17th June 2015

Ten Alps plc

("Ten Alps" or the "Company")

Proposed Acquisition of Reef Television Limited
Proposed placing and subscription to raise £4.5 million
Proposed Share Capital Reorganisation, Debt Conversion (including the issue of Preference Shares) and Capital Reduction
Board Changes
Restoration of Dealings

Ten Alps plc (AIM: TAL), multimedia producer of high quality TV and radio together with integrated publishing and communications content, is pleased to announce that it has agreed to acquire Reef Television Limited, an award-winning producer of innovative content for multiple broadcasters, for a total consideration of approximately £5 million (comprising £2 million initial consideration and deferred consideration of up to £3 million plus an additional amount of earn-out consideration). The Company has conditionally raised £4.5 million (before expenses) by way of a Placing of 173,900,000 New Ordinary Shares and a Subscription of 51,100,000 New Ordinary Shares at 2 pence per New Ordinary Share to fund the Acquisition and for working capital purposes generally. The Acquisition constitutes a reverse takeover of the Company for the purposes of the AIM Rules for Companies and therefore requires Shareholder approval at a General Meeting to be held on 10 July 2015.

An Admission Document containing details of the Proposals and a notice of General Meeting will be posted to Shareholders today and is available to view on the Company's website at www.tenalps.com.

The suspension relating to the existing shares of Ten Alps will be lifted today and therefore trading in the Company's shares will recommence at 10.00 a.m. As announced earlier today N+1 Singer is acting as the Company's Nominated Adviser and Broker.

HIGHLIGHTS

Acquisition, Placing and Capital Restructure

- Proposed acquisition of Reef Television, an award-winning producer of innovative content for multiple broadcasters
- Share consolidation (10 for 1) and refinancing to raise approximately £4.5 million (gross) through a Placing and Subscription of 225,000,000 New Ordinary Shares at a price of 2 pence (on a post consolidation basis)
- The proceeds of the Placing will be used for the following purposes:
    - internal investment in TV, content marketing and digital communications (up to approximately £0.6 million);
    - to fund the initial consideration payable in respect of the proposed Acquisition (£2 million); and
    - to provide general working capital to the Group (up to approximately £1.4 million).
- Debt Conversion, waiver and repayment resulting in a reduction of the Company's remaining debt obligations to £2 million

Acquisition Rationale

- Reef acquisition signals the first step in a strategy to grow the Ten Alps business through both acquisition and organic growth
- Addition of Reef diversifies and further strengthens the offering, with experience in daytime and factual entertainment formats
- The Enlarged Group will be a medium-sized independent television producer at a time when the demand for 'indie' programming is steadily growing
- The combined business will benefit from a significantly larger catalogue of current and past programming which can be sold into other broadcast and digital markets worldwide

- The Enlarged Group will be in a position to address opportunities for growth in the US market, where the appetite for UK-made programming is strong
- The Board aims to develop the Enlarged Group as a multi-platform producer with a focus on both television production and on high-quality digital content creation, including corporate communications and content marketing.
- Focused on creating an attractive media asset portfolio in growth markets both in the UK and internationally

Board Appointments

- Strengthened New Board with the appointments of Luke Johnson and Jonathan Goodwin as Non-Executive Directors, with Bob Geldof and Timothy Hoare stepping down from the Board.

General Meeting

- The Resolutions will be proposed at the General Meeting of the Company on 10 July 2015

Mark Wood, Chief Executive Officer commented:

"This is a significant moment in the turnaround of Ten Alps. The proposed acquisition of Reef Television is an important first step in a strategy to achieve greater scale and momentum in our TV and digital content businesses. The new capital structure will enable us to invest in faster growth, with the guidance of our experienced Board members appointed today. Together, as an enlarged Group, we intend to bring in the commercial and creative talent needed to drive growth across Television, Communications and Publishing both organically and via selective acquisitions."

Richard Farmbrough, CEO of Reef Television, added:

"We see the new Ten Alps as a key player in the TV production landscape and are excited by the opportunity to be part of this smart new company. For some time we have been looking to partner with another production business in order to give us the firepower to extend into new territories and engage with the new platforms which are changing the shape of the television market."

Peter Bertram, Chairman of Ten Alps, said:

"We are delighted to welcome Luke Johnson and Jonathan Goodwin and look forward to their valuable contributions to take the Group to the next stage of its development. The Board would also like to thank Bob Geldof and Timothy Hoare for their long service and significant contributions to Ten Alps. We wish them well for the future I'm pleased they support our strategy for building a high quality integrated multimedia business."

Capitalised terms have the same meaning as those set out in the Admission Document.

For further information please contact:

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INTRODUCTION

The Company is pleased to announce that it has agreed to acquire Reef Television Limited, an award-winning producer of innovative content for multiple broadcasters, for a total consideration of approximately £5 million (comprising £2 million initial consideration and deferred consideration of up to £3 million plus an additional amount of earn-out consideration). The Company has conditionally raised £4.5 million (before expenses) by way of a Placing of 173,900,000 New Ordinary Shares and a Subscription of 51,100,000 New Ordinary Shares to fund the Acquisition and for working capital purposes generally. The Acquisition constitutes a reverse takeover of the Company for the purposes of the AIM Rules for Companies and therefore requires Shareholder approval at the General Meeting. The Issue Price of 2 pence per New Ordinary Share represents a 63.6 per cent. discount to the equivalent Closing Price (as adjusted by the Share Capital Reorganisation) of 5.5 pence per Ordinary Share on 29 May 2015, being the last dealing day in the Company's Ordinary Shares prior to their suspension from trading on AIM. N+1 Singer is acting as the Company's nominated adviser and broker.

The Company is also proposing to effect a Debt Conversion (which will result in a reduction of the Company's remaining long-term debt obligations to £2 million and a reduction in certain short-term debt obligations), the Share Capital Reorganisation and the Capital Reduction, as well as the adoption of the New Articles, all of which is subject to Shareholder approval at the General Meeting.

The Placing and the Subscription are conditional, among other things, on Admission becoming effective, the Placing Agreement between the Company and N+1 Singer becoming unconditional and not being terminated (in accordance with its terms) and the passing by the Shareholders of the Resolutions at the General Meeting. Subject to all relevant conditions being satisfied (or, if applicable, waived), it is expected that the New Ordinary Shares will be admitted to trading on AIM on or around 13 July 2015.

