

10<sup>th</sup> December 2013

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## **Porta Communications plc**

### **£1.5 million Placing**

Porta Communications plc (the "Company") announces that it has raised approximately £1.5 million (before expenses) by way of a placing of 11,538,462 new ordinary shares of 10 pence each ("Ordinary Shares" and the "Placing Shares") at a price of 13 pence per Ordinary Share with certain institutional and other investors (the "Placing"). The Placing has been arranged by N+1 Singer, the Company's nominated adviser and broker.

The purpose of the Placing is to raise funds to be used by the Company as a security deposit for a new property which the Company expects to move to during the course of 2014. The deposit is approximately £1 million. The new property is in a central location in London which the Directors believe is important for the business and will provide extra capacity for the Company as it continues to implement its expansion strategy.

The remaining proceeds from the Placing are intended to be used for the acquisition of an award winning public relations consultancy firm focused on consumer, corporate and B2B public relations across a range of sectors. The Directors believe that the proposed acquisition will further enhance the Company's service offering. The Directors are in discussions in relation to the proposed acquisition but there is no guarantee that such acquisition will reach a successful conclusion. Shareholders will be updated further in due course.

Bob Morton, Non-Executive Chairman of the Company, is investing approximately £300,000 in the Placing through Hawk Investment Holdings Limited, a company beneficially owned by Bob Morton, and his wife ("Hawk"). Hawk's participation in the Placing, coupled with the related party loans referred to in the Company's announcement on 8 March 2013 and Hawk's participation in the placing announced by the Company on 28 February 2013 is deemed to be a related party transaction under the AIM Rules.

Following the Placing, Bob Morton will have a beneficial holding, through Hawk and Hawk Pension Fund Limited, of 28,765,629 Ordinary Shares, representing approximately 17.75% of the enlarged issued share capital as enlarged by the Placing.

Hargreave Hale, a substantial shareholder of the Company (as defined by the AIM Rules) is investing approximately £500,000 in the Placing. Hargreave Hale's participation in the Placing, together with their participation in the placing announced by the Company on 28 February 2013 is deemed to be a related party transaction under the AIM Rules.

The independent directors of the Company (all directors other than Bob Morton) consider, having consulted with N+1 Singer, its nominated adviser, that the terms of the Placing are fair and reasonable insofar as its shareholders are concerned.

Application has been made to the London Stock Exchange for the Placing Shares, which will rank pari passu in all respects with the existing Ordinary Shares of the Company, to be admitted to trading on AIM ("Admission"). Admission is expected to be effective from 8.00 am on 13 December 2013.

## Total Voting Rights

Following Admission, the Company's issued share capital will consist of 162,087,667 Ordinary Shares with one voting right per share. The Company does not hold any Ordinary Shares in treasury.

Therefore, the total number of voting rights in the Company will be 162,087,667.

The above figure of may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

## Enquiries

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Certain statements in this Announcement are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this Announcement is subject to change without notice and neither the Company nor N+1 Singer assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

Past performance is not a guide to future performance.

The material in this Announcement is for informational purposes only and does not constitute an offer of securities for sale in the United States or any other jurisdiction in which such an offer or solicitation is unlawful. The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the laws of any state, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. No public offering of securities will be made in the United States.

Members of the public are not eligible to take part in the Placing. This announcement and the information contained herein are for information purposes only and are directed only at: (a) persons in member states of the European Economic Area who are qualified investors as defined in section 86(7) of the Financial Services and Markets Act 2000, as amended, ("qualified investors") being persons falling within the meaning of article 2(1)(e) of the EU Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing directive measure in any member state) (the "Prospectus Directive"); and (b) in the United Kingdom, to qualified investors who are persons who (i) have professional experience in matters relating to investments falling within article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); (ii) are persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Order; or (iii) are persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as "relevant persons"). The Placing Shares are only available to relevant persons. Any recipient of this announcement who is not a relevant person should take no other action.

N+1 Singer, which is authorised and regulated by the Financial Conduct Authority, is acting for the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of N+1

Singer or for providing advice in relation to the Placing.

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