

Ten Alps Plc

Conditional Subscription, Debt Restructuring, Code Waiver and Notice of Extraordinary General Meeting

Media group Ten Alps Plc ("Ten Alps" or the "Company") is pleased today to announce a proposed equity fundraising (subject to shareholder approval) and debt restructuring of the Company and its subsidiaries (together the "Group").

The proposed equity fundraising comprises of a conditional subscription for ordinary shares in the capital of the Company ("Ordinary Shares") to raise gross proceeds of £3 million (the "Subscription"). The Company will use £1.25 million of the funds raised in relation to the repayment of part of the Company's existing bank facility of £6.65 million ("Bank Facility") which occurred on 30 March 2012, giving rise to an immediate gain for the Company of £0.97 million. The balance of the funds raised through the Subscription, after expenses, will be used to provide additional general working capital for the Group.

Following the repayment of part of the Bank Facility, the Bank of Scotland plc (the "Bank") assigned the balance of the Bank Facility, of approximately £4.43million, to the New Lenders, together with the related existing security. The New Lenders have agreed to amend aspects of the facility going forward and have released the security. The New Lenders comprise Herald Investment Trust plc ("HIT"), Artemis Alpha Trust plc ("Artemis") and The John Booth Charitable Foundation (the "Foundation"). At the same time the Company has issued Loan Notes of approximately £2.42 million (the "Loan Notes") to the New Lenders and John Booth (an existing shareholder).

Equity Raise

Under the Subscription an aggregate of 120,000,000 new Ordinary Shares (the "Subscription Shares") have been conditionally subscribed for at a price of 2.5 pence per share by a combination of the New Lenders, existing investors and various directors of the Company ("Directors") and members of the management team (the "Management Subscribers"). The Subscription will raise £3 million (before expenses).

HIT (the Company's largest shareholder) and John Booth and the Foundation (together the "John Booth Parties") have agreed to subscribe for in aggregate 77,134,200 Ordinary Shares. These subscription give rise to implications under the City Code on Takeovers and Mergers (the "Takeover Code") for the Concert Party (which is described below) and necessitates the seeking of a waiver from the obligations that would otherwise arise under Rule 9 of the Takeover Code (the "Waiver").

The Subscription is subject to shareholder approval of the resolutions to be proposed at the extraordinary general meeting of the Company to be convened for 9.00 am on 25 April 2012 (the "EGM"). At the EGM, Shareholders will be asked to approve resolutions (the "Resolutions") comprising resolutions to authorise the Directors to allot shares and to disapply pre-emption rights and an ordinary resolution (taken on a poll of Independent Shareholders (as described below)) to approve the Waiver (the "Whitewash Resolution").

The City Code, Concert Party and Rule 9 Waiver

The Takeover Code governs, inter alia, transactions which may result in the change of control of a public company to which the Takeover Code applies. Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares, which taken together with shares 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, is normally required to make a general offer to all the remaining shareholders to acquire their shares. The Company is a company to which the provisions of the Takeover Code, and the jurisdiction of the Takeover Panel, apply.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such company but does not hold shares

carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person or by any person acting in concert with him. An offer under Rule 9 must be made in cash (or with a full cash alternative) and at not less than 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 relevant class in the company during the twelve months prior to the announcement of the offer.

The Concert Party comprises HIT together with Herald Venture Limited Partnership (HVLP), Herald Venture Limited Partnership II (HVLP II), Herald Venture Limited Partnership III (HVLP III) and the John Booth Parties. HIT, HVLP, HVLP II and HVLP 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 (HIML). Directors and key employees of HIT, HVLP, HVLP II, HVLP III, and HIML are also deemed to be in concert with them. John Booth, a director of HIML, holds shares in his own name and is subscribing, together with the Foundation, for shares pursuant to the Subscription.

The Concert Party is currently beneficially interested in an aggregate of 37,921,778 Ordinary Shares, representing approximately 28.61 per cent. of the Existing Ordinary Shares. HIT and the John Booth Parties have conditionally agreed to subscribe for, in aggregate, 77,134,200 new Ordinary Shares under the Subscription and the Concert Party will, following Completion, be interested in 115,055,988 Ordinary Shares, representing approximately 45.56 per cent. of the Enlarged Share Capital (being the entire share capital of the company following the completion of the Subscription) and of the total voting rights of the Company. 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.

