted with the Company's nominated adviser, N+1 Singer, that the terms of Hawk's participation in the Placing, is fair and reasonable insofar as its Shareholders are concerned. In providing advice to the Independent Directors, N+1 Singer has taken into account the commercial assessments of the Independent Directors.

7. **The General Meeting**

Set out at the end of this document is a notice convening the General Meeting to be held on 18 March 2013 at 33 King William Street, London EC4R 9AS at 11.30 a.m., at which the Resolutions will be proposed for the purposes of implementing the Placing and the Loan Conversion.

Resolution 1, which will be proposed as an ordinary resolution and which is subject to the passing of Resolution 2 and to the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, is to authorise the Directors to (i) allot the Placing Shares in connection with the Placing, (ii) allot 5,000,000 Ordinary Shares in connection with the conversion of the Convertible Loan Facility as described in paragraph 6 above and (iii) otherwise allot relevant securities up to £4,914,465 in nominal value (representing one third of the issued share capital following Admission) provided that such authority shall expire on the date falling 18 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1 and to the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, disapplies Shareholders' statutory pre-emption rights and the pre-emption rights contained in the Company's articles of association in relation to (i) the issue of the Placing Shares, (ii) the issue of the Loan Shares as described in paragraph 6 above and (iii) the allotment of shares in connection with a rights issue, and grants further authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £737,170 (representing approximately 5 per cent. of the issued share capital following Admission) provided that such authority shall expire on the date falling 18 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

8. **Action to be taken**

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 at Thames House of Portsmouth Road, Esher, Surrey KT10 9AD, as soon as possible, but in any event so as to be received by no later than 4.30 p.m. on 14 March 2013. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

9. **Recommendation**

The Directors consider the Resolutions to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do so in respect of their beneficial holdings amounting, in aggregate, to 18,976,269 Existing Ordinary Shares, representing approximately 18.53 per cent of the existing issued ordinary share capital of the Company.

Yours faithfully

*Bob Morton
Chairman*

NOTICE OF GENERAL MEETING

Porta Communications plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05353327)

NOTICE IS HEREBY GIVEN THAT a general meeting of Porta Communications plc (the “**Company**”) will be held at 33 King William Street, London EC4R 9AS at 11.30 a.m. on 18 March 2013 to consider and, if thought fit, to pass the following resolutions of which resolution 1 will be proposed as an ordinary resolution of the Company and resolution 2 will be proposed as a special resolution of the Company:

ORDINARY RESOLUTION

1. THAT, conditional upon the passing of Resolution 2 and upon the Placing Agreement (as defined in the circular to shareholders of the Company dated 28 February 2013 (the “**Circular**”)), becoming unconditional in all respects (save only for the passing of the Resolutions and Admission (as defined in the Circular)) and it not being terminated in accordance with its terms and in substitution for any equivalent authority which may have been given to the directors pursuant to section 551 of the Companies Act 2006 (the “**Act**”) prior to the date of the passing of this resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “relevant securities”) provided that this authority shall be limited to:

- (a) the allotment of 40,000,000 new ordinary shares of 10 pence each in the capital of the Company in connection with the Placing (as such term is defined in the Circular);
- (b) the allotment of 5,000,000 new ordinary shares of 10 pence each in the capital of the Company in connection with the conversion of the Convertible Loan Facility (as such term is defined in the Circular) into new ordinary shares of 10 pence each in the capital of the Company; and
- (c) the allotment (otherwise pursuant to sub-paragraphs (a) and (b) (above) of relevant securities up to an aggregate nominal amount of £4,914,465,

and unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 18 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

2. THAT, conditional upon the passing of Resolution 1 and upon the Placing Agreement becoming unconditional in all respects (save only for the passing of the Resolutions and Admission (as defined in the Circular)) and it not being terminated in accordance with its terms and in substitution for any existing power given to the directors pursuant to section 570 of the Act prior to the passing of this resolution, the pre-emption provisions contained in the Company’s articles of association be and are hereby disapplied and further the directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority of the directors under section 551 of the Act conferred by Resolution 1, and/or where such an allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act, as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

- (a) the allotment of 40,000,000 new ordinary shares of 10 pence each in the capital of the Company in connection with the Placing;
- (b) the allotment of 5,000,000 new ordinary shares of 10 pence each in the capital of the Company in connection with the conversion of the Convertible Loan Facility (as such term is defined in the Circular);
- (c) the allotment of equity securities in connection with an invitation or offer of equity securities to the holders of ordinary shares in the capital of the Company on a fixed record date in proportion (as nearly as practicable) to their respective holdings of such shares or in accordance with the rights attached to such shares (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); and

- (d) the allotment (otherwise than pursuant to sub-paragraphs (a), (b) and (c) above) of equity securities up to an aggregate nominal value equal to £737,170,

and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Dated: 28 February 2013

Registered Office:

33 King William Street
London, EC4R 9AS

By order of the Board:

Keith Springall
Company Secretary

Notes:

1. A member who is entitled to attend, speak and vote at the meeting may appoint a proxy to attend, speak and vote instead of him. A proxy need not be a member of the Company but must attend the meeting in order to represent you. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. Appointing a proxy will not prevent a member from attending in person and voting at the meeting (although voting in person at the meeting will terminate the proxy appointment). A Form of Proxy is enclosed. The notes to the Form of Proxy include instructions on how to appoint the chairman of the meeting or another person as a proxy. You can only appoint a proxy using the procedures set out in these Notes and in the notes to the proxy form. To be valid the Form of Proxy must reach the Company's registrar, SLC Registrars Limited at Thames House, Portsmouth Road, Esher, Surrey KT10 9AD by 4.30 p.m. on 14 March 2013.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those shareholders registered in the register of members of the Company at 6.00 p.m. on 14 March 2013 (or, if the meeting is adjourned, at 6.00 p.m. on the day preceding the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. Please note that communications regarding the matters set out in this Notice of General Meeting will not be accepted in electronic form.
4. In the case of joint holders of shares, the votes of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
5. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways; either by the appointment of a proxy (described in note above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.

