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28 October 2011

RECOMMENDED CASH OFFER WITH A SHARE ALTERNATIVE

**FOR
COOLABI PLC ("COOLABI")**

**BY
NORTH PROMOTIONS LIMITED ("NORTH")**

Summary of the Offer

- The boards of North and Coolabi are pleased to announce the terms of a recommended offer for cash with a share alternative to be made by North, a company which is funded by Edge Performance VCT plc ("EPVCT"), for the entire issued and to be issued share capital of Coolabi (the "Offer").
- The Offer will be made by North. North was incorporated in 2010 and is funded by EPVCT. EPVCT, which is managed by Edge Investment Management Limited ("EIM"), is Coolabi's largest shareholder.
- Following their recent investment, Jeremy Banks, Tim Ricketts and William Harris, directors of Coolabi, (the "Coolabi Management Directors") are all North shareholders. Further details of arrangements made between them and North are set out in paragraph 10(b) below.
- William Harris has also recently been appointed to the board of North as a Non-Executive Director. Mr Harris's appointment to the board of North occurred upon entry into the Investment Agreement. His appointment was approved by the Independent Directors and is primarily to facilitate the Offer being made in a VCT compliant environment. Upon the Offer becoming or being declared unconditional in all respects, Jeremy Banks and Tim Ricketts, who are currently Chief Executive and Finance Director of Coolabi respectively, will be appointed as directors of North with William Harris. Jeremy Banks and Tim Ricketts will continue as the management team of the Enlarged Group.
- Under the terms of the Offer, the consideration is either:
 - 7.75p in cash per Coolabi Share; or
 - 10 North shares for every 100 Coolabi Shares (rounded down to the nearest 100 Coolabi Shares), of which seven will be North Preference Shares and three will be North Investor Ordinary Shares. Both classes of shares will be issued at the same price.

Any residual consideration which is still due following a Coolabi Shareholder's election for the Share Alternative will be satisfied in cash pursuant to the terms of the Offer.

- The value of the North Shares issued pursuant to the Share Alternative will be limited to £3.4 million an amount which, with the further funding referred to below, will, in the opinion of North, avoid the need to issue a prospectus pursuant to the Prospectus Rules.
- The Offer values the entire existing issued share capital of Coolabi at approximately £4.3 million (and the Offer values the fully diluted share capital at approximately £4.95 million).

- The Offer will be funded from a combination of the existing cash resources of North and from a loan facility provided by EPVCT to North.
- With regard to the current trading of Coolabi, North has identified a working capital requirement and intends, post the Offer becoming or being declared unconditional in all respects, to provide £1 million of funding for this purpose. North intends to offer all North shareholders, at that time, the opportunity to participate provided such offer does not require North to issue a prospectus pursuant to the Prospectus Rules.
- The Independent Directors, who have been so advised by Evolution Securities, consider the terms of the Offer to be fair and reasonable to Coolabi Shareholders. In providing the Independent Directors with such advice, Evolution Securities has taken account of the commercial assessments of the Independent Directors.
- Accordingly, the Independent Directors intend to recommend unanimously that Coolabi Shareholders accept the Offer and the Independent Directors have irrevocably undertaken to do so in respect of their entire holding in Coolabi (comprising, in aggregate, 462,859 Coolabi Shares, representing approximately 0.83 per cent. of the existing issued ordinary share capital of Coolabi). The terms of the recommendation are described in paragraph 6 of the full text of this announcement.
- North has received irrevocable undertakings from the Coolabi Management Directors and Avonglen Limited, a company through which certain of the Coolabi Management Directors provide services and indirectly hold Coolabi Shares, EPVCT and certain other shareholders to accept the Offer in respect of a total of 34,258,512 Coolabi Shares, representing 53.66 per cent., of the issued share capital of the Company assuming conversion of the Convertible Loan Notes. In addition, North has obtained a letter of intent from BlackRock Investment Managers (UK) Limited ("BlackRock") to accept the Offer in respect of its holding of 4,127,876 Coolabi Shares, representing 6.47 per cent. of the issued share capital the Company, assuming conversion of the Convertible Loan Notes. Further details of these irrevocable undertakings and letter of intent are set out in Appendix III to this announcement.
- North has also received irrevocable undertakings from the Independent Directors and certain other shareholders to vote in favour of the Ordinary Resolution to approve the Offer in respect of a total of 18,193,220 Coolabi Shares, representing 41.24 per cent., of the votes that may be cast in the resolution.
- Further, the irrevocable undertakings North has received from the Coolabi Management Directors, EPVCT and Avonglen Limited elect for the Share Alternative in respect of a total of 19,730,309 Coolabi Shares, representing 30.90 per cent. of the issued share capital of the Company assuming conversion of the Convertible Loan Notes.
- A price of 7.75 pence per Coolabi Share represents a premium of 11.67 per cent. to 6.94 pence, being the closing mid-market price per Coolabi Share on 29 July 2011 (being the last Business Day prior to the date of the submission to the board of directors of Coolabi of the accepted proposal); a premium of 3.33 per cent. to 7.5 pence, being the closing mid-market price per Coolabi Share on 8 August 2011, being the last Business Day prior to the commencement of the Offer Period; and a premium of 14.81 per cent. to 6.75 pence, being the closing mid-market price per Coolabi Share on 27 October 2011, being the last Business Day prior to the Announcement Date.
- The Offer will be subject to a number of conditions including North receiving acceptances amounting to not less than 90 per cent. of the Coolabi Shares to which the Offer relates (or such lesser percentage as North may decide, but not less than 50 per cent.) and the passing of the Ordinary Resolution at the Coolabi General Meeting. Certain of the Conditions as detailed in Appendix I can be waived with the exceptions of condition 1 and condition 2.

- It is expected that the Offer Document will be posted to Coolabi Shareholders as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of the date of this announcement.
- North attaches great importance to the skills and experience of the existing Coolabi management and employees of Coolabi. North has given assurances to the Independent Directors that, on the Offer becoming or being declared unconditional in all respects, the existing employment rights, including pension rights, of all Coolabi Group employees will be observed. North has no current intention to change the location of the Coolabi Group's place of business.

Commenting on the Offer, Gordon Power, Chairman of EIM said:

"Edge is excited to strengthen its involvement with Coolabi. Coolabi has a well-respected portfolio of assets and management team and, with the addition of Edge's financial support, its prospects are excellent. We have supported the business since becoming a shareholder in November 2009 and we believe that the business will continue to develop under the strategies being pursued by the executive management team. We are pleased to have received the Independent Directors' recommendation and we are looking forward to developing further Coolabi's business."

Jeremy Banks, Chief Executive of Coolabi, said:

"The skills and experience of the Coolabi team, when coupled with the funds of EPVCT and the industry know-how of EIM is compelling. There can be no doubt that Coolabi will only benefit from significant new investment and an increased focus on acquisitive growth."

Stuart Lindsay, Non-Executive Director of Coolabi, said:

"The Independent Directors are supportive of the Company's current strategy and are confident in its future prospects. However, we believe that in order for the Company to continue to execute its strategy and maximise its future potential, further funding is required. We acknowledge that North, funded by EPVCT, intends to support the Company in achieving its commercial and strategic objectives and will help it grow both organically by investment in existing properties and through funding acquisition opportunities that would otherwise be difficult to achieve given the current challenging market for raising new equity. As a private company, Coolabi will also be able to prioritise strategic development over consistency of earnings and predictability. In light of the above, we intend to recommend unanimously that Coolabi Shareholders accept the Offer."

Terms used in this summary but not defined herein shall have the meaning given to them in the full text of the announcement.

This summary should be read in conjunction with, and is subject to, the full text of this announcement including the Appendices.

Appendix I sets out the Conditions and certain further terms of the Offer. Appendix III contains details relating to the irrevocable undertakings given by EPVCT, the Independent Directors, the Coolabi Management Directors and certain other Shareholders and the letter of intent given by BlackRock. Appendix IV contains details of the North Preference Shares and North Investor Ordinary Shares offered as consideration by North in connection with the Offer. Appendix V contains risk factors which are relevant to the North Preference Shares and North Investor Ordinary Shares. Appendix VI contains the definitions of certain terms used in this announcement.

A copy of this announcement will be available, subject to certain restrictions in relation to persons resident in Restricted Jurisdictions, on Coolabi's website at www.coolabi.com. None of the contents of Coolabi's website, nor the contents of any other website accessible from hyperlinks on Coolabi's website, is incorporated into or forms any part of this announcement.

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Key Terms Of The Offer

1 Introduction

The boards of North and Coolabi are pleased to announce the terms of a recommended cash offer with a share alternative to be made by North to acquire the entire issued and to be issued share capital of Coolabi (the "Offer").

The Offer will be made by North, a company funded by EPVCT, Coolabi's largest shareholder. Further information about North and EPVCT is given at paragraph 9 below. Following their recent investment, Jeremy Banks, Tim Ricketts and William Harris are all North Shareholders. Further details are set out in paragraph 10(b).

William Harris has recently been appointed to the board of North as a Non-Executive Director. Mr Harris's appointment to the board of North occurred upon entry into the Investment Agreement. This appointment was approved by the Independent Directors and is primarily to facilitate the Offer being made in a VCT compliant environment. Upon the Offer becoming or being declared unconditional in all respects, Jeremy Banks and Tim Ricketts, Chief Executive and Finance Director respectively of Coolabi, will be appointed as directors of North with William Harris. Jeremy Banks and Tim Ricketts will continue as the management team of the Enlarged Group. Further details of the incentive arrangements for the Coolabi Management Directors are given at paragraph 10 below.

2 The Offer

Under the Offer, which will be subject to the conditions and further terms set out below and in Appendix I and the full terms and conditions which will be set out in the Offer Document, Coolabi Shareholders will be entitled to receive:

For each Coolabi Share	7.75 pence in cash.
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The Offer values the entire existing issued share capital of Coolabi at approximately £4.3 million (with the fully diluted share capital valued at approximately £4.95 million) and represents:

- a premium of 11.67 per cent. to 6.94 pence, being the closing mid-market price per Coolabi Share on 29 July 2011 (being the last Business Day prior to the date of the submission to the board of directors of Coolabi of the accepted proposal);
- a premium of 3.33 per cent. to 7.5 pence, being the closing mid-market price per Coolabi Share on 8 August 2011, being the last Business Day prior to the commencement of the Offer Period; and
- a premium of 14.81 per cent. to 6.75 pence, being the closing mid-market price per Coolabi Share on 27 October 2011 (being the last Business Day prior to the Announcement Date).