The Takeover Panel has agreed to waive the obligation of the Concert Party to make a general offer that would otherwise arise as a result of its participation in the Subscription, subject to the approval of Independent Shareholders (being all the shareholders other than the members of the Concert Party). Accordingly, the Whitewash Resolution (resolution 1) is being proposed at the EGM to approve the Waiver and will be taken on a poll. No member of the Concert Party will be entitled to vote on that resolution and accordingly no member of the Concert Party will do so. Any further increases in the Concert Party's interests in Ordinary Shares following completion of the Subscription will be subject to the provisions of Rule 9.

The Directors, who have been so advised by Grant Thornton, consider that the Proposals are fair and reasonable and are in the best interests of the Independent Shareholders and the Company as a whole and accordingly:

- (i) recommend Independent Shareholders to vote in favour of the Whitewash Resolution; and
- (ii) recommend Shareholders to vote in favour of the other Resolutions

as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 9,197,478 Ordinary Shares, representing approximately 6.94 per cent. of the Existing Ordinary Shares.

Debt Refinancing

Assignment of Bank Facility to New Lenders

As mentioned above the Company and the New Lenders have reached an agreement with the Bank whereby approximately £4.43 million of the Bank Facility has been assigned to the New Lenders. In addition, the New Lenders have entered into an agreement with the Company to amend various terms of the facility and have released the security attached to the Bank Facility.

The amended facility has a debt value of £4.43 million with a bullet repayment on 11 February 2016 and a margin of 4 per cent. per annum above monthly LIBOR, being consistent with the original Bank Facility. The Company has also undertaken that no security on any debt, except for the existing loan notes described

below, will be created over the assets of the Group. Should any other debt rank higher than those due under the amended facility then the debt outstanding to the New Lenders will become repayable immediately.

New Loan Notes

In order to finance the payment by the Company to the Bank, the Company has issued the Loan Notes to HIT, Artemis and the John Booth Parties. This has raised £2,420,250, and effectively represents an advance payment of the amounts they have each agreed to pay in respect of the new Ordinary Shares subscribed for by them pursuant to the Subscription. Of this amount, £1.25 million (plus £0.03 million in accrued interest) has been used to reduce the Bank Facility as described above.

The Loan Notes will be redeemed automatically out of the proceeds of the Subscription provided Admission occurs on or before 3 May 2012. No interest is chargeable on the Loan Notes up to that date. Should redemption occur at any time after 3 May 2012 then a premium of 50 per cent. shall be payable on the principal value of any of the Loan Notes redeemed and interest of 10 per cent. per annum is payable on the Loan Notes after that date. The Loan Notes are also redeemable on the occurrence of certain insolvency events or after notice by the holders of Loan Notes following a material breach of the conditions of the Loan Notes. In any event, if not already redeemed, redemption of the Loan Notes shall occur on 3 August 2012.

Existing Loan Notes

The Company already has loan notes of £1.7 million due to HIT on 31 March 2016. The loan notes carry an interest charge of 2 per cent. above the New Lender's margin prevailing at the time of assessment. The HIT loan notes are not convertible into Ordinary Shares or any other class of share in the Company. The HIT loan notes are secured on all the assets of the Company by way of fixed and floating charges.

Future Strategy

The Directors believe that the Group's assets in B2B Media, TV and CSR occupy strong positions within their respective markets. By delivering solid organic development on a now reduced cost base, the Group can generate improved financial returns and take advantage of wider opportunities in the future.

The Group is completing the first phase of this organic plan which involves stabilisation and the creation of a framework that delivers strategic clarity and acts as the structure to house high quality media output on a reduced cost base. The structure will act as a base from which the business will develop further. Work still needs to be done and the Group must now concentrate on the development of high margin income streams to drive profit from its streamlined cost base.

The business is exposed to the influence of macroeconomic forces and notably to advertising run rates, and as these remain difficult to predict, the Directors will continue their efforts to develop new revenues streams.

Related Party Transactions

HIT is a related party under the AIM Rules by virtue of being a 'substantial shareholder' in the Company (as defined in the AIM Rules) and each of Peter Bertram, Bob Geldof, Tim Hoare and Nitil Patel is a related party under the AIM Rules by virtue of being a Director. In addition, directors of Group subsidiary companies who are subscribing for Subscription Shares are also related parties of the Company under the AIM Rules. Accordingly, the subscriptions by HIT and each of the Directors and Group company directors are related party transactions under Rule 13 of the AIM Rules.