BACKGROUND ON TEN ALPS

Ten Alps is a multimedia producer of high quality TV and radio programmes together with integrated publishing and communications content. The Company has recently undertaken a comprehensive process of restructuring to deal with underperforming units and appointed a new Chief Executive in December 2014 to develop and lead a strategy aimed at revenue and profit growth across all business sectors. The Company is now focused on achieving its performance targets and is expecting a return to profitable operations in the financial year ending 30 June 2016. It is also implementing plans to diversify revenues, bringing in new management talent in TV, growing digital and events revenues in publishing and developing new revenue streams around provision of digital content marketing and corporate communications services.

By continuing to implement the current plans and evolving the focus of the Group to the growth of quality, reliable revenues, the Directors believe that the Group's assets in Broadcasting, Communications and Publishing will be significantly stronger, which should have a positive impact on value in the coming years. To ensure the Group is successful in the implementation and delivery of its growth strategies, it aims to increase investment in talent and develop its existing resources, as well as achieving growth through targeted acquisitions.

Broadcasting

The key aim of the Group's broadcasting business remains that of producing high quality programming which is intelligent, engaging and entertaining and meets the needs of key broadcast customers. The Group's three production units - Blakeway, Brook Lapping and Films of Record – have a reputation for quality programming in their own genres and count the BBC, ITV, Channel 4, Channel 5, Sky and Discovery among their long-standing clients.

The broadcasting business is also extending into new genres, including popular factual series, and aims to continue to increase its diversity and range. The division's key performance indicators include core market growth, enhanced overall performance and investment opportunities. The Directors believe the Group is starting to make good progress by winning commissions not only in the United States but also in China, Japan and Korea, including a £2 million commission for a four-part series on US politics.

As the focus of the Group shifts to the quality of its revenues and the growth of its business, there will be a need to make strategic additions to its talent pool and reinforce areas such as business development teams. The Directors believe that this investment is of particular importance in its broadcasting department to ensure the Group can deliver the growth strategy of the division.

Communications

The Group's communications division has a track record in managing corporate social responsibility websites and developing applications for global blue-chip organisations including BMW, Siemens, Nationwide and Transport for London. It is supported by a high-calibre team with web development, design, animation and account management skills.

The division has restructured its new business team and will be looking for further recruits in the coming months to grow key identified market sectors. It is in these key market sectors which the Company believes it has a clear advantage, thanks to its combination of high-level video and digital design skills in its core areas which include education, health, finance, employability, environment and safety. The division will also expand into new areas of activity including the provision of video, animation and editorial content for corporate websites and social media, with a view to expanding into the wider digital content marketing and corporate communications sphere.

Publishing

The division targets high-value business-to-business ("B2B") audiences in finance, SME business, healthcare, pharmacy, farming, trade and logistics. While historically the business was primarily print-oriented, in recent months there has been success in developing digital channels and launching events as additional revenue streams. The Group continues to monitor advertising sales run-rates, the cost of selling and new business targets, as they remain critical to the division.

Over the last few years the Group has implemented a major rationalisation programme of this division and the Directors believe that the Group now has the right foundations to build upon. The Group has exclusively UK-based assets, managed by a focused and streamlined team that can seek to enhance the quality of the services it provides and to expand its offering further.

BACKGROUND TO THE ACQUISITION

The Company believes that a targeted acquisition of a similar business in the television industry that would complement its existing broadcasting business would give the Group significant opportunities for growth. The Directors have reviewed a number of potential opportunities and have entered into the Acquisition Agreement to acquire Reef Television, an award-winning producer of innovative content for multiple broadcasters in both peak time and daytime slots which has successfully made many hundreds of hours of factual programmes for clients including the BBC, Channel 4, Discovery, ITV, Channel 5 and UKTV.

Award-winning Reef creates formats and develops ideas across a range of factual and entertainment programmes, being especially strong in daytime UK TV, producing programmes such as '*Put Your Money Where Your Mouth Is*', '*Penelope Keith's Hidden Villages*' and '*Selling Houses with Amanda Lamb*'. It also has an in-house production and editing facilities department that includes the latest camera technology and ten fully HD Avid suites.

The business generates revenue from a combination of factual and entertainment series and one-off production commissions, with the BBC and Channel 4 representing over 75 per cent. of its production sales in the year to 31 December 2014, and royalty revenue generated from the resale of its content to other broadcasters through distributors.

The Directors believe that the acquisition of Reef Television offers the Company increased high-quality day and peak time factual and entertainment TV output which would complement the Group's existing factual TV base, which could bring new revenues and leverage higher margins from improved utilisation of existing infrastructure.

Terms of the Acquisition

It is proposed that Reef Television will be purchased for the Initial Consideration of £2 million payable in cash, subject to a post-Completion net asset adjustment (upwards or downwards), Loan Note Consideration of up to £1.5 million and Deferred Consideration of up to £1.5 million and an additional amount of earn-out consideration. The Loan Note Consideration and the Deferred Consideration will be settled in cash or Ordinary Shares, at the

Company's discretion, subject to a maximum of 50 per cent. of the Loan Note Consideration and the Deferred Consideration being able to be settled in Ordinary Shares. Any issue of new Ordinary Shares to the Vendors will be subject always to the resultant shareholding of the Vendors being not greater than 29.99 per cent. of the issued share capital of Ten Alps, as enlarged by the issue of that tranche of Ordinary Shares. The Ordinary Shares will be valued at the average mid-market closing share price of the Company over the five Business Days prior to the finalisation of the relevant accounts.

The Loan Note Consideration is redeemable and the Deferred Consideration is payable in three tranches of up to £500,000 each, subject to the level of gross profitability of Reef Television for the financial years ended 30 June 2016, 30 June 2017 and 30 June 2018. In respect of the 2016 financial year, the maximum Loan Note Consideration and Deferred Consideration payment of £1,000,000 is subject to Reef Television achieving at least £1,800,000 in gross profits and to be adjusted downwards thereafter on a straight-line basis to a minimum level of £1,500,000, below which point none of the first tranche of Loan Note Consideration and Deferred Consideration will be paid. The same performance metrics will apply to the second and third tranches of Loan Note Consideration and Deferred Consideration due in respect of the 30 June 2017 and 2018 financial years, with the target gross profit ranges of £2,000,000 to £1,500,000 and £2,200,000 to £1,500,000, respectively. If there is an over-achievement in either of the 2016 or 2017 years the excess will be carried forward to the next financial year of assessment and if there is an over-achievement on either of 2017 or 2018 years the Vendors will have the ability to claim back amounts not paid due to under-performance in previous years.

