



Communications with impact

25 August 2016

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

Notice of General Meeting

Porta (AIM:PTCM), the international marketing and communications group, announces that it has today posted to shareholders a circular and notice of a general meeting to be held at 10 a.m. on 13 September 2016 at Sky Light City Tower, 50 Basinghall Street, London, EC2V 5DE (the "General Meeting").

The business of the General Meeting is to seek shareholders' approval to subdivide the Company's ordinary shares of 10 pence each ("Existing Ordinary Shares") into one ordinary share of 1 pence each, (a "New Ordinary Share") and 10 Deferred Shares of 0.9 pence each ("Deferred Shares", together the "Share Capital Reorganisation").

Background to and reasons for the Share Capital Reorganisation

As announced on 5 August 2016, the Company has received notice that the vendors of Redleaf Polhill Limited ("Redleaf") have exercised their put option, which requires Porta to acquire an additional 15% of the issued share capital of Redleaf. The consideration for the additional 15% of Redleaf is £805,427 which is to be satisfied (i) 50% in cash; and (ii) 50% in ordinary shares in the capital of the Company (the "Further Consideration Shares"). The nominal value of Porta's Existing Ordinary Shares is currently higher than the proposed issue price of the Further Consideration Shares. The Company is not permitted under company law to issue shares at an issue price which is below the nominal value. In order to allow Porta to issue the Further Consideration Shares, the Company is seeking the approval of shareholders to effect the Share Capital Reorganisation.

Effect on the interests of existing shareholders

Following the Share Capital Reorganisation, and subject to shareholder approval, the New Ordinary Shares will continue to carry the same rights as are attached to the Existing Ordinary Shares. The number of New Ordinary Shares in issue following the Share Capital Reorganisation will be unchanged from the number of Existing Ordinary Shares in issue immediately prior to the Share Capital Reorganisation. Save for the dilution which will result from the issue of

the Further Consideration Shares to the vendors of Redleaf, the interests of the existing shareholders (both in terms of their economic interest and voting rights) will not be diluted by the implementation of the Share Capital Reorganisation.

The Deferred Shares created, will be effectively valueless as they will not carry any voting or dividend rights and will have no effect on the economic interest of shareholders. The Deferred Shares will rank pari passu with the existing Deferred Shares in issue, which are effectively valueless as they will not be admitted to, or listed on, any stock exchange and will not be freely transferable.

Conditional upon, inter alia, the passing of the resolution at the General Meeting, following the Share Capital Reorganisation, assuming there are no further changes to the number of Existing Ordinary Shares in issue between today's date and the date that the Share Capital Reorganisation becomes effective, the issued share capital of the Company will comprise 279,087,905 New Ordinary Shares and 2,862,879,050 Deferred Shares.

Recommendation

The Directors consider the Share Capital Reorganisation to be in the best interests of the Company and its shareholders as a whole and accordingly recommend unanimously Shareholders to vote in favour of the resolution to be proposed at the General Meeting, as they intend to do so in respect of their beneficial holdings amounting, in aggregate, to 58,173,165 Existing Ordinary Shares, representing approximately 20.84 per cent. of the existing issued ordinary share capital of the Company.

The circular and notice of General Meeting has been posted to shareholders and will shortly be available on the Company's website: www.portacomms.com.

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Enquiries

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The information contained within this announcement is considered to be inside information prior to its release.

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 has offices in 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, Publicasity, 13 Communications, Newgate Sponsorship, 2112 Communications and Summit Marketing Services.

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