A B Walden (being, for these purposes, the only independent Director) considers, having consulted with the Company's Nominated Adviser, Grant Thornton, that the subscriptions by HIT and the Management Subscribers are fair and reasonable insofar as Shareholders are concerned.

Directors' and other shareholdings

Should the Resolutions be passed and the Subscription Shares be issued and allotted, HIT and other members of the Concert Party, Directors and other investors will be interested in the ordinary shares of the Company following the Subscription as follows:

	<i>Number of Ordinary Shares held prior to the Subscription</i>	<i>Percentage of Ordinary Shares held prior to the Subscription</i>	<i>Number of new Ordinary Shares to be acquired pursuant to the Subscription</i>	<i>Number of Ordinary Shares following completion of the Subscription</i>	<i>Percentage of Enlarged Share Capital</i>
Directors					
P M Bertram	312,500	0.24	2,000,000	2,312,500	0.92
N Patel	330,500	0.25	600,000	930,500	0.37
R F Z Geldof KBE	4,324,728	3.26	7,050,000	11,374,728	4.50
T J D Hoare	4,161,000	3.14	4,000,000	8,161,000	3.23
A B Walden	68,750	0.05	-	68,750	0.03
Concert Party					
HIT	31,360,343	23.66	52,539,400	83,899,743	33.22
HVLP	1,856,930	1.40	-	1,856,930	0.74
HVLP II	825,388	0.62	-	825,388	0.33
HVLP III	660,367	0.50	-	660,367	0.26
John Booth Parties	3,218,750	2.43	24,594,800*	27,813,550*	11.01
Concert Party	37,921,778	28.61	77,134,200	115,055,978	45.56
Others					
Artemis	4,375,000	3.30	19,675,800	24,050,800	9.52
Caldwell	4,484,305	3.80	8,000,000	12,484,305	4.94

**Included in these amounts are 10,000,000 shares to be acquired on behalf of The John Booth Charitable Trust*

The following directors of subsidiary companies are also subscribing for Subscription Shares:

<i>Group company director</i>	<i>Number of new Ordinary Shares to be acquired pursuant to the Subscription</i>
A D Allan	400,000
D A Morren	400,000
S T Brown	400,000
A K Whibley	200,000

Other employees of the Group are subscribing for a total of 140,000 Subscription Shares.

Subject to the passing of the Resolutions, application will be made for the Subscription Shares to be admitted to trading on AIM, which is expected to occur on or around 26 April 2012. The Subscription Shares will, if they are admitted, rank *pari passu* with existing ordinary shares in the Company.

Following admission to trading of the Subscription Shares, the Company will have an issued share capital of 252,541,012 ordinary shares of 2 pence each (excluding any shares issued pursuant to the exercise of options before admission).

Extraordinary General Meeting and Posting of Circular

The Company will today post to shareholders a circular (the “Circular”) and notice convening the EGM to be held at 9.00am on 25 April 2012 at the offices of Reynolds Porter Chamberlain LLP, Tower Bridge House, St. Katharine's Way, London E1W 1AA. A form of proxy for use at the EGM will be included with the Circular.

The Resolutions (to be proposed at EGM) are summarised as follows:

1. an ordinary resolution to approve the Waiver. This resolution will be taken on a poll by Independent Shareholders voting in person or by proxy at the EGM;
2. an ordinary resolution to authorise the Directors to allot the Subscription Shares and to provide the Directors with a general authority to allot an additional 126,270,500 Ordinary Shares, which general authority would amount to approximately 50 per cent. of the Enlarged Share Capital.
3. a special resolution to authorise the Directors to allot the Subscription Shares and to allot an additional 25,254,100 Ordinary Shares, in each case other than on a pre-emptive basis. The disapplication of the pre-emption rights in this resolution which will remain after the issue of the Subscription Shares represents approximately 10 per cent. of the Enlarged Share Capital.

In relation to Resolutions 2 and 3, the Directors have no current intention of allotting any new Ordinary Shares other than pursuant to the arrangements described above but believe that it is prudent they be given the flexibility to have the authority to allot new Ordinary Shares, including without first offering such shares to existing Shareholders, should circumstances require.

Shareholders should note that the Resolutions are inter-conditional and, if any one is not passed, the proposals described above will not proceed and the Loan Notes will remain in issue.

A copy of the circular will also be available on the Company's website, www.tenalps.com.

For further information:

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