An additional amount of earn-out consideration is payable by the Company if the aggregate gross profit for the three years exceeds £6 million. Subject to certain conditions, the Company will pay 50 per cent. of such gross profit excess to the Vendors in either cash or by the issue of Ordinary Shares (in respect of up to 50 per cent. of this additional consideration) at the Company's option.

Completion of the Acquisition is conditional upon approval of the Proposals by Shareholders at the General Meeting.

FINANCIAL INFORMATION ON REEF

The following financial information relating to Reef has been extracted from the Historical Financial Information set out in Part IV of the Admission Document:

	Year ended 31 December 2014	*Year ended 31 December 2013*	*Year ended 31 December 2012*
	£'000	£'000	£'000
Revenue	5,735	3,833	4,062
Gross Profit	1,489	1,037	1,105
Profit before tax	470	147	300
Total equity and liabilities	1,679	1,663	808

TELEVISION MARKET OPPORTUNITY AND REASONS FOR THE ACQUISITION

The Enlarged Group will be a medium-sized independent television producer at a time when the demand for 'indie' programming is steadily growing, with the market showing every sign of continued expansion in the future.

In the UK, one key factor driving growth in the industry is a commitment by mainstream broadcasters, including the BBC, Channel 4, Channel 5 and Sky, to maintain or increase spending on outsourced commissioned programming. The BBC has also indicated that as part of organisational restructuring in its programming areas, it will significantly increase the opportunities for outside suppliers to pitch for the new production commissions, which is expected to impact from 2017 onwards.

Furthermore, the number of channels and platforms commissioning factual productions is increasing and there has been a marked increase in the level of interest in high-end factual programming worldwide as audience demand has grown. Sky and Al Jazeera, who are both existing customers of the Group, have increased their spending in this area, whilst Netflix has recently commissioned a major factual series and indicated it will continue to invest in this area. With a strong track record in each of its programme-making units, the Group is now able to win commissions outside the UK on the strength of a reputation for high-quality editorial and visual content, coupled with dependability in terms of delivery times. The Group has recently produced documentaries for broadcasters in the US, China, Japan and Korea.

The Directors believe the Acquisition will add strength and experience in daytime TV programming, an area which has shown consistent growth, and in popular factual formats and series. The production of series delivers higher margins than one-off programmes and the addition of Reef's commercial and production skills will help focus the business on pitching for more of this kind of business.

The combined business will benefit from a significantly larger catalogue of current and past programming which can be sold into other broadcast and digital markets worldwide. The Directors intend to focus on selling formats as well as produced programmes, while with additional investment in commercial resource the Enlarged Group will be in a position to address opportunities for growth in the US market, where the appetite for UK-made programming is strong.

As a producer of approximately 300 half hours of new programming a year, the Directors believe that the television division within the Enlarged Group will be seen as a serious partner by major UK broadcasters, which will pave the way for more ambitious, larger-budget pitches. The three core Ten Alps production houses – Blakeway, Brook Lapping and Films of Record – have outstanding reputations for high-quality factual programming and documentaries, while the addition of Reef diversifies and further strengthens the offering, with experience in daytime and factual entertainment formats.

STRATEGY OF THE ENLARGED GROUP

The Board aims to focus the Enlarged Group to grow revenues in the expanding, high-margin television and digital content markets. The Board intends to utilise a portion of the net proceeds of the Placing to bring in the commercial and creative talent needed to drive organic growth and will continue to review further opportunities for inorganic growth through strategic acquisitions, where it sees relevant opportunities at acceptable valuations.

Television

As well as creating a TV business with suitable scale, the Acquisition brings with it a strong, commercial management team, which can help to strengthen the strategy and ambitions of the broader TV business. There will be a drive to pitch for larger-budget, repeatable series across serious factual and factual entertainment programming. Another objective will be to increase significantly non-UK revenues through co-production partnerships, target growth in royalty revenues through sale of current and past catalogues on a more ambitious scale and a drive to sell series and formats into other major markets, including the US.

Communications

The second strand of the new strategy is to make the Enlarged Group a bigger player in the fast-growing corporate and commercial market for high-quality digital content. Already an established offering in the US, the trend for investing in image-rich website and active social media management is growing in the UK. The Group intends to expand into content marketing, brand building and corporate communications, targeting large-scale international organisations seeking high-quality content and editorial production.

As a foundation to this strategy, the Group is continuing to build its digital offering by developing its own digital programme platform. This will build experience in targeting younger demographics and will also assist in pitching for larger-scale commissions, which can require digital and social media management as well as programme delivery.

The Group already has experience developing and managing websites and applications for major organisations including BMW, Nationwide, Sanofi and Siemens. The Company recently renewed its contract with Transport for London to create and manage its London-centric digital road safety education campaign for pre-school children. At £1 million per annum, the contract value represents an increase of 30 per cent. over the previous contract and covers a period of 3.5 years.

By combining existing web and application management skills with market-leading video skills, the Directors believe that the Group is in a strong position to pitch to major corporates and other organisations to manage video-based content marketing and corporate communications. The Group's digital team works across all sectors of the business and an area of focus will be to add new digital and social media management skills as digital revenues increase. As more UK organisations seek to upgrade their websites and develop more pro-active message management and storytelling, both online and through other channels, the demand for such services is starting to grow. The Company has already established new commercial relationships with large-scale global organisations in this area and will aim to build on its early successes.

Publishing

The Group's publishing business is focused on B2B audiences in a number of high-value areas, including finance, SME management, pharmaceuticals, farming and trade. In a series of recent divisional changes, the Group has redesigned and relaunched core print titles, developed websites and made provision for the delivery of its content to mobile devices, in addition to building event revenues with awards and specialised conferences. The aim is to increase the size and value of the specialist audiences targeted in each of these areas and to build steadily on these high-value databases.

Another area for potential growth in revenues and increase in profit margin is in the provision of planning guides and trader directories to households across the UK. This section of the Group's business, with revenues of more than £1.7 million per annum, is managed in partnership with the local authority building control under a five year contract renewed in October 2014, which coordinates activities across all UK local authorities. The division is now focused on accelerating a transition from provision of printed booklets to populating the Group's proprietary "Home and Build" website, which is targeted to become a large-scale directory of 'trusted' local trades people which have local authority endorsement.

With a commitment to focusing investment and management time on the most promising areas of growth, the Board will continue to be receptive to approaches concerning non-core areas of activity. A key objective is to create greater value in all products and operations by ensuring they are high-quality, profitable digitally-focused and of increasing importance to their customers.

