

Tuesday 15 November, 2011

Touch Group PLC

Acquisition

RNS Number : 1456S
Touch Group PLC
15 November 2011

TOUCH GROUP PLC ("Touch" or the "Company")

Acquisition out of administration of the business and certain assets of Business Briefings Limited by the Company

The board of Touch announces that on Friday 11 November 2011 the Company signed an agreement to acquire out of administration the business and assets of the Company's subsidiary Business Briefings Limited ("Business Briefings") for the following consideration:

- (1) £200,000 in cash at completion;
- (2) £590,000 by way of an executed bill of exchange due for payment not earlier than 15th October 2013; and
- (3) ten monthly instalments of £15,000 starting on 16th January 2012 (the Transaction).

Business Briefings had been placed into administration immediately prior to the Transaction being concluded.

As a consequence of the Transaction the jobs of employees have been secured and they will all be transferred to Touch under TUPE. The directors of Touch (the "Directors") believe that the Transaction provides the Company with the ability to continue trading for the benefit of all concerned and the Directors further believe that the Transaction has the immediate effect of enhancing the balance sheet of Touch by relieving a portion of the Company's short term indebtedness obligations.

Information on Business Briefings Limited and Touch

Business Briefings is the subsidiary which contained the principal operating business of the Group. In the year ended 31 March 2011, Business Briefings accounted for 100% of the revenue of the Group being £4.794 million and generated a pre-tax loss of £1.147 million. As at 31 March 2011 Business Briefings had net liabilities of £2.810 million.

The Company stated in the final results announced on 28 September 2011 that it required additional capital and that without such additional funding the Company would in due course not be able to continue to meet its obligations. The directors of the Company consider that the pre pack sale strengthens the Company's balance sheet and they continue to hold discussions with providers of finance whilst considering alternative sources of funding.

Related Party Transaction

The consideration of the pre-pack sale is being partly funded by a secured loan of £200,000 bearing interest at 3.25% from the Isaacs family. Vincent Isaacs is a director of the Company and the provision of the loan is a related party transaction for the purpose of AIM Rule 13. The directors, other than Vincent Isaacs, have considered the terms of the related party transaction and believe them to be fair and reasonable insofar as the Company's shareholders are concerned.

For further information please contact:
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