The Coolabi Shares will be acquired pursuant to the Offer, fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Announcement Date.

As at 27 October 2011, the latest practicable date prior to this announcement, Coolabi had granted options over an aggregate of 3,168,246 Coolabi Shares and issued the Convertible Loan Notes which are convertible into an aggregate of 8,327,614 Coolabi Shares. The employees of Coolabi who hold options over Coolabi Shares have all agreed to waive their rights to options upon the Offer becoming or being declared unconditional in all respects provided this is within six months of the Announcement Date. It is intended that the Convertible Loan Notes will be converted no later than immediately following the Offer becoming or being declared unconditional in all respects. When EPVCT elects for the

Share Alternative following the conversion of the Convertible Loan Notes, as it has irrevocably undertaken so to do, the resulting North Shares will represent approximately 17.18 per cent. of the issued North Investor Ordinary Shares and approximately 22.96 per cent. of the issued North Preference Shares assuming that all the Coolabi Shareholders accept the Offer and choose the Share Alternative and that there is no scale back under the terms of the Share Alternative.

The Offer will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Offer Document.

The Independent Directors intend to recommend unanimously that all Coolabi Shareholders accept the Offer and that all Coolabi Shareholders vote in favour of the Ordinary Resolution at the General Meeting. The terms of this recommendation are described in paragraph 6 of this announcement.

3 The Share Alternative

As an alternative to the cash consideration of 7.75 pence per Coolabi Share to which they would otherwise be entitled under the Offer, Coolabi Shareholders who validly accept the Offer (other than US Persons and certain overseas shareholders) will be able to elect to receive North Shares to be issued pursuant to the Share Alternative (which does not include the North Management Ordinary Shares) by North on the following basis:

For every 100 Coolabi Shares	Seven North Preference Shares and Three North Investor Ordinary Shares
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and (in multiples of 100 Coolabi Shares) for any greater number of Coolabi Shares held. Fractions of North Shares will not be issued to accepting Coolabi Shareholders. Any residual consideration which is still due following a Coolabi Shareholder's election to receive North Shares will be satisfied in cash pursuant to the terms of the Offer.

The value of the North Shares issued pursuant to the Share Alternative will be limited to £3.4 million an amount which, with the further funding referred to below, will in the opinion of North avoid the need to issue a prospectus pursuant to the Prospectus Rules. In the event that elections are made for the Share Alternative in excess of the maximum referred to above, Coolabi Shareholders electing to receive the Share Alternative will be scaled back on a pro rata basis until the Offer becomes or is declared unconditional in all respects. In the event that the maximum limit referred to above is not exceeded when the Offer becomes or is declared unconditional in all respects, Coolabi Shareholders who subsequently elect to receive the Share Alternative will receive their full entitlement on a first come first served basis until the maximum limit referred to above is reached.

The Share Alternative is conditional on the Offer becoming or being declared unconditional in all respects. North reserves the right to close the Share Alternative at any time after the Offer is declared unconditional as to acceptances.

The North Shares to be issued pursuant to the Offer will represent approximately 62.25 per cent. of the issued North Investor Ordinary Shares and approximately 83.19 per cent. of the issued North Preference Shares, assuming that all Coolabi Shareholders choose to accept the Offer and receive the Share Alternative (and that the Convertible Loan Notes are converted) and assuming no scale back under the terms of the Share Alternative. The North Shares will, on issue, rank in full for all dividends, interest, capital, redemption and other distributions declared after their issue in respect of the North Investor Ordinary Shares and North Preference Shares share capital.

Further details of North's share capital are set out in Appendix IV.

4 North Shares

Pursuant to paragraph 3, North has decided to offer a share alternative for the Offer. The North Preference Shares and the North Investor Ordinary Shares will each have a nominal value of 0.13 pence.

The North Preference Shares will have no voting rights and will confer on the holders a non-compounding six per cent. per annum dividend. The dividend accrues from the later of the date of issue and the first North Preference Shares being issued in consideration for the Offer and is rolled up until 31 December 2014 and is to be paid on that date and quarterly thereafter. The North Preference Shares are redeemable on 31 December 2016 or, if earlier, immediately prior to, and conditional upon, the occurrence of a sale, listing or winding up.

The North Investor Ordinary Shares will carry at least 85 per cent. of the votes capable of being cast on a poll at any general meeting (the North Management Ordinary Shares having the other 15 per cent.). The holders of North Investor Ordinary Shares will have proportional voting rights across their holdings and the North Investor Ordinary Shares will rank *pari passu* in all economic respects, except that EPVCT may not vote more than 50 per cent. of the votes on a poll or at a general meeting in respect of the North Investor Ordinary Shares or receive more than 50 per cent. of any distribution or the assets on any winding up. The North Investor Ordinary Shares, like the North Management Ordinary Shares, will not receive any dividends unless and until all the North Preference Shares have been redeemed. Following the redemption of the North Preference Shares, the North Investor Ordinary Shares confer the right on the holders to receive a pro rata percentage of any dividend not allocated to the North Management Ordinary Shares. The North Management Ordinary Shares confer the right to 50 per cent. of any dividends provided that until such time as the Investors have received an IRR of 18 per cent. in respect of their holdings of North Investor Ordinary Shares and North Preference Shares the rate shall be 15 per cent. The North Investor Ordinary Shares are not redeemable.

In addition, in the event of a sale or winding up of North the surplus assets of North, the Existing Loan Notes having been repaid, shall be applied first to pay an amount equal to the redemption amount on each North Preference Share and the balance will be distributed amongst the holders of North Investor Ordinary Shares and the holders of North Management Ordinary Shares. The amount of this balance distributable to the holders of the North Management Ordinary Shares shall range between 60 per cent. and 15 per cent. depending on certain target values having been attained.

It is not intended that the North Shares will be admitted to trading on AIM or any other stock exchange.

Further details about the North Shares are set out in Appendix IV. Further details about the risk factors which are relevant to the North Shares are set out in Appendix V.

5 Background to and reasons for the Offer

EPVCT is a publicly quoted investment holding company which undertakes private equity and public capital market investments and is an existing Coolabi Shareholder. The investments of EPVCT are managed by EIM.

EIM, via EPVCT, has supported the growth and development of Coolabi since EPVCT became a shareholder in November 2009. Since this investment, EIM is pleased with the performance of Coolabi, considering the extremely difficult market conditions. This is, in the opinion of EIM, due to the experience and the calibre of the Coolabi Management Directors, together with the high quality of the intellectual property rights which Coolabi owns, manages and licenses. EIM believes that it can continue to foster Coolabi's development through significant new investment.

North believes that the current subdued market conditions have led to numerous intellectual property assets becoming available. Certain of these opportunities would be an ideal fit for Coolabi and could be well leveraged by a management team of the calibre of the Coolabi Management Directors. North believes that there is an opportunity for a well-placed, well-funded team to acquire and develop these assets and thus to establish a reputation as the 'go to' team for leveraging media intellectual property.

Following the Offer becoming or being declared unconditional in all respects, North intends, with the support of EPVCT and EIM, to take significant steps aimed at implementing this strategy and accelerating Coolabi's growth. Coolabi's core activities will continue to be developed and strengthened. North intends that further investment will be made in Coolabi to support organic growth of the current intellectual property held by Coolabi and that significant investment will be made if and when suitable acquisition opportunities can be identified. North intends to utilise the contacts of EIM to identify and acquire additional high quality intellectual property. North believes that the support provided by EPVCT will improve Coolabi's ability to secure new intellectual property opportunities on more attractive terms. North believes that the experience and capabilities of the executive management team can be leveraged across more assets to achieve greater growth. As a result of pursuing this strategic direction, North is targeting enhanced long-term revenue growth for Coolabi.

North anticipates that, following the Offer, significant additional investment will be required to accelerate Coolabi's development and to follow the strategy set out above, EPVCT has been restricted in the amount of investment it can make while Coolabi Shares remain admitted to trading on a public market. As a result, to be able to provide Coolabi with the capital it requires to follow the strategy set out above and to develop to its full potential, North requires Coolabi to be a private company.

North intends, subject to the Offer being declared wholly unconditional and that North has received acceptances over not less than 75 per cent. of the Coolabi Shares to procure that Coolabi makes an application to the London Stock Exchange to cancel the admission of Coolabi Shares from trading on AIM.

Referring to the current trading of Coolabi, North has identified a working capital requirement and intends, post the Offer becoming or being declared unconditional in all respects, to provide £1 million of funding for this requirement. North intends to offer all North shareholders, at that time, the opportunity to participate in providing this funding provided such offer does not require North to issue a prospectus pursuant to the Prospectus Rules.

6 Recommendation

The Independent Directors, who have been so advised by Evolution Securities, consider the terms of the Offer to be fair and reasonable so far as Coolabi Shareholders are concerned. In providing its advice, Evolution Securities has taken into account the commercial assessments of the Independent Directors.

Accordingly, the Independent Directors believe that the terms of the Offer are in the best interests of Coolabi Shareholders as a whole and recommend unanimously that Coolabi Shareholders accept the Offer and that Coolabi Shareholders vote in favour of the Ordinary Resolution to be proposed at the General Meeting as the Independent Directors have irrevocably undertaken to do in respect of their entire holding in Coolabi (comprising, in aggregate, 462,859 Coolabi Shares and representing approximately 0.83 per cent. of the existing issued share capital of Coolabi). The Independent Directors have all undertaken to accept the Offer and not to elect for the Share Alternative.

Coolabi Shareholders are recommended to consider carefully, in the light of their own investment objectives and having taken independent advice appropriate to their own financial circumstances, if they wish to elect for the Share Alternative and receive unlisted North Shares.