CURRENT TRADING AND PROSPECTS

Ten Alps

The interim results for the six months ended 31 December 2014, as announced on 30 March 2015, showed revenue from continuing operations of £10.17 million (2013: £11.71 million) with an EBITDA loss of £0.64 million (2013 loss: £0.53 million). The operating loss was £0.73 million (2013 loss: £0.71 million). Net loss was £1.0 million (2013 loss: £1.01 million) before a disposal gain of £Nil (2013: £0.24 million) in the period.

As part of the restructuring process, the Group has reduced its cost base and focused the business on high quality media sectors particularly in TV and content marketing. Furthermore, as part of the Proposals, the Directors intend to reduce the Group's debt position considerably, leaving it in a stronger financial position. Whilst there is still work to do, the first six months of the current financial year have put the Group in better shape to meet the challenges it has faced and to take advantage of emerging opportunities, a position which will be strengthened further through the implementation of the Proposals. The Board continues to believe that the measures taken have placed the Group in a stronger position to benefit from the opportunities the media sector offers.

Reef

Reef's audited results for the year ended 31 December 2014 showed revenue from continuing operations of £5.74 million (2013: £3.83 million) with EBITDA of £0.52 million (2013: £0.20 million). The operating profit was £0.47 million (2013: £0.15 million). Net profit was £0.37 million (2013: £0.11 million). Gross margins were 25.96 per cent. in 2014 (2013: 27.05 per cent.) and net margin was 6.42 per cent. (2013: 2.87 per cent.). Reef has continued to trade satisfactorily through the first half of 2015.

Enlarged Group

The Directors and Proposed Directors expect that the combined sales, technical and operational resources available to the Enlarged Group following Completion. Ten Alps is now well positioned to execute its strategy as a multi-platform producer with a focus on both television production and on high-quality digital content creation, including corporate communications and content marketing which will enable it to grow organically and via selective acquisitions.

DIRECTORS AND PROPOSED DIRECTORS

Directors

Details of the current Directors of Ten Alps are as follows:

Peter Bertram, Chairman

Peter is currently Non-executive Chairman of Phoenix IT Group plc and Senior Independent Non-Executive Director of Microgen plc. He was previously Chairman of Alphameric plc and AttentiV Systems Group plc and also a Non-executive director of Anite plc and Psion plc. Peter was chief executive of Azlan Group plc from 1998 until its takeover in 2003. He is a fellow of the Institute of Chartered Accountants in England and Wales.

Mark Wood, Chief Executive Officer

Mark Wood is Chief Executive of Ten Alps. Mark is known in the media industry for his digital expertise and for refocusing traditional media businesses. He was Chief Executive at Future from 2010 to 2014 and accelerated the growth of Future's digital business. Future was named Consumer Digital Publisher of the Year in the industry's annual awards three years in succession from 2011. Mark was Chief Executive of ITN, the television news organisation, from 2002 to 2010, where he developed a range of digital ventures, including a leading online image business. He began his career as a foreign correspondent for Reuters and was based in Berlin, Moscow, Bonn and Vienna. Mark is a director of Future plc and Citywire Holdings Limited and is a member of the PwC Advisory Board.

Nitil Patel, Chief Financial Officer

Nitil has been a key member of the team from the inception of Ten Alps. He worked with Sayers Butterworth before joining TV production business Planet 24, where he worked as an accountant on productions such as the Big Breakfast. He is a member of the Institute of Chartered Accountants in England and Wales.

Timothy Hoare, Non-Executive Director

An investment banker, Timothy Hoare was the Chairman of Canaccord Genuity Limited until July 2013. Since then he has assumed a role on Canaccord Financial's Global Advisory Board. He also has substantial experience in the financing of mining and media companies. He is currently a partner at Hannam & Partners.

Following these proposed changes, it has been agreed that Timothy Hoare will resign as a Director immediately following the conclusion of the General Meeting. In addition, Bob Geldof, the Founder of Ten Alps has resigned as a Director of the Company with immediate effect. Both Bob and Timothy have strongly supported the restructuring of the business and the Board would like to thank them for their long service and significant contributions to Ten Alps.

Proposed Directors

It is proposed that the following will be appointed to the Board of the Company, with effect from Completion:

Luke Johnson, Proposed Non-Executive Director

Luke Johnson is the Chairman of private equity house Risk Capital Partners LLP. He is Chairman and part-owner of Patisserie Holdings plc and Bread Ltd. He is also Chairman and majority owner of cruise holiday website operator Cruise.co.uk and Neilson Active Holidays. In 1993 Luke took control of Pizza Express with partners, subsequently becoming Chairman, and grew the business from 12 owned restaurants to over 250, and the share price from 40p to over 900p. Luke was Chairman of Channel 4 from January 2004 to January 2010, during which time he appointed a new CEO, restructured the board and saw the organisation enjoy record ratings, revenues and surplus.

Jonathan Goodwin, Proposed Non-Executive Director

Jonathan Goodwin founded Lepe Partners in 2011. Lepe Partners is a merchant bank created to help entrepreneurs and CEOs in the media, consumer and internet sectors grow their businesses. Prior to founding Lepe, Jonathan was CEO and Co-founder of LongAcre Partners, where he built the company into Europe's leading mid-market media and corporate finance house prior to selling it to Jeffries in 2007. To date, Jonathan has advised on over 100 transactions in the media and internet space. In 2006, Jonathan created the Founders Forum, an entrepreneur's event held annually in London, New York, Brazil and India. In 2009, Jonathan also Co-Founded PROfounders Capital, an early stage fund backed by entrepreneurs for digital entrepreneurs. Previously, Jonathan focused on the media sector at Apax Partners and later joined the MBI team of Talk Radio, backed by News Corporation and Liberty Media. Talk Radio then became the foundation for The Wireless Group PLC, where Jonathan was Group Managing Director. Jonathan is also currently on the advisory board of Opera Solutions and Kelkoo.

Key Reef Management

Richard Farmbrough, CEO

Richard Farmbrough founded Reef Television in March 2003. After graduating from Durham University and completing a post-graduate course at the Courtauld Institute, Richard started his career in BBC Entertainment. He then moved to the in-house arts department, working on programmes such as The Story of Painting, Bookworm and Home Front. He was previously at Talkback Productions, where he directed the Bafta-nominated first series of Channel Five's 'House Doctor', as well as co-creating and producing the hit show 'Your Money or Your Life'. Richard produced 'The Art Club' for CNN and was Executive Producer at Spire Films where he made 'Return of the Architect' for BBC Four. At Reef, Richard is responsible for developing company strategy and heading up senior management. He has been Executive Producer on most Reef projects and currently oversees the company's programme development. On completion, Richard will hold the position of Commercial Director of the Ten Alps Television division in addition to CEO of Reef Television.

Paul Hanrahan, Managing Director

Paul's career in television has included roles as head of production, unit manager and he has been a production manager for many of the major broadcasters. During his time at Reef Television, Paul received a Broadcast 'Hot Shot' award in 2005, which acknowledges emerging talent within the industry. Paul is also a member of the council of PACT, the trade association representing the commercial interests of UK independent television, film, digital, children's and animation companies, having served since 2013, with a particular interest in ensuring that the rights and revenue streams of all independents are protected. Paul has operational responsibility for the day-to-day running of Reef including specific responsibilities for business, legal and financial affairs. Other responsibilities include managing Reef's intellectual property. With a strong knowledge of the international market place, he works closely with both distributors and international broadcasters.

PRINCIPAL TERMS AND CONDITIONS OF THE ACQUISITION

On 16 June 2015, the Company entered into the Acquisition Agreement with the Vendors pursuant to which the Company has agreed to acquire the entire issued share capital of Reef for an initial consideration of £2 million with Loan Note Consideration and Deferred Consideration, dependent upon the performance of the business, of up to £3 million, of which up to 50 per cent. will be satisfied by the issue of new Ordinary Shares, at the Company's discretion, with the remaining Loan Note Consideration and Deferred Consideration being settled in cash. An additional amount of earn-out consideration will be paid if an amount in excess of a £6 million gross profit target is met with 50 per cent. of such excess gross profit payable to the Vendors in cash and Ordinary Shares.

Completion of the Acquisition Agreement is conditional, amongst other things, upon the Placing Agreement becoming unconditional in all respects.

SHARE CAPITAL REORGANISATION

Under the Act, a company is not allowed to issue shares at a price per share which is lower than the nominal value of its shares. On the last dealing day in the Company's Ordinary Shares prior to their suspension from trading on AIM, the Company's Closing Price was 0.55 pence per Existing Ordinary Share, which is below the current nominal value of the Existing Ordinary Shares, being 2 pence per share. Accordingly, subject to Shareholder approval, the Directors propose to reorganise the Company's share capital as explained below, with a view to reducing the nominal value of the Ordinary Shares.

Pursuant to the Share Capital Reorganisation, it is proposed that each Existing Ordinary Share with a nominal value of 2 pence will be sub-divided and redesignated into one Ordinary Share of 0.01 pence and one Deferred Share of 1.99 pence. Immediately after such sub-division and redesignation, it is proposed that, the Ordinary Shares will be subject to a 10 for 1 consolidation resulting in Ordinary Shares of the Company with a nominal value of 0.1 pence each.

Save as explained below with regards to fractional entitlements, following the Share Capital Reorganisation each Shareholder will hold such number of Ordinary Shares as is equal to 10 per cent. of the number of Existing Ordinary Shares that he or she held immediately beforehand, with a nominal value per Ordinary Share of 0.1 pence.

With regards to fractional entitlements, where such consolidation results in any member being entitled to a fraction of a share, such fraction shall, so far as is possible, be aggregated with the fractions of Ordinary Shares to which other members of the Company may be entitled. It is proposed that the Directors will be authorised to sell (or appoint any other person to sell) to any person, on behalf of the relevant members, all the Ordinary Shares representing such fractions at the best price reasonably obtainable to any person and to distribute the net proceeds of sale of such Ordinary Shares (less expenses) representing such fractions in due proportion amongst the persons entitled (except that if the amount due to a person is less than £5 the sum may be retained for the benefit of the Company).

It is proposed that the Ordinary Shares resulting from the Share Capital Reorganisation will have exactly the same rights as those currently accruing to the Existing Ordinary Shares under the Existing Articles, including those relating to voting and entitlement to dividends.

The Deferred Shares will have very limited rights and will effectively be valueless. They will have no voting rights and will have no rights as to dividends and only very limited rights on a return of capital. They will not be admitted to or listed on any stock exchange and will not be freely transferable. The rights attaching to the Deferred Shares are set out in the New Articles. The Directors intend to cancel the Deferred Shares as part of the Capital Reduction, as contemplated by Resolution 11.

Resolution 2 contained in the Notice of General Meeting will, if passed by Shareholders, effect the proposed Share Capital Reorganisation as detailed above. If approved, the record date for the Share Capital Reorganisation will be at 6.00 p.m. on 10 July 2015 and admission to trading and dealings in the new Ordinary Shares arising from the Share Capital Reorganisation will become effective at 8.00 a.m. on 13 July 2015.

For Shareholders who hold their entitlement to New Ordinary Shares in uncertificated form through CREST application will be made for the New Ordinary Shares, arising as a result of the Share Capital Reorganisation, to be credited to the relevant CREST accounts on 13 July 2015.

New share certificates in respect of the New Ordinary Shares are expected to be posted at the risk of Shareholders by 20 July 2015 to those Shareholders who hold their shares in certificated form. These will replace existing certificates which should then be destroyed. Pending the receipt of new certificates, transfers of New Ordinary Shares held in certificated from will be certified against the Register.

CREST accounts of Shareholders will not be credited in respect of any entitlement to Deferred Shares.

The Company's ISIN and SEDOL will change as a result of the Share Capital Reorganisation, with effect from 13 July 2015, and the Ordinary Shares will be quoted and traded in Pounds Sterling. The new ISIN will be GB00BX7RGN99 and the new SEDOL will be BX7RGN9.

THE PLACING AND SUBSCRIPTION

The Placing

The Company is proposing to raise approximately £3.5 million (before expenses) through the placing by N+1 Singer, as agent of the Company, of the Placing Shares at the Issue Price. The Issue Price represents a discount of 63.6 per cent. to the equivalent Closing Price (as adjusted by the Share Capital Reorganisation) of an Ordinary Share on the last dealing day in the Company's Ordinary Shares prior to their suspension from trading on AIM.

The Placing has been undertaken pursuant to the Placing Agreement. Under the terms of the Placing Agreement, N+1 Singer has agreed to use its reasonable endeavours to procure institutional and other investors to subscribe for the Placing Shares. The Placing is not being underwritten.

The Placing Agreement is conditional on, amongst other things:

- the passing of the Resolutions (without amendment) at the General Meeting; and

- Admission becoming effective by not later than 8.00 a.m. on 13 July 2015 (or such later time and/or date as the Company and N+1 Singer may agree (being not later than 8.00 a.m. on 31 July 2015)).