7 Irrevocable undertakings

(a) Acceptance of the Offer

North has received irrevocable undertakings to accept the Offer from the Independent Directors, the Coolabi Management Directors and/or companies through which they provide services and indirectly hold Coolabi Shares, EPVCT and certain other shareholders in respect of 34,258,512 Coolabi Shares (representing approximately 53.66 per cent. of the issued share capital of Coolabi assuming conversion of the Convertible Loan Notes). North has also obtained a letter of intent from BlackRock to accept the Offer in respect of its

holding of 4,127,876 Coolabi Shares (representing 6.47 per cent. of the issued share capital of Coolabi assuming conversion of the Convertible Loan Notes). Further details of these irrecoverable undertakings and letter of intent are set out in Appendix III to this amendment.

(b) *Voting in favour of the Ordinary Resolution*

In addition, North has received irrevocable undertakings from the Independent Directors and certain other Coolabi Shareholders to vote in favour of the Ordinary Resolution relating to the Offer at the General Meeting in respect of Rule 16.2 of the City Code, as described in paragraph 10(b) of this announcement, in respect of 18,193,220 Coolabi Shares (being approximately 41.24 per cent. of the Coolabi Shares whose shareholders are entitled to vote at the meeting).

(c) *Election for the Share Alternative*

Further, North has received irrevocable undertakings to elect for the Share Alternative from the Coolabi Management Directors, EPVCT and Avonglen Limited in respect of 19,730,309 Coolabi Share (representing approximately 30.90 per cent. of the issued share capital of Coolabi, assuming conversion of the Convertible Loan Notes and assuming no scale back under the Share Alternative).

Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

8 Background to and reasons for the recommendation

Over the past five years, Coolabi has delivered on its strategy of building a diversified portfolio of intellectual property assets that have international appeal across a broad range of media platforms. This has been achieved organically and, where appropriate opportunities have presented themselves, through acquisition.

Coolabi is currently facing challenging market conditions that are adversely affecting the sectors in which it operates. These have been particularly felt in the licensing and merchandising industry, where agreements with potential licensees are taking longer than usual to conclude. This, in turn, has had an impact on Coolabi's working capital requirements.

Against this market backdrop, the Independent Directors, in consultation with Coolabi's major shareholders, have considered alternative options available to Coolabi in the absence of the Offer, including continuing its current strategy of organic growth and an equity fundraising for the development of the business.

The Independent Directors are supportive of Coolabi's current strategy and are confident of its future prospects. However, they believe that in order for Coolabi to continue to execute its strategy and maximise its future potential, further funding is required. The Independent Directors acknowledge that North, funded by EPVCT, intends to support Coolabi in achieving its commercial and strategic objectives and will help it grow both organically by investment in existing properties and through funding acquisition opportunities (if suitable opportunities present themselves) that would otherwise be difficult to achieve given the current challenging market for raising new equity on the public market. As an unlisted company, Coolabi will also be able to prioritise strategic development over consistency of earnings and predictability.

As set out in paragraph 12 of this announcement, North attaches great importance to the skills and experience of the management and employees of Coolabi and intends that they should play a key role in the development of the Coolabi Group. North has given assurances to the Independent Directors that, on the Offer becoming or being declared unconditional in all respects, the existing employment rights, including pension rights, of all Coolabi Group employees will be observed. North has no current intention to change the location of Coolabi Group's place of business.

In light of the factors set out above, the Independent Directors intend to recommend unanimously that Coolabi Shareholders accept the Offer.

9 Information relating to North, EPVCT and EIM and the financing of the Offer

(a) North

North was incorporated in England and Wales under the Act on 17 March 2010 by EPVCT and currently has a total issued share capital of 455,407 North Management Ordinary Shares, 1,161,289 North Investor Ordinary Shares and 903,225 North Preference Shares each with a nominal value of 0.13p each and two deferred shares of nominal value of 0.1p each. North was founded to engage in the acquisition, development and creative management of intellectual property assets, particularly in the field of character merchandising. Since the time of incorporation North has been actively seeking suitable opportunities. North has had three fundraising rounds since incorporation, during which EPVCT has invested £3 million in aggregate. North has not traded prior to the date of this Announcement (other than entering into transactions relating to the Offer). The Coolabi Management Directors are all existing North shareholders. The Directors of North are Gordon Power and William Harris. William Harris was appointed to the board of North at the time of entry into the Investment Agreement. This appointment was approved by the Independent Directors and is primarily to facilitate the Offer being made in a VCT compliant environment.

North currently has approximately £2.9 million in cash. North has entered into the Loan Facility to fund the portion of the Offer and transaction costs which will not be covered by North's existing cash resources. The Loan Facility is an unsecured term loan of £654,210.99, which accrues simple interest at a rate of 4.2 per cent. per annum but accrues a repayment premium of 70 per cent. of such amount as would give the lender an IRR of 19.75 per cent. on the principal amount repaid (less the principal amount repaid). It is intended that if Coolabi Shareholders accept cash that requires funding over and above the existing cash resources of North, that part of the consideration will be drawn down by North from the Loan Facility and that each amount drawn down will be capitalised by EPVCT, at some point after the Offer becomes or is declared unconditional in all respects, into North Shares on the same terms as the Offer, possibly during the course of the next tax year.

Prior to making the Offer and publication of the Offer document, North will re-register as a public limited company. Accordingly it is expected that the Offer will be made by North as North Promotions plc rather than North Promotions Limited.

The North Articles cover certain aspects of the governance of North including the sale and transfer of securities. Further details concerning the North Articles are set out in Appendix IV.

The assets and liabilities of a consolidated Enlarged Group would comprise the assets and liabilities of Coolabi at the date of acquisition, the cash currently in North (to the extent not utilised to pay the cash consideration and transaction fees pursuant to the Offer), the Existing Loan Notes and the drawn down portion of the Loan Facility, save that the extent and amount of any fair value adjustments post acquisition is not yet known. EPVCT has confirmed that it intends to capitalise the drawn down portion of the Loan Facility (if any) at some point after the Offer becomes or is declared unconditional in all respects, possibly during the course of the next tax year. The capitalisation of the amount drawn down under the Loan Facility will be on the same terms as the Offer.

The earnings of the consolidated Enlarged Group, assuming full acceptance of the Offer, would comprise the earnings of Coolabi.

(b) Edge Performance VCT plc

EPVCT is a UK based publicly quoted investment holding company which undertakes private equity and public capital market investments. EPVCT is focused on investing in the entertainment industry. The investments of EPVCT are managed by EIM. EPVCT was established on 8 September 2005. It currently has approximately £85 million of assets under management.

(c) *EIM*

EIM is a UK based investment manager which was established in July 2005 for the purpose of managing the investments of EPVCT. The members of the board of EIM are Gordon Power, David Glick, Alasdair George, Harvey Goldsmith CBE and Kate Glick ACA, CTA.

(d) *Arrangements between EPVCT, EIM and North*

EPVCT has irrevocably undertaken to accept the Offer in respect of its entire shareholding in Coolabi (including the 8,327,614 Coolabi Shares which it will receive following the conversion of the Convertible Loan Notes), further details of which are set out in paragraph 7 above. EPVCT intends to convert the Convertible Loan Notes by no later than immediately after the Offer becomes or has been declared unconditional in all respects and has irrevocably undertaken to elect to receive its consideration in North shares. Accordingly, if the Offer is successful, after conversion of the Convertible Loan Notes, EPVCT will receive 1,233,246 North Preference Shares and 528,534 North Investor Ordinary Shares in respect of its entire shareholding in Coolabi (assuming no scale back under the terms of the Share Alternative). Since EPVCT is an existing shareholder in North, EPVCT will then own 2,136,471 North Preference Shares and 1,689,823 North Investor Ordinary Shares, representing 39.77 per cent. of the North Preference Shares and 54.92 per cent. of the North Investor Ordinary shares (assuming full acceptance of the Offer, all Coolabi Shareholders electing to receive the Share Alternative and no scale back under the terms of the Share Alternative).

(e) *Financing of the Offer*

The maximum amount of cash consideration payable by North to accepting Coolabi Shareholders in relation to the Offer will be approximately £4.95 million. This amount will be funded using North's existing cash resources and the Loan Facility provided by EPVCT to North.

Merchant Securities is satisfied that sufficient financial resources are available to North to satisfy in full the total cash consideration of approximately £4.95 million that is payable under the Offer.

10 Arrangements with Management

(a) *Executive Management*

Jeremy Banks (ACA) joined Coolabi plc as Chief Executive in September 2006. Prior to joining Coolabi, he had been Group Commercial Director and Group Finance Director at Chorion plc from 2001 until its acquisition by 3i in 2006. Previously, Jeremy had worked for Guinness Mahon Development Capital shortly before it was bought out by its management to form ProVen Private Equity, the niche venture capital house whose focus was media and branded content transactions. Jeremy is a chartered accountant.

Tim Ricketts (ACA) is Finance Director of Coolabi. Tim has significant experience in the commercial, operational and financial management of media and technology businesses both in the UK and worldwide. During nine years with United News & Media plc, Tim held various senior posts including Finance Director of Anglia Television Limited, Meridian Broadcasting Limited and United Newspapers Limited. In 2000 he was responsible for an operational review of United News & Media plc, the then FTSE-100 business, which achieved over £60 million in savings per annum. In 2001 he became the Group Finance Director of Gullane Entertainment PLC. Following Gullane's takeover by HIT Entertainment plc in 2002, Tim co-founded and ran the online betting data and technology group Turf Trax Holdings Limited as Group Managing Director.

William Harris is Chairman of Coolabi. He was Chief Executive of Gullane Entertainment plc until 2002. He helped grow the business from a six-person company with £400,000 turnover into a London Stock Exchange listed company with a turnover of over £50 million, 150 employees and offices in the UK, US, Canada and Japan. As Chief Executive he led the transformation of Gullane from a one-property company (Thomas the Tank Engine) into a broadly based family entertainment studio, through organic growth and a series of acquisitions of rights and properties, including the underlying rights to Thomas the Tank

Engine, Guinness World Records, Media Merchants, Fireman Sam and David & Charles Children's Books. During this period Gullane's share price increased from £1.30 to £4.30, its market capitalisation from £31 million to £133 million and earnings per share from 6.66p to 20.85p. Gullane was acquired by HIT Entertainment PLC in September 2002. William Harris was appointed to the board of North as a Non-Executive Director upon entry into the Investment Agreement. This appointment to the board of North was approved by the Independent Directors and is primarily to facilitate the Offer being made in a VCT compliant environment. Further details of the Investment Agreement are set out in paragraph 10(b) below.