The Placing Agreement contains certain warranties given by the Company in favour of N+1 Singer in relation to, *inter alia*, certain matters relating to the Group and its business. In addition, the Company has agreed to indemnify N+1 Singer in respect of 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.

It is expected that the Placing Shares will be allotted and issued at 8.00 a.m. on 13 July 2015, subject to Admission.

The Subscription

In December 2014, the Company entered into the Subscription Agreement with certain existing Shareholders and Directors, including Peter Bertram, Mark Wood, Nitil Patel and Timothy Hoare (together, the "Investors"), to subscribe, at the Company's option and discretion, for new Ordinary Shares up to an aggregate value of approximately £1 million.

The Company served written notice to the parties of the Subscription Agreement on 29 May 2015 and, accordingly, resolved to issue to the Investors 51,100,000 New Ordinary Shares at the Issue Price. The participation of the Directors in the Subscription is subject to the Independent Shareholders passing Resolution 7 in the Notice of General Meeting.

Use of Proceeds

The Company is proposing to raise gross proceeds of approximately £4.5 million from the issue of the Placing Shares and Subscription Shares. Ten Alps intends to use the net proceeds of the Placing and Subscription of approximately £4 million (after associated cash costs of approximately £0.5 million) for the following purposes:

- internal investment in TV, content marketing and storytelling (up to approximately £0.6 million);
- to fund the initial consideration payable in respect of the Acquisition of £2 million; The participation of the Directors in the Subscription is subject to the Independent Shareholders passing Resolution 7 in the Notice of General Meeting; and
- provide general working capital to the Group (up to approximately £1.4 million).

The expected use of the net proceeds of the Placing Shares and the Subscription Shares referred to above represents the Directors' current intentions based on the Company's present plans and business condition. The Company will retain broad discretion in the allocation and use of the net proceeds.

If Shareholders were not to approve the Resolutions at the General Meeting which will give the Directors the required authority to allot the Placing Shares and the Subscription Shares and to disapply the statutory pre-emption rights, the Placing would not proceed, and the Company would therefore use its existing authorities to allot the Subscription Shares (provided that the Independent Shareholders have passed Resolution 7) and only receive approximately £1 million (gross) from the Subscription Agreement.

DEBT REPAYMENT AND CONVERSION

Background

The Company currently has three tranches of long-term debt obligations outstanding, totalling £9.06 million, including interest accrued to date.

In April 2012, as part of a debt restructuring and equity fundraising, the Debt Holders assumed an outstanding debt facility held by the Company at the time with Bank of Scotland plc (the "Bank"), with a balance of approximately £4.43 million (the "Debt Facility"). As part of the transfer, the Debt Holders assumed an interest rate of 4 per cent. per annum above monthly LIBOR, consistent with the terms of the Debt Facility, but security previously held by the Bank was released and the only security provided was held in respect of the Secured Loan Notes, described in more detail below. The Debt Facility is repayable in full on 11 February 2016 and the outstanding balance (including accrued interest) as at today's date is £4.68 million.

In December 2010 (the terms of which were amended and restated in June 2011 and March 2013), the Company issued secured loan notes of approximately £2.1 million to Herald (the "Secured Loan Notes"), the proceeds of which were used for general working capital requirements. The Secured Loan Notes are secured by a fixed and floating charge over the assets of all Group companies but are subordinated to the Debt Facility. Interest is charged at a rate of 6 per cent. per annum above monthly LIBOR with a repayment date of 31 March 2016.

In March 2013 and September 2013, the Company issued unsecured loan notes of approximately £192,500 and £1.25 million, respectively, to Herald, to be used to fund business development and for general working capital requirements (the "Unsecured Loan Notes"). Interest is charged monthly at a rate of 6 per cent. over LIBOR with a repayment date of 31 March 2016.

The aggregate outstanding balance in respect of the Secured Loan Notes and the Unsecured Loan Notes as at today's date is £4.38 million (including accrued interest).

Terms of the Debt Conversion

As part of the Company's negotiations with the Debt Holders to reduce its outstanding debt obligations, certain of the Debt Holders have agreed to waive interest accrued to date in respect of the Debt Facility and the Loan Notes amounting to approximately £1.02 million in aggregate. In addition, when assuming the Debt Facility from the Bank, the Debt Holders agreed to a schedule setting out staged diminishing reductions in the outstanding principal amount due for early repayment. As such, the outstanding principal due in respect of the Debt Facility will be reduced from a total of £4.43 million to approximately £4.00 million if the Proposals are approved by Shareholders.

The Company is proposing to convert a total of approximately £2.80 million of the remaining outstanding debt (comprising approximately £1.98 million of the Debt Facility and approximately £0.82 million of the Loan Notes) by way of the issue of the Debt Conversion Shares at the Issue Price. The Company is also proposing to convert approximately £2.72 million of the remaining outstanding debt of the Loan Notes by way of the issue of the Preference Shares. In addition, the Company has agreed to issue 31,762 Preference Shares to the John Booth Charitable Foundation. Furthermore, the Company is also proposing to repay £16,258 of its outstanding debt obligations, following completion of the Debt Conversion, and £63,505 of interest accrued to date in respect of the Debt Facility from the proceeds of the Placing. As a result, the Company will have remaining long term debt obligations of £2 million, comprising the Debt Facility only, of which £1 million will be owed to Herald and £1 million will be owed to the John Booth Parties, which will continue on the existing terms save that the repayment date will be extended from 11 February 2016 to 31 December 2017.

Short Term Debt

In addition to its current long term debt obligations, the Company owes the Short Term Debt with principal of £250,000 to Herald, Artemis Alpha Trust plc and Banque Heritage SA, attracting an interest rate of 3 per cent. above monthly LIBOR. As at the Latest Practicable Date the principal and accrued interest amounted to £257,933.60. The Company is proposing to convert £150,000 of principal of the Short Term Debt held by Herald, together with accrued interest amounting to £4,712 by way of the issue of the Preference Shares. The Short Term Debt is due on 30 June 2015 and the Directors intend to repay the remaining obligations, held by Artemis Alpha Trust plc and Banque Heritage SA and amounting to £103,221 of principal and accrued interest, on such date from working capital.

Preference Shares

The principal terms of the Preference Shares are as follows:

(a) they are convertible at 2.5 pence per Ordinary Share at the holder's option (which would give rise to the issue of 116,345,240 new Ordinary Shares if the Preference Shares were converted in full and no dividend had accrued);

(b) they are redeemable at the Company's option on the date falling five years after their issue;

(c) they have a dividend of 4.5 per cent. per annum (which increases to 13.5 per cent. per annum if they are not converted or redeemed within five years of their issue) which is payable on 31 July each year, or accrued and repayable when the Preference Shares are converted or redeemed; and

(d) they are freely transferable.

LEPE OPTION SHARES

The Company engaged Lepe in June 2014 to assist it with its acquisition strategy. Pursuant to its terms of engagement, Lepe will be issued with 2,766,660 New Ordinary Shares as part of the Proposals.

DILUTION

Shareholders who are not participating in the Placing, Subscription, Debt Conversion or subscribing for Lepe Option Shares will be diluted by approximately 93 per cent. following completion of the Proposals.

CAPITAL REDUCTION

In order to create distributable reserves which will allow the Company to pay dividends in future should the Directors choose to do so, the Company is proposing to reduce the Company's share capital and share premium account as set out in Resolution 10 of the Notice of General Meeting. Following shareholder approval, the Company will seek the approval of the Court of Session in Scotland to the Capital Reduction and, if granted, the Company expects the Capital Reduction to be effective on or around September 2015.

RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "TAKEOVER CODE")

The Company is registered in Scotland and Shareholders are protected under the Takeover Code.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, interests in securities which (taken together with securities in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Takeover Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person individually or a group of persons acting in concert, already holds interests in securities which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, that person may not normally acquire further securities without making a general offer to the shareholders of that company to acquire their shares. An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) co-operate to obtain or consolidate control of the company. Control means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control. Herald Investment Trust plc, Herald Investment Management Limited, Herald Venture Limited Partnership, Herald Venture Limited Partnership II and Herald Venture Limited Partnership III are deemed to be acting in concert (as defined in, and for the purposes of, the Takeover Code) by reason of the investments of each such entity being managed since their inception by Herald Investment Management Limited. Directors and key employees of Herald are also deemed to be in concert with them. John Booth, a director of Herald, holds Ordinary Shares directly in his own name and beneficially through JBCF.

In 2012, the Company completed a conditional subscription to raise £3 million to expunge certain bank debt facilities and fund working capital. The conditional subscription included participation by the Concert Party and, as a result of which, took the Concert Party's beneficial interest to an aggregate of 115,055,978 Ordinary Shares, representing approximately 45.56 per cent. of the then issued share capital, as enlarged by the subscription. Under such circumstances, the Concert Party would normally be obliged to make a general offer, pursuant to Rule 9, to all other Shareholders to acquire their Ordinary Shares.

At the time, the Takeover Panel agreed to waive the obligation of the Concert Party to make a general offer, subject to approval of the independent shareholders (being the then Shareholders of the Company with the exception of the Concert Party), which was obtained at a general meeting of the Company held on 25 April 2012. Any further increases in the Concert Party's interests in Ordinary Shares beyond the level currently held will be subject to the provisions of Rule 9.

Following the implementation of the Proposals, the Concert Party will be interested in an aggregate of 172,016,777 Ordinary Shares, amounting to 41.02 per cent. of the Enlarged Issued Share Capital. In addition, Herald will hold 2,876,869 Preference Shares and the John Booth Charitable Foundation will hold 31,762 Preference Shares, which are not aggregated with the holdings of Ordinary Shares for the purposes of the Takeover Code as they are non-voting.

RELATED PARTY TRANSACTIONS

The following elements of the Proposals constitute related party transactions for the purposes of Rule 13 of the AIM Rules.

Debt Conversion
The Debt Conversion constitutes a related party transaction by virtue of the issue of the Debt Conversion Shares and Preference Shares to Herald and to the relevant John Booth Parties, all of whom are substantial shareholders of the Company.

Placing and Subscription
The issue of the Subscription Shares under the terms of the Subscription Agreement constitutes a related party transaction by virtue of the issue of the Subscription Shares to Peter Bertram, Mark Wood, Nitil Patel and Timothy Hoare, all of whom are Directors of the Company.

The issue of the Placing Shares and the Subscription Shares under the terms of the placing Agreement and the Subscription Notices to herald Investment Trust, John Booth and JBCF constitute related party transactions by virtue of their substantial shareholdings in the Company.

Issue of Fee Shares
The issue of 2,500,000 and 5,000,000 New Ordinary Shares to Timothy Hoare and Bob Geldof respectively in respect of accrued but unpaid fees due to each of them constitutes a related party transaction as they are a director and a former director respectively.

Related party opinion
The Directors, having consulted with N+1 Singer, the Company's nominated adviser, consider the terms of the Debt Conversion and the terms of Herald Investment Trust's and john Booth and JBF's participation in the Placing and Subscription and the terms of Herald Investment Trust's and John Booth and the John Booth Charitable Foundation's participation in the Placing and Subscription to be fair and reasonable insofar as Shareholders are concerned. As none of the Directors are considered to be independent in relation to the Subscription, N+1 Singer, the Company's nominated adviser, has stated that it considers the terms of the Subscription to be fair and reasonable insofar as Shareholders are concerned. The Directors (other than Timothy Hoare), having consulted with N+1 Singer, the Company's nominated adviser, consider the terms of the issue of the Fee Shares to each of Timothy Hoare and Bob Geldof to be fair and reasonable insofar as Shareholders are concerned.

GENERAL MEETING
The General Meeting will be held at the offices of Nabarro LLP, 125 London Wall, EC2Y 5AL at 9.00 a.m. on 10 July 2015.

The following Resolutions are to be proposed at the General Meeting:

Ordinary resolutions
Resolution 1 is to approve the Acquisition as it constitutes a reverse takeover of Ten Alps and Shareholder approval of the Acquisition is therefore required under the AIM Rules.

Resolution 2 is to create the Preference Shares, to sub-divide each Existing Ordinary Share into one new ordinary share of 0.01 pence in the capital of the Company and one new deferred share of 1.99 pence in the capital of the Company, and then consolidate the resulting ordinary shares of 0.01 pence each on a 10 for 1 basis into new Ordinary Shares of 0.1 pence each. This resolution also authorises the Directors to deal with fractional entitlements that arise under the Share Capital Reorganisation.