(b) *Arrangements between the Executive Management and North*

Under the terms of the Investment Agreement, Jeremy Banks, Tim Ricketts and William Harris have subscribed for 259,582, 108,159 and 43,264 North Management Ordinary Shares, respectively. In addition, Zoe Scurfield and Michael Dee have subscribed for 17,761 and 26,641 North Management Ordinary Shares. Zoe Scurfield and Michael Dee are both senior managers of Coolabi and are not Coolabi Shareholders. The North Management Ordinary Shares are not being offered to any other Coolabi Shareholders and will not rank *pari passu* with the rest of the issued share capital of North.

The structure of the North Management Ordinary Shares is intended to provide an incentive to the Coolabi Management Directors and the senior managers referred to above.

Assuming 445,407 North Management Ordinary Shares will remain in issue they will represent 15 per cent. of the votes capable of being cast on a poll at any general meeting. The North Management Ordinary Shares will rank *pari passu* in all economic respects. The North Management Ordinary Shares, like the North Investor Ordinary Shares, will not carry the right to receive any dividends unless and until all the North Preference Shares have been redeemed. Following the redemption of the North Preference Shares, the North Management Ordinary Shares shall confer the right on the holders to receive 50 per cent. of all dividends provided that Investors have received an 18 per cent. internal rate of return calculated on all the cash flows associated with the North Investor Ordinary Shares, the North Preference Shares and the Existing Loan Notes issued to EPVCT. Prior to that point the North Management Ordinary Shares will confer the right to 15 per cent. of all dividends. The North Management Ordinary Shares do not form part of the Share Alternative.

Specifically, the North Management Ordinary Shares are a mechanism to provide differing levels of compensation once certain thresholds of returns to other North shareholders are reached. The North Management Ordinary Shares are in addition to the North Investor Ordinary Shares which will be issued to the Coolabi Management Directors as a result of accepting the Share Alternative in respect of their holding of Coolabi Shares.

Further details about the North Management Ordinary Shares are set out in Appendix IV.

The Independent Shareholders will be asked at the General Meeting to approve the Executive Management Transactions described in this paragraph (b) by voting on the Ordinary Resolution in compliance with the requirements of Rule 16.2 (c) of the Code. The Coolabi Management Directors and EPVCT will not be entitled to vote on the Ordinary Resolution and voting on this resolution will be by way of a poll.

For the purposes of Rule 16.2 of the Code, Evolution Securities considers the terms of the Executive Management Transactions to be fair and reasonable in so far as the Coolabi Shareholders are concerned.

For the purposes of Rule 25.2 of the Code, Coolabi Management Directors are deemed to have a conflict of interest with Coolabi due to the Executive Management Transactions. Accordingly a committee of the board of Coolabi was established comprising the Independent Directors for the purpose of considering any offers for the Company and making any recommendations to the Coolabi Shareholders.

(a) *Background*

Coolabi specialises in the ownership, development, creative management and exploitation of high quality intellectual property assets. Coolabi's current properties include *Poppy Cat*, *Purple Ronnie*, *The Large Family*, *King Arthur's Disasters*, *The Worst Witch*, *Fungus The Bogeyman* and *Scarlett & Crimson*. In addition, Coolabi also licenses rights to selected properties that include the Oliver Postgate and Peter Firmin trio of properties *Bagpuss*, *The Clangers* and *Ivor The Engine*. The strategy for Coolabi has been to build a diversified portfolio of cash-generative intellectual property assets that have international potential across a broad range of media platforms.

The Coolabi business started as Alibi Communications plc ("Alibi"), which was formed in 1999 and was admitted to trading on AIM in the same year. Alibi was a producer of prime time television drama and children's television drama. In 2004, Alibi merged with Coolebah Limited, a business engaged in licensing and children's animated television production. The company changed its name to Coolabi in 2005.

In September 2006, Coolabi acquired the children's division of Zenith Entertainment Limited (out of administration). In May 2007 Coolabi acquired Purple Enterprises Limited and in September of that year, acquired Indie Kids. In November 2008, Coolabi acquired Licensing By Design. In 2009, Coolabi acquired the literary estates of Eric Ambler, Michael Innes and John Creasey.

Coolabi is incorporated in England and Wales and currently trades on AIM under the ticker COO and has a total issued share capital of 55,517,449 Coolabi Shares and 490,520,871 deferred shares of 0.95p each.

(b) *Current trading and prospects*

The Company's interim results for the six months ended 30 June 2011 were released on 20 September 2011 and the Company reported revenue of £0.61 million (H1 2010: £0.96 million), adjusted EBITDA loss of £0.3 million (H1 2010: EBITDA of £0.02 million) and net debt of £1.35 million (30 June 2010: £0.73 million).

The following are edited details from the statements made by the Company in its interim results for the six months ended 30 June 2011, as released on 20 September 2011:

"The first half of 2011 has seen a period of intense activity across the business with the principal focus being the continued roll-out of our pre-school animated TV property, *Poppy Cat*. We are pleased with the progress made to date. Important strategic deliverables, such as the broadcast premiere on Nick Jr in the UK and the contracting of Sprout as our US broadcast partner, have been achieved. In addition, key value-driving initiatives such as the securing of ten UK licences, including a Master Toy Partner have also been concluded in the first half. However, all of this has taken longer to achieve than it might have done in better economic times.

As in 2010, we expect the results to be heavily weighted towards the second half. There is still much to do in order to realise management's expectations for the full year, particularly in the light of current trading conditions. Successful attendance at important trade fairs over the next couple of months will be crucial to their achievement.

However, we are currently facing challenging market conditions that are adversely affecting the sectors in which we operate. These have been particularly felt in the licensing and merchandising industry, where agreements with potential licensees are taking longer than usual to conclude. This, in turn, has had an impact on our working capital requirements."

The full text of the announcement containing the unaudited interim results for the six months ended 30 June 2011 is available on the Company's website www.coolabi.com.

North attaches great importance to the skills and experience of the management and employees of Coolabi and intends that they should play a key role in the development of the Coolabi Group.

William Harris was appointed to the board of North as a Non-Executive Director upon entry into the Investment Agreement. His appointment was approved by the Independent Directors and is primarily to facilitate the Offer being made in a VCT compliant environment. Further details of the Investment Agreement are set out in paragraph 10(b) above. In addition, it is expected that Jeremy Banks (Chief Executive) and Tim Ricketts (Finance Director) will remain with the Coolabi Group and will also become directors of North.

The remaining members of the Coolabi board (Stuart Lindsay, Nicholas James and Linda James) have agreed to resign with effect from the date upon which the Offer becomes or is declared wholly unconditional.

The existing employment rights, including pension rights, of all Coolabi Group employees will be observed. North has no current intention to change the location of Coolabi Group's place of business.

13 Coolabi Share Option Scheme

Participants in Coolabi's Share Option Scheme have all agreed to waive their rights to options, subject to the Offer becoming or being declared wholly unconditional.

14 Disclosure of interests in Coolabi Shares

As at close of business on 27 October 2011, the last practicable date prior to the Announcement Date, other than as disclosed below, neither North, nor any directors of North, nor, so far as North is aware, any person acting in concert with North, has any interest in or right to subscribe for any relevant Coolabi securities.

EPVCT

As at close of business on 27 October 2011, the last practicable date prior to the Announcement Date, EPVCT held interests in 9,290,196 Coolabi Shares and £562,114 Convertible Loan Notes which it intends to convert into 8,327,614 Coolabi Shares by no later than immediately following the Offer becoming or being declared wholly unconditional.

William Harris

As at close of business on 27 October 2011, the last practicable date prior to the Announcement Date William Harris held interests in 954,166 Coolabi Shares. In addition, William Harris owns 33.33 per cent. of Avonglen Limited, a company of which he is also a director. Avonglen Limited owns 458,333 Coolabi Shares.

Jeremy Banks

As at close of business on 27 October 2011, the last practicable date prior to the Announcement Date, Jeremy Banks held interests in 700,000 Coolabi Shares.

Tim Ricketts

As at close of business on 27 October 2011, the last practicable date prior to Announcement Date, Tim Ricketts did not directly hold an interest in Coolabi Shares, however, he owns 33.33 per cent. of Avonglen Limited, a company of which he is also a director. Avonglen Limited owns 458,333 Coolabi Shares.

15 Offer Document

It is expected that the Offer Document and the Forms of Acceptance accompanying the Offer Document will be posted as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this announcement. The Offer Document and Forms of Acceptance (in respect of Coolabi Shareholders who hold their Coolabi Shares in certificated form) will be made available to all Coolabi Shareholders at no charge to them on the Coolabi website, www.coolabi.com.

Coolabi Shareholders are urged to read the Offer Document and, if the Coolabi Shares are held in certificated form, the Form of Acceptance when they are sent to them because they will contain important information.

16 Compulsory acquisition, cancellation of AIM admission and re-registration as a private company

If North receives acceptances under the Offer in respect of 90 per cent. or more of Coolabi Shares to which the Offer relates, North intends to exercise its rights pursuant to the provisions of Part 28 of the Act, as applicable, to acquire compulsorily the remaining Coolabi Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

If North is able to compulsorily acquire the remaining Coolabi Shares, Coolabi Shareholders who do not return a Form of Acceptance in respect of certificated Coolabi Shares or send or procure their CREST sponsor sends the Relevant Transfer to Escrow instruction in respect of uncertificated Coolabi Shares according to the instructions which will be contained in the Offer Document and the Form of Acceptance (if appropriate) will be deemed to have made an election to receive cash pursuant to the Offer.

If the Offer becomes or is declared unconditional in all respects, and sufficient acceptances under the Offer are received, North intends to procure that Coolabi makes an application to the London Stock Exchange to cancel the admission of Coolabi Shares to trading on AIM. Cancellation of admission of Coolabi Shares to trading on AIM is likely to significantly reduce the liquidity and marketability of any Coolabi Shares in respect of which the Offer has not been accepted.

It is anticipated that, subject to any applicable requirements of the London Stock Exchange, cancellation of admission to trading on AIM will take effect no earlier than 20 Business Days after either (i) the date on which North has, by virtue of its shareholdings and acceptances of the Offer, acquired or agreed to acquire issued share capital carrying 75 per cent. of the voting rights of Coolabi or (ii) the first date of issue of compulsory acquisition notices under Part 28 of the Act, as applicable. North will notify Coolabi Shareholders when the required 75 per cent. acceptance threshold has been attained and will confirm that the notice period has commenced and the anticipated date of cancellation.

Following such cancellation, North intends to procure that Coolabi re-registers as a private limited company under the relevant provisions of the Companies Act 2006.

17 General

The Offer will be made on the terms and subject to the conditions and further terms set out herein and in Appendix I to this announcement. The bases and sources of certain financial information contained in this announcement are set out in Appendix II to this announcement. A summary of the irrevocable undertakings given by the Coolabi Directors (including the circumstances in which they will fall away) is contained in Appendix III to this announcement. Certain terms used in this announcement are defined in Appendix VI to this announcement.

FURTHER INFORMATION

This announcement is not intended to, and does not, constitute or form part of an offer to sell, or otherwise dispose of, or constitute an invitation or the solicitation of an offer to purchase, subscribe for or otherwise acquire any securities or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise. The Offer will be made solely by means of the Offer Document, which will contain the full terms and conditions of the Offer (including details of how to accept the Offer). Any acceptance of the Offer should be made only on the basis of the information contained in the Offer Document. Coolabi Shareholders are advised to read the formal documentation in relation to the Offer carefully.

Please be aware that addresses, electronic addresses and certain other information provided by Coolabi Shareholders, persons with information rights and other relevant persons for the receipt of communications from Coolabi may be provided to North during the offer period as required under Section 4 of Appendix 4 of the Code.

Merchant Securities is authorised by the Financial Services Authority. Merchant Securities is acting exclusively for North and no one else in connection with the Offer and will not be responsible to anyone other than North for providing the protections afforded to clients of Merchant Securities, or for providing advice in connection with the Offer or any matter referred to herein.

Evolution Securities is acting exclusively for Coolabi and no one else in connection with the Offer and will not be responsible to anyone other than Coolabi for providing the protections afforded to clients of Evolution Securities or for providing advice in connection with the Offer or any matter referred to herein.

Overseas Shareholders

This announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Offer or otherwise. The Offer will be made solely by means of an Offer Document and the Form of Acceptance accompanying the Offer Document in respect of Coolabi Shares in certificated form, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. Unless otherwise determined by North or required by the City Code, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer.

The availability of the Offer to Coolabi Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

Forward looking statements

This announcement contains statements about North and Coolabi that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of North or Coolabi’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on North or Coolabi’s business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. North disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

Responsibility statements

The North Directors each accept responsibility for the information contained in this announcement except for the information relating to: EIM, directors of EIM (“EIM Directors”) and members of their immediate families, related trusts and connected persons; the recommendations and opinions of the Independent Directors; and Coolabi, the Coolabi Directors and members of their immediate families, related trusts and connected persons. To the best of the knowledge and belief of the North Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The EIM Directors each accept responsibility for the information contained in this announcement relating to EIM and the EIM Directors and members of their immediate families, related trusts and connected persons. To the best of the knowledge and belief of the EIM Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Independent Directors each accept responsibility for the recommendation and opinions of the Independent Directors relating to the Offer contained in the Key Terms Of The Offer of this announcement. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Coolabi Directors each accept responsibility for the information contained in this announcement relating to Coolabi, the Coolabi Directors and members of their immediate families, related trusts and connected persons. To the best of the knowledge and belief of the Coolabi Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Disclosure requirements of the Takeover Code (the “Code”)

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement

of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure,

Evolution Securities confirms that it has given and not withdrawn its consent to the publication of this announcement with the inclusion of its recommendation and opinion in the form and context in which it is included.

Publication on Website

In accordance with Rule 30.4(c) of the Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in a Restricted Jurisdiction, free of charge, on Coolabi's website at www.coolabi.com by no later than 12 noon on 31 October 2011.

In accordance with Rule 30.2, a person may request a copy of this announcement in hard copy form. A person may also request that all future documents, announcements and information in relation to the Offer should be in hard copy form.

In accordance with Rule 26.1, the following documents will also be made available, subject to certain restrictions relating to persons resident in a Restricted Jurisdiction, free of charge, on Coolabi's website at www.coolabi.com by no later than 12 noon on 31 October 2011:

- The irrevocable undertakings referred to at Appendix III;
- The Non-Disclosure Agreement;

- *The Loan Facility agreement between North and EPVCT; and*
- *The articles of association of North.*

APPENDIX I CONDITIONS AND FURTHER TERMS OF THE OFFER

The Offer

The Offer, which will be made by North, will comply with the City Code and will be governed by English law and subject to the jurisdiction of the English courts. In addition, the Offer will be subject to the terms and conditions to be set out in the Offer Document. The Offer will be subject to the following conditions:

- 1** valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than the first closing date as set out in the Offer Document (or such later time(s) and/or date(s) as North may, subject to the rules of the Code, decide) in respect of not less than 90 per cent. (or such lesser percentage as North may decide) of the Coolabi Shares to which the Offer relates, provided that this condition will not be satisfied unless North shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Coolabi Shares carrying in aggregate more than 50 per cent. of the voting rights normally exercisable at a general meeting of Coolabi. For the purposes of this condition:
 - 1.1** Coolabi Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry upon issue;
 - 1.2** the expression “Coolabi Shares to which the Offer relates” shall be construed in accordance with Part 28 of the Act; and
 - 1.3** valid acceptances shall be deemed to have been received in respect of Coolabi Shares which are treated for the purposes of Part 28 of the Act as having been acquired or contracted to be acquired by North by virtue of acceptances of the Offer, provided that, unless North otherwise determines, this condition 1 shall be capable of being satisfied only at a time when all of the other conditions 2 to 8 inclusive have either been satisfied, fulfilled or, to the extent permitted, waived;
- 2** the Ordinary Resolution being passed by a simple majority by the Independent Shareholders on a poll at the General Meeting.
- 3** all necessary material notifications and filings having been made in connection with the Offer and all statutory and regulatory obligations in connection with the Offer in any relevant jurisdiction having been complied with and all Authorisations deemed reasonably necessary or appropriate by North in any relevant jurisdiction for, or in respect of, the Offer and, except pursuant to Part 28, Chapter 3 of the Act, the acquisition or the proposed acquisition of the Coolabi Shares by North having been obtained in terms reasonably satisfactory to North from all appropriate Third Parties, all or any applicable waiting and other time periods having expired, lapsed or been terminated (as appropriate) and all such Authorisations (together with all material Authorisations deemed reasonably necessary or appropriate to carry on the business of any member of the Wider Coolabi Group) remaining in full force and effect at the time at which the Offer becomes otherwise unconditional and there being no notice of any intention to revoke, suspend, restrict, amend or not to renew any such Authorisations;
- 4** no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation or enquiry, or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed any statute, regulation or order, or taken any other step that would or might reasonably be expected to:
 - 4.1** require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by North or any member of the Wider Coolabi Group of all or any material part of their respective businesses, assets or properties or impose any limitation on the ability of North or the Wider Coolabi Group to conduct its business (or any part of it) or to own any of its assets or property or any part of them which, in

any such case, is material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer;

- 4.2 save pursuant to the Offer or Part 28, Chapter 3 of the Act, require North or any member of the Wider Coolabi Group to make an offer to acquire, any shares or other securities (or the equivalent) in any member of the Wider Coolabi Group owned by any third party where such acquisition would be material in the context of the Offer;
- 4.3 impose any limitation on, or result in a material delay in, the ability of North directly or indirectly to acquire or to hold or to exercise effectively directly or indirectly all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in Coolabi or the ability of North to hold or exercise effectively any rights of ownership of shares, loans or other securities in, or to exercise management control over any member of the Wider Coolabi Group or require a divestiture by North of any rights or ownership in respect of shares or other securities in Coolabi, which, in any such case, is material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer;
- 4.4 otherwise adversely affect the business, assets, liabilities, financial or trading position, profits or prospects of any member of any member of the Wider Coolabi Group in each case to an extent which is material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer;
- 4.5 make the Offer, its implementation or the acquisition or proposed acquisition by North of any shares or other securities in, or control or management of, Coolabi void, unenforceable or illegal, or restrict, prohibit or delay to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to the Offer, or otherwise materially challenge or require material amendment of, the Offer or the acquisition or proposed acquisition of any Coolabi Shares or the acquisition of control of Coolabi or any member of the Wider Coolabi Group by North.

and all applicable waiting and other time period during which any such Third Party could decide to take, institute, implement or threaten any such action, proceedings, suit, investigation or enquiry or take any other step under the laws of any jurisdiction having expired, lapsed or been terminated;

- 5 save as Publicly Announced or as fairly disclosed in writing to North or its advisers by or on behalf of Coolabi prior to the date of this announcement, there being no provision of any arrangement, agreement, lease, licence, permit or other instrument to which any member of the Wider Coolabi Group is a party or by or to which any such member or any of its assets is or may be bound or be subject, which as a consequence of the Offer or the acquisition or the proposed acquisition by North of any shares or other securities (or the equivalent) in Coolabi or because of a change in the control or management of any member of the Wider Coolabi Group or otherwise, would result, in any case to an extent which is material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer, in:
 - 5.1 any monies borrowed by, or any other indebtedness, actual or contingent, of, any member of the Wider Coolabi Group being or becoming repayable, or being capable of being declared repayable immediately or prior to their or its stated maturity, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited;
 - 5.2 the creation or enforcement of any mortgage, charge or other security interest, over the whole or any part of the business, property or assets of any member of the Wider Coolabi Group or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable;
 - 5.3 any such arrangement, agreement, lease, licence, permit or other instrument being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

- 5.4 any assets or interests of any member of the Wider Coolabi Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
- 5.5 the rights, liabilities, obligations or interests of any member of the Wider Coolabi Group in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- 5.6 the value or financial or trading position or profits of Coolabi or any member of the Wider Coolabi Group being prejudiced or adversely affected; or
- 5.7 the creation of any liability (actual or contingent) by any member of the Wider Coolabi Group, other than in the ordinary course of business;

in each case, to an extent which is material in the context of the Wider Coolabi Group taken as a whole;