Resolution 3 is to authorise the Directors, for the purposes of section 551 of the Act, to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company of up to a maximum aggregate nominal amount of £392,021.60 in connection with the Proposals and a further nominal amount of £139,800 generally. The general authority is equal to approximately one third of the Enlarged Issued Share Capital. Resolution 3 also authorises the directors of the Company from time to time to allot up to a further nominal amount of £139,800 for use only in connection with a fully pre-emptive rights issue. Save as disclosed in this document there are no immediate plans to exercise these authorities. The authorities will expire at the date of the annual general meeting in 2016 or, if earlier, 10 October 2016.

Resolution 4 is to reappoint Peter Bertram, as a director of the Company.

Resolution 5 is to reappoint Mark Wood as a director of the Company.

Resolution 6 is to reappoint Nitil Patel as a director of the Company.

Resolution 7 is to approve the participation of the Directors in the Subscription. The voting on this resolution shall be conducted by a poll and only the Independent Shareholders shall be entitled to vote in respect of this resolution.

Resolution 8 is to approve the issue of New Ordinary Shares to Timothy Hoare and Bob Geldof in respect of accrued but unpaid fees due to each of them. The voting on this resolution shall be conducted by a poll and only the Independent Shareholders shall be entitled to vote in respect of this resolution.

Special resolutions

Resolution 9 is to disapply statutory pre-emption rights up to an aggregate nominal amount of £392,021.60 in connection with the Proposals, a rights or other pre-emptive issue and any other issue of equity securities for cash up to an aggregate nominal amount of £41,940 (representing approximately 10.0 per cent. of the Enlarged Issued Share Capital). The authority will expire on the date of the annual general meeting in 2016 or, if earlier, 10 October 2016.

Resolution 10 is to approve the adoption of new articles of association for the Company in substitution for the current articles of association of the Company which will include provisions in respect of the new classes of Deferred Shares and Preference Shares. A summary of the New Articles and the principal changes arising from the adoption of the New Articles, other than changes which are of a minor, technical or clarifying nature, are set out in the Admission Document and the Existing Articles and the New Articles are available for review at the Company's website at www.tenalps.com.

Resolution 11 is to approve the Capital Reduction.

IRREVOCABLE UNDERTAKINGS

Insofar as they are interested in Ordinary Shares, the Directors and persons connected with them have given irrevocable undertakings to the Company to vote in favour of the Resolutions (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them), in respect of their entire beneficial holdings totalling, in aggregate, 13,404,000 Ordinary Shares, representing approximately 4.84 per cent. of the Existing Total Voting Rights.

In addition, certain other Shareholders have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not one of them) in respect of their holdings totalling, in aggregate, 190,272,561 Ordinary Shares, representing approximately 68.77 per cent. of the Existing Total Voting Rights.

In total, therefore, the Company has received irrevocable undertakings to vote in favour of the Resolutions in respect of holdings totalling in aggregate 203,676,561 Ordinary Shares, representing approximately 73.61 per cent. of the Existing Total Voting Rights.

DIVIDEND POLICY

The New Board's objective following Completion is to continue to grow the Enlarged Group's business and it is expected that any surplus cash resources will, in the short to medium term, be reinvested into development of the Group's business. In view of this, the New Board will not be recommending a dividend for the foreseeable future and intend only to commence the payment of dividends when it becomes commercially prudent to do so, having regard to the availability of the Enlarged Group's distributable profits and funds required to finance future growth.

ADMISSION AND SETTLEMENT

As the Acquisition constitutes a reverse takeover of the Company under the AIM Rules for Companies, Shareholder consent to the Acquisition is required at the General Meeting. If the Resolutions are duly passed at the General

Meeting, the admission of the Ordinary Shares to trading on AIM will be cancelled (immediately prior to Admission) and the Enlarged Issued Share Capital will be admitted to trading on AIM.

Application will be made to London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. Admission is expected to take place at 8.00 a.m. on 13 July 2015.

The total number of New Ordinary Shares to be issued pursuant to the Proposals and the percentage of the Enlarged Issued Share Capital represented by each issue immediately following Admission will be as follows:

	Number of New Ordinary Shares	*Percentage of Enlarged Issued Share Capital*
Placing	173,900,000	41.46
Subscription	51,100,000	12.18
Debt Conversion	140,214,078	33.43
Lepe Option Shares	2,766,660	0.66
Fee Shares	23,750,000	5.66

If Admission does not take place on or before 8.00 a.m. on 13 July 2015 (or such later time and/or date as the Company and N+1 Singer may agree (being not later than 8.00 a.m. on 31 July 2015)) the Placing and Debt Conversion will not proceed as they are conditional upon each other.

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, paid or made after their allotment and issue.

The Existing Articles and New Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. The Ordinary Shares are already admitted to CREST and therefore the New Ordinary Shares will also be eligible for settlement in CREST. CREST is a voluntary system and Shareholders who wish to retain certificates will be able to do so upon request. The New Ordinary Shares due to uncertificated holders are expected to be delivered in CREST on 13 July 2015.

RECOMMENDATION

Your Board believes the Proposals and the Capital Reduction to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend you to vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their beneficial holdings, amounting, in aggregate, to 13,404,000 Existing Ordinary Shares, representing 4.84 per cent. of the Existing Total Voting Rights.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2015
Publication date of the Admission Document	17 June
Latest time and date for receipt of Forms of Proxy	9.00 a.m. on 8 July
General Meeting	9.00 a.m. on 10 July
Record date for Share Capital Reorganisation	6.00 p.m. on 10 July
Admission of the Existing Ordinary Shares and New Ordinary Shares	13 July

CREST accounts expected to be credited with the New Ordinary Shares	13 July
Completion of the Acquisition	14 July
Definitive share certificates expected to be despatched by	20 July

ADMISSION STATISTICS

Number of Ordinary Shares in issue at the date of the Admission Document	276,666,012
Basis of share consolidation under Share Capital Reorganisation	1 Ordinary Share for every 10 Existing Ordinary Shares
Ordinary Shares in issue following the Share Capital Reorganisation	27,666,601
Number of Subscription Shares to be issued	51,100,000
Number of Placing Shares to be issued	173,900,000
Number of Debt Conversion Shares to be issued	140,214,078
Number of Lepe Option Shares to be issued	2,766,660
Number of Fee Shares to be issued	23,750,000
Enlarged Issued Share Capital on Admission	419,397,339
New Ordinary Shares as a percentage of the Enlarged Share Capital	93.40 per cent.
Issue Price per New Ordinary Share (after consolidation)	2 pence
Gross proceeds receivable by the Company pursuant to the Placing and Subscription	£4.5 million
Market capitalisation of the Company at Admission at the Issue Price	£8.39 million