- 6 save as Publicly Announced or fairly disclosed in writing to North or its advisers by or on behalf of Coolabi, in each case prior to the date of this announcement, no member of the Wider Coolabi Group having since 31 December 2010:
 - 6.1 issued or agreed to issue or proposed or announced its intention to issue of additional shares of any class, or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as between Coolabi and wholly-owned subsidiaries of Coolabi and save for the issue of Coolabi Shares pursuant to or in connection with the exercise or vesting of options or awards granted under, or the grant of options or awards under, the Coolabi Share Option Scheme where such award or grant is made before the date of this announcement);
 - 6.2 recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Coolabi to Coolabi or any of its wholly-owned subsidiaries;
 - 6.3 other than pursuant to the implementation of the Offer (and save for transactions between Coolabi and its wholly-owned subsidiaries and transactions in the ordinary course of business) implemented, effected, authorised, proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings that is material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer or any change in its share or loan capital (save for the issue of Coolabi Shares on the exercise or vesting of options or awards granted before the date of this announcement under the Coolabi Share Option Schemes);
 - 6.4 (save for transactions between Coolabi and its wholly-owned subsidiaries and save for transactions in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any asset or any right, title or interest in any asset that is material in the context of the Wider Coolabi Group taken as a whole or authorised, proposed or announced any intention to do so;
 - 6.5 (save for transactions between Coolabi and its wholly-owned subsidiaries) issued, authorised or proposed or announced an intention to authorise or propose, the issue of any debentures or (save for transactions between Coolabi and its wholly-owned subsidiaries or transactions under existing credit arrangements or in the ordinary course of business) incurred any indebtedness or contingent liability which is

material in the context of the Wider Coolabi Group as a whole or in the context of the Offer;

- 6.6** entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which involves or is reasonably likely to involve an obligation of such a nature or magnitude which is, in any such case, or which is or is likely to be restrictive on the business of any member of the Wider Coolabi Group, which is, in any such case, material in the context of the Wider Coolabi Group or in the context of the Offer;
- 6.7** entered into or varied to a material extent or authorised, proposed or announced its intention to enter into or vary to a material extent the terms of, or make any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any service agreement with any director or, save for salary increases, bonuses or variations of terms in the ordinary course, any senior executive of Coolabi;
- 6.8** proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Coolabi Group which is, in any such case, material in the context of the Wider Coolabi Group or in the context of the Offer;
- 6.9** purchased, redeemed or repaid or announced a proposal to purchase, redeem or repay any of its own shares or other securities (or the equivalent) or reduced or made any other change to or proposed the reduction or other change to any part of its share capital, save for the allotment of any shares in connection with the Coolabi Share Option Scheme pursuant to rights granted before the date of this announcement or as between Coolabi and wholly-owned subsidiaries of Coolabi;
- 6.10** waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Coolabi Group as a whole or in the context of the Offer;
- 6.11** terminated or varied the terms of any agreement or arrangement between any member of the Wider Coolabi Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Coolabi Group taken as a whole;
- 6.12** made any alteration to its articles of association;
- 6.13** been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of any business which is material in the context of the Wider Coolabi Group as a whole or in the context of the Offer;
- 6.14** (other than in respect of a company which is dormant and was solvent at the relevant time) taken or proposed any corporate action or had any action or proceedings or other steps instituted against it for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction; or
- 6.15** entered into any agreement, arrangement or commitment or passed any resolution or made any proposal or announcement with respect to, or to effect, any of the transactions, matters or events referred to in this condition 6;

- 7** save as Publicly Announced or fairly disclosed in writing to North or its advisers by or on behalf of Coolabi, in each case prior to the date of this announcement, since 31 December 2010 there having been:
- 7.1** no adverse change or deterioration in the business, assets, financial or trading position or profits or prospects of any member of the Wider Coolabi Group which is material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer;
 - 7.2** no litigation, arbitration proceedings, prosecution or other legal proceedings having been announced or instituted by or against or remaining outstanding against or in respect of any member of the Wider Coolabi Group and no enquiry or investigation by or complaint to any Third Party against or in respect of any member of the Wider Coolabi Group having been threatened, announced or instituted or remaining outstanding, against or in respect of any member of the Wider Coolabi Group and which in any such case might reasonably be expected to be material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer;
 - 7.3** no contingent or other liability having arisen or become apparent to North which might reasonably be expected to adversely affect any member of the Wider Coolabi Group and which in any such case is material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer; and
 - 7.4** no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Coolabi Group which is necessary for the proper carrying on of its business which is, in any such case, material in the context of the Wider Coolabi Group or in the context of the Offer;
- 8** save as Publicly Announced or fairly disclosed in writing to North or its advisers by or on behalf of Coolabi, in each case prior to the date of this announcement, North not having discovered:
- 8.1** that the financial, business or other information concerning the Wider Coolabi Group publicly announced or disclosed at any time by or on behalf of any member of the Wider Coolabi Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not materially misleading; or
 - 8.2** that any member of the Wider Coolabi Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise, which is material in the context of the Wider Coolabi Group taken as a whole or in the context of the Offer.

North reserves the right to waive, in whole or in part, all or any of the above conditions 3 to 8 (inclusive).

If North is required by the Panel to make an offer for Coolabi Shares under the provisions of Rule 9 of the Code, North may make such alterations to any of the above conditions, including condition 1 above, and terms of the Offer as are necessary to comply with the provisions of that Rule.

The Offer will lapse unless all the above conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by North to be or remain satisfied, by the twenty-first day after the later of the first closing date of the Offer Document and the date on which condition 1 is fulfilled (or in each case such later date as North may determine, in accordance with the City Code).

North shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of conditions 3 to 8 (inclusive) by a date earlier than the latest

date for the fulfilment of that condition notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If the Offer lapses, the Offer will cease to be capable of further acceptance and accepting Coolabi Shareholders and North shall cease to be bound by Forms of Acceptance submitted at or before the time when the Offer so lapses.

APPENDIX II
SOURCES OF INFORMATION AND BASES OF CALCULATION

- (i) The Offer values the existing issued share capital of Coolabi based upon 55,517,449 Coolabi Shares being in issue on 27 October 2011, being the last Business Day prior to the date of this announcement.
- (ii) The closing mid-market price of Coolabi Shares on 27 October 2011, being the last Business Day prior to the date of this announcement is taken from the AIM Appendix to the Daily Official List.
- (iii) Unless otherwise stated, the financial information relating to Coolabi is extracted from the audited consolidated financial statements of Coolabi for the financial year to 31 December 2010, prepared in accordance with IFRS.
- (iv) Under the Coolabi Share Option Scheme there are outstanding options which will become exercisable as a result of the Offer in relation to 3,168,246 Coolabi Shares, all of which have been waived conditional upon the Offer becoming or being declared wholly unconditional.
- (v) Conversion of the Convertible Loan Note will result in the issue of 8,327,614 Coolabi Shares.

APPENDIX III IRREVOCABLE UNDERTAKINGS

Directors

The Coolabi Management Directors and their concert parties have given irrevocable undertakings to accept the Offer and receive the Share Alternative as follows:

Name	Number of Coolabi Shares	Percentage of existing issued ordinary share capital of Coolabi
William Harris	954,166	2.54
Jeremy Banks	700,000	1.26
Avonglen Limited*	458,333	0.83
Total	2,112,499	3.81

* Avonglen Limited is a company in which William Harris and Tim Ricketts each hold a 33.33 per cent. shareholding and are both directors.

These undertakings will cease to have effect if:

- the Offer Document is not posted within 28 days of this announcement (or within such longer period as Coolabi, with the consent of the Panel, determines); or
- the Offer lapses or is withdrawn.

The Independent Directors have given irrevocable undertakings to accept the Offer, vote in favour of the Ordinary Resolution and receive cash as follows:

Name	Number of Coolabi Shares	Percentage of existing issued ordinary share capital of Coolabi
Nicholas James	250,000	0.45
Linda James	129,526	0.23
Stuart Lindsay	83,333	0.15
Total	462,859	0.83

These undertakings will cease to have effect if:

- the Offer Document is not posted within 28 days of this announcement (or within such longer period as Coolabi, with the consent of the Panel, determines);
- a new offer being received from a third party with a value greater than 10 per cent. of the Offer; or
- the Offer lapses or is withdrawn.

Other Shareholders

Certain other Coolabi Shareholders have given irrevocable undertakings to accept the Offer and receive cash as follows:

Name	Number of Coolabi Shares	Percentage of existing issued ordinary share capital of Coolabi
MD Barnard & Company Limited	6,940,833	12.50
Herald Investment Management	2,990,000	5.39
Amati Global Investors	2,135,883	3.85
Antony Jordon	1,998,628	3.60
Total	14,065,344	25.34

These undertaking will cease to have effect if:

- the Offer Document is not posted within 28 days of this announcement (or within such longer period as Coolabi, with the consent of the Panel, determines); or
- in the case of MD Barnard & Company Limited, Herald Investment Management and Anthony Jordan, a new offer being received from a third party with a value greater than 10 per cent. of the price of the cash offer; or
- in the case of Amati Global Investors, a new offer being received from a third party with a value greater than one per cent. of the price of the cash offer; or
- the Offer lapses or is withdrawn.

BlackRock has given a letter of intent stating that it intends to accept the Offer in relation to its entire holding of 4,127,876 Coolabi Shares, representing 6.47 per cent. of the fully diluted share capital.

EPVCT have given an irrevocable undertaking to accept the Offer and receive the Share Alternative as follows:

Name	Number of Coolabi Shares	Percentage of fully diluted ordinary share capital of Coolabi
Edge Performance VCT PLC	17,617,810	27.59

* Includes 8,327,614 Coolabi Shares as a result of conversion of the Convertible loan Note.

The undertaking from EPVCT will cease to have effect if:

- the Offer Document is not posted within 28 days of this announcement (or within such longer period as Coolabi, with the consent of the Panel, determines); or
- the Offer lapses or is withdrawn.

APPENDIX IV
SUMMARY OF THE RIGHTS ATTACHING TO THE NORTH SHARES AND THE ARTICLES

In this Appendix the following expressions shall have the following meanings:-

- “Controlling Interest”** means an interest in shares giving to the holder or holders control of North within the meaning of Section 1124 of the Corporation Tax Act 2010;
- “Edge Investor Group”** means:
- (a) EPVCT;
 - (b) EIM;
 - (c) any entity the funds of which are managed by EIM;
- which should also be deemed to include any of their permitted transferees;
- “Edge Investors”** means any person, firm or body corporate compromised in the Edge Investor Group, for so long as such person, firm or body corporate shall hold any North Investor Ordinary Shares and any party who subsequently adheres to the Investment Agreement as an Edge Investor by entering into a deed of adherence thereto, and any such person’s permitted transferees;
- “Existing Loan Notes”** means the £700,000 A series secured six per cent. Loan Notes 2016 of North and the £700,000 B series secured six per cent. Loan Notes 2016 of North, each constituted by separate loan note instruments dated 30 March 2010 (as amended and restated on 28 October 2011);
- “Investor Director Consent”** means the prior written consent of all of the Investor Directors or the consent of all the Investor Directors given at a meeting of the Board or an Investor Majority Consent;
- “Investors”** means the holders of North Investor Ordinary Shares and, for so long as there are any North Preference Shares in issue, the holders of the North Preference Shares and for so long as there are any Existing Loan Notes in issue, the holders of Existing Loan Notes;
- “Investor Majority Consent”** means the prior written consent or approval of the Investor Majority;
- “Investor Majority”** means the holder(s) for the time being of over 50 per cent. in nominal value of the North Investor Ordinary Shares;
- “Investor IRR”** means an IRR calculated on all the cashflows associated with the North Preference Shares and North Investor Ordinary Shares and Existing Loan Notes issued by North;
- “Issue Price”** means, in relation to any North Share, the amount paid up or credited as paid up on such North Share (including any premium on issue);
- “Low Threshold”** means such amount as would be necessary to provide the Investors with an Investor IRR of 18 per cent.;
- “Mid Value”** means the Target Value divided by 1.15;
- “New Securities”** means any share or other securities convertible into, or carrying the

right to subscribe for, those shares, issued by North;

“Preference IRR” means an IRR calculated on each North Preference Share;

“Redemption Amount” means in relation to any North Preference Share, the greater of (i) the Issue Price thereof multiplied by 1.43 and (ii) such amount as would give rise to the holder of such North Preference Share achieving a Preference IRR of 19.75 per cent;

“Target Value” means such amount as is 15 per cent higher than that which would be necessary to provide the Investors with an Investor IRR of 26 per cent if the Investors were entitled to receive 50 per cent of all proceeds in excess of the Low Threshold including redemption of all North Preference Shares;

1. THE SHARE ALTERNATIVE

Summary of rights attaching to the shares in North

The references below to the rights of the holders of the North Management Ordinary Shares to certain percentages of voting rights, dividends and return of capital on winding up or sale are based on an assumption of 455,407 North Management Ordinary Shares in issue. If that number is reduced (for example if North Management Ordinary Shares are redeemed) then the percentages will reduce pro rata. If that number is increased the percentages do not increase.

The share capital of the Company comprises three classes of share:-

1. North Investor Ordinary Shares;
2. North Management Ordinary Shares;
3. North Preference Shares;

The respective rights attaching to each class of shares are as follows:-

(a) *Voting*

The North Preference Shares confer no right to receive notice of, attend or vote at any general meeting of the Company.

On a show of hands every holder of North Management Ordinary Shares and/or North Investor Ordinary Shares present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy, shall have one vote.

The North Management Ordinary Shares confer the right as a class to cast 15 per cent. of the votes capable of being cast on a poll at any general meeting. All remaining votes are exercisable by the holders of the North Investor Ordinary Shares (as a class).

If, and to the extent that, EPVCT's holding of North Investor Ordinary Shares confers on it the right to cast more than 50 per cent. of the votes, the percentage of the votes capable of being cast by EPVCT will be reduced to 50 per cent. (so as to ensure that EPVCT does not have control of North) and the votes which EPVCT is unable thereby to cast will be exercisable by the other holders of North Investor Ordinary Shares pro rata to their respective holdings.

(b) *Dividends*

The North Preference Shares confer on the holders thereof a cumulative non-compounding six per cent. per annum dividend. The dividend accrued from the date of

issue is rolled up until 31 December 2014 and paid on that date and thereafter is payable quarterly.

No dividends are payable on the North Investor Ordinary Shares or the North Management Ordinary Shares unless and until all the North Preference Shares have been redeemed. Once the North Preference Shares have been redeemed the North Management Ordinary Shares confer the right to 50 per cent. of all dividends after the Investors have received an Investor IRR of 18 per cent. Until then the North Management Ordinary Shares confer the right to 15 per cent. of all dividends.

The North Investor Ordinary Shares confer the right to the percentage of any dividend not allocated in respect of the North Management Ordinary Shares.

(c) *Redemption*

The North Investor Ordinary Shares are not redeemable.

The North Preference Shares are redeemable on 31 December 2016 or, if earlier, immediately prior to, and conditionally upon, the occurrence of the earlier of: (a) the sale of a controlling interest in North; (b) the disposal by North of all or substantially all of its undertaking and assets; (c) the listing or admission to trading of any shares in North; or (d) a winding up of North or the appointment of a receiver, manager or administrative receiver over all or any part of the assets of North or any of its subsidiaries or the appointment of a liquidator or administrator over North or any of its subsidiaries. The North Preference Shares are redeemable at the Redemption Amount.

The North Management Ordinary Shares are redeemable at the Issue Price thereof if the Offer is not made by 30 November 2011 or, if made, lapses or is withdrawn. The North Management Ordinary Shares are also redeemable if held by an employee or consultant who ceases to be employed by, or ceases to provide consultancy services to, North. Depending on the circumstances in which such holder ceases to be so employed or provide services to North, and the date of such cessation, the redemption price will be the nominal value, the Issue Price or the fair value agreed with the board of North or determined by North's auditors.

(d) *Return of Capital on a Sale or Winding Up*

On a winding up of North, the surplus assets of North after the repayment of the Existing Loan Notes, (the "**Surplus Value**") shall be applied first in paying an amount equal to the Redemption Amount on each North Preference Share and the balance (the "**Equity Surplus**") will be distributed amongst the holders of the North Investor Ordinary Shares and the holders of the North Management Ordinary Shares (pro rata to the number of each of such class of share held). If the Surplus Value (plus all dividends or interest paid or monies paid on redemption (other than redemption of any North Management Ordinary Shares) or other return of capital on each class of North Shares and the Existing Loan Notes) is: -

- i. equal to or in excess of the Target Value, the holders of the North Management Ordinary Shares (as a class) shall be entitled to 60 per cent of the Equity Surplus (the percentage of the Equity Surplus to which the holders of the North Management Ordinary Shares shall be entitled being the "**Management Percentage**");
- ii. less than the Mid-Value but is an amount such that Investors have received an amount greater than or equal to the Low Threshold, the holders of the North Management Ordinary Shares (as a class) shall be entitled to 50 per cent of the Equity Surplus; or
- iii. such that the Investors have received less than the Low Threshold, the holders of the North Management Ordinary Shares (as a class) shall be entitled to 15 per cent of the Equity Surplus

but so that if the Investor Equity Surplus is less than the Target Value but greater than or equal to the Mid-Value then the holders of the North Management Ordinary Shares (as a class) shall be entitled to a percentage of the Equity Surplus between 60 and 50 adjusted pro-rata to the difference between the Mid-Value and the Target Value on a sliding scale. The holders of the North Investor Ordinary Shares shall be entitled to 100 per cent. minus the North Management Percentage of the Equity Surplus.

On a sale of the assets of North or a controlling interest in North, the proceeds of sale will be distributed in the same priority as on a winding up.

2. ARTICLES

In addition to the rights and restrictions attaching to the shares in the capital of North summarised above, set out below is a summary of other provisions of the Articles of Association of North:

- (a) *Directors*
Unless and until North shall otherwise determine by ordinary resolution, the number of Directors shall be not less than two;
- (b) The holders of the North Investor Ordinary Shares shall be entitled to appoint two persons to act as Directors of North (each an "Investor Director") and to remove from office any Directors so appointed provided that:
 - (i) for so long as the Edge Investors shall hold Investor Ordinary Shares representing 30 per cent. or more of the issued North Investor Ordinary Shares the Edge Investors shall be entitled to appoint one of the Investor Directors (the "Edge Investor Director") and to remove from office any such Investor Director; and
 - (ii) for so long as Investor Ordinary Shareholders (other than the Edge Investors) (the "Non-Edge Investors") shall, between them, hold Investor Ordinary Shares representing 30 per cent. or more of the issued Investor Ordinary Shares, Non-Edge Investors holding more than 30 per cent. or more of the Investor Ordinary Shares shall be entitled to appoint one of the Investor Directors and to remove from office any such Investor Director.
- (c) *Proceedings of Directors*
The quorum for Directors' meetings shall be three Directors unless at that time there are only two Directors in which case the quorum shall be two but the quorum must always include the Edge Investor Director (or if there shall be no Edge Investor Director in office, any Investor Director);
- (d) *New Issues of Shares*
Under the Articles, the Directors are generally unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:
 - (i) allot shares: or
 - (ii) grant rights to subscribe for or convert any securities into shares:

to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that this authority:
 - (i) is limited to a maximum nominal amount of £20,000;
 - (ii) only applies insofar as shareholders of North in general meeting have not waived or revoked it;
 - (iii) may only be exercised for a period of 5 years commencing with the date of adoption of the Articles (28 October 2011), save that the Directors may make an offer or agreement which would or might require shares to be allotted or rights

granted to subscribe for or convert any security into shares after the expiry of such authority.

Under the Articles the Directors are empowered pursuant to Section 570 of the Act, to allot equity securities (within the meaning of the Act) of North for cash pursuant to the general authority described above as if Section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £20,000. The power conferred shall expire on the day prior to the fifth anniversary of the date of adoption of the Articles unless renewed or extended prior to such expiry, except that North may before the expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred had not expired.

Subject to the exceptions described below if the Company proposes to allot New Securities they must first be offered to the holders of the North Investor Ordinary Shares and the North Management Ordinary Shares pro-rata to the number of such shares held. The above described restrictions do not apply to:

- (i) options to subscribe for North Investor Ordinary Shares under any employment share plan;
- (ii) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by an Investor Majority;
- (iii) new securities which the Investor Majority have agreed in writing should be issued without complying with the procedure described above;
- (iv) new securities issued as a result of a bonus issue of shares approved in writing by an Investor Majority;
- (v) shares or options for shares issued or granted in accordance with the terms of the Investment Agreement;
- (vi) North Preference Shares and North Investor Ordinary Shares issued pursuant to the terms of the Offer; and
- (vii) any loan advanced to, or loan note issued by, North which is or are convertible into North Preference Shares and North Investor Ordinary Shares or North Preference Shares and North Investor Ordinary Shares issued on subscription or on conversion or exchange of any loan advance to, or loan notes issued by, North, as contemplated by the Investment Agreement.

(e) *Transfers of shares*

No North Management Ordinary Share shall be transferred without an Investor Majority Consent (save to a Permitted Transferee or described below or in accordance with the Tag Along or Drag Along provisions described below).

Shares may be transferred by means of an instrument of transfer in usual or common form. No share may be transferred unless the transfer is made in accordance with the Articles. If a shareholder transfers or purports to transfer any share otherwise in any in accordance with the Articles he will be deemed immediately to have served a Transfer Notice in respect of all shares held by him.

Save for a transfer as described under "Permitted Transfers" below or pursuant to the Tag Along or Drag Along provisions described below, any transfer of shares shall be subject to the pre-emption rights contained in the Articles. A North shareholder who wishes to transfer shares (a "Seller") shall, before transferring or agreeing to transfer any shares give notice in writing (a "Transfer Notice") to North specifying:

- (i) the number of shares he wishes to transfer (the “Sale Shares”);
- (ii) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- (iii) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be fair value (as determined in accordance with the Articles) of the Sale Shares if no cash price is agreed between the Seller and the Board (including the Investor Directors));
- (iv) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold.

Except with an Investor Director Consent, no transfer notice, once given or deemed to have been given under the Articles may be withdrawn.

The Sale Shares will be offered in the following order of priority:

- (i) if the Sale Shares are North Management Ordinary Shares, first to any employee trust that the board may nominate and second to such persons as may be agreed between the seller and the Directors (with an Investor Director Consent) or, in the absence of such agreement, as directed by Investor Director Consent;
- (ii) if the Sale Shares are North Investor Ordinary Shares the Sale Shares shall be offered first to the holders of North Investor Ordinary Shares, second to any employee trust that the Directors may nominate and third to the holders of the North Management Ordinary Shares and the North Preference Shares; and
- (iii) if the Sale Shares are North Preference Shares the Sale Shares shall be offered first to the holders of the North Preference Shares and the holders of the North Investor Ordinary Shares and second to the holders of the North Management Ordinary Shares.

(f) *Permitted Transfers*

A shareholder may transfer all or any of his or its shares to a Permitted Transferee without restriction as to price or otherwise. For this purpose a “Permitted Transferee” means:

- (i) in relation to a shareholder who is an individual a spouse, civil partner, child or grandchild (including step or adopted or a illegitimate child and their issue) of such shareholder or the trustee or trustees of a family trust (as defined in the Articles) in relation to such shareholder;
- (ii) in relation to a shareholder which is an undertaking (a defined in Section 1161(1) of the Act) any member of the same group;
- (iii) in relation to a shareholder which is an investment fund, any member of the same fund group; and
- (iv) in relation to EPVCT:
 - (i) any member of the same group;
 - (ii) any member of the same fund group;
 - (ii) EIM or any entity the funds of which are managed by EIM;
 - (iv) any financial institution or institutional investor; or
 - (v) any nominee of any Edge Investor.

A transfer of shares approved by the Investor Majority may be made without restriction as to price or otherwise.

(g) *Compulsory Transfers - General*

A person entitled to a share in consequence of the bankruptcy of a shareholder shall be deemed to have given a Transfer Notice in respect of that share at any time determined by the Directors.

If a share remains registered in the name of a deceased shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased shareholder:

- (i) to effect a permitted transfer of such share: or
- (ii) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased shareholder.

If either of the above requirements are not fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of such share save to the extent that the Directors may otherwise determine.

If a shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant shareholder and all its Permitted Transferees shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant shareholder and its Permitted Transferees save to the extent that, and at the time, the Directors may determine.

(h) *Compulsory Transfer or Redemption – Employees*

If any Employee (being an individual who is employed by or who provides consultancy services to North or any of its subsidiaries) ceases to be an Employee the relevant Employee shall be deemed to have given a Transfer Notice in respect of all shares held by him or any of his Permitted Transferees and the Transfer Price shall be:

- (i) where the relevant Employee is a bad leaver (being a person who ceases to be an Employee at any time and who is not a good leaver) the lower of fair value (determined in accordance with the Articles) and the nominal value of the shares;
- (ii) where the relevant Employee is a good leaver (being a person who ceases to be an Employee by reason of death, sickness or disability, termination of employment or consultancy in circumstance which do not justify summary dismissal or whose dismissal is found by a court or tribunal of competent jurisdiction to be wrongful or constructive or the Directors, with an Investor Majority Consent, determine that he is a good leaver) the fair value determined in accordance with the Articles provided that in relation to any such shares which were acquired by such Employee within two years of his ceasing to be an Employee, the transfer price shall be the price at which he acquired the shares concerned.

If directed by Investor Majority the Company will not offer the relevant shares for sale but will (subject always to the provisions of the Act) redeem the Employee Shares at the price which would be the applicable transfer price.

(i) *Tag Along*

Except in the case of a permitted transfer or a transfer pursuant to the compulsory transfer provisions, if one or more proposed sellers propose to transfer in one or a series of transactions any North Investor Ordinary Shares and/or North Management Ordinary Shares which would, if put into effect, result in any proposed purchaser (and associates of his or persons acting in concert with him) acquiring a Controlling Interest in North or more than 50 per cent. of the North Investor Ordinary Shares, a proposed seller must before

making the proposed transfer procure that the proposed purchaser makes an offer to the other shareholders to acquire all of the North Investor Ordinary Shares and North Management Ordinary Shares for a consideration equal to the highest price per share offered or paid by the proposed purchaser in the proposed transfer or any related or previous transaction within the preceding twelve months provided that the price should be not less per share than the price per share which would have been payable on a return of capital or on the sale or winding up as described above.

(j) *Drag Along*

If the holders of 51 per cent. or more of the Investor Ordinary Shares (the "Selling Shareholders") wish to transfer all their interests in shares to a proposed purchaser the Selling Shareholders shall have the option to require all holders of other shares ("Called Shareholders") to sell and transfer all their shares to the proposed purchaser. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of their shares shall be that to which they would have been entitled if the total consideration proposed to be paid by the proposed purchaser for the whole of the issued share capital were distributed to the holders of all the shares in accordance with the provisions applying on a return of capital or a sale or winding up as described above.

(k) *Variation of Rights*

Whenever the share capital of North is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst North is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of more than 50 per cent. in nominal value of the issued shares of that class.

Unless approved by an Investor Majority Consent, the special rights attaching to the North Investor Ordinary Shares shall be deemed to be varied by the occurrence of any of the following events in relation to North or any of its subsidiaries:

- (a) the amendment, repeal or waiver of any provision of, or addition to its articles of association;
- (b) other than any redemption of North Preference Shares or North Management Ordinary Shares in accordance with the Articles or any issue or grant of options or New Securities as referred to under "New Issues of Shares" above, the alteration of its issued share capital or the creation, allotment or issue of any shares or any other security or the grant of any option or rights to subscribe for or to convert any instrument into such shares or securities or the waiver of any right to receive payment on any of its shares issued partly paid or the cancellation or the acceptance of the surrender of any such right to subscribe or convert;
- (c) the reduction of its share capital, share premium account or capital redemption reserve or the variation of the rights attaching to any class of shares or the redemption, purchase or other acquisition of any shares or other securities of that company;
- (d) the application by way of capitalisation of any sum in or towards paying up any shares or of any other security or of any amount standing to the credit of its share premium account or capital redemption reserve for any purpose;
- (e) the entry into, termination or variation of any material transaction with any shareholder;
- (f) the seeking or entry into, or divulgence of any financial information or other confidential information in relation to North or any of its subsidiaries, in respect of any proposed sale of the shares in North or a flotation;
- (g) the cessation of or the effecting of any material change in the nature of, its business or any of its businesses;

- (h) the incorporation of a new subsidiary undertaking or the acquisition of any share capital or other securities of any body corporate, or in the case of any subsidiary of North which is at any time dormant, the commencement of trading;
- (i) the establishment of any new branch, agency, trading establishment or business or the closure of any such branch, agency, trading establishment or business;
- (j) the capitalisation of any of its reserves or application of any amount for the time being standing to the credit of its share premium account or capital redemption reserve for any purpose;
- (k) the change of its accounting reference date;
- (l) the paying or declaration of any dividend or other distribution (as defined under sections 209, 418 and 419 ICTA) on account of shares in its capital other than the dividend payable on the North Preference Shares;
- (m) the creation of any mortgage or fixed or floating charge, lien or other encumbrance (other than licences of intellectual property rights entered into in the ordinary course of business) over the whole or any part of its undertaking, property or assets.
- (n) the establishment, variation, discontinuance, making of any payment in respect of, or the grant, exercise, cancellation or surrender of any right under, any pension scheme, share option scheme employee share scheme or any profit sharing or related scheme other than any grant of options permitted by the Articles;
- (o) the appointment of any committee of its board of directors or any change to the terms of reference of such a committee, or the grant of any power of attorney or other delegation of directors' powers; or
- (p) the taking of any steps to wind-up or obtain an administration order in respect of North or any of its subsidiaries.

Unless approved by an Investor Director Consent, the special rights attaching to the North Investor Ordinary Shares shall be deemed to be varied by the occurrence of any the following events in relation to North or any of its subsidiaries;

- (a) the amendment of any Business Plan or the adoption or amendment of a budget or the taking of any action materially inconsistent with them;
- (b) the disposal of, or the dilution of its interest in, (including by way of lease to a third party) but excluding licences of intellectual property rights entered into in the ordinary course of business:
 - (i) an asset having a book or market value greater than £50,000; or
 - (ii) any subsidiary;
- (c) save to the extent reflected in the then current budget, the incurrence of any capital expenditure in excess of £50,000 a year and in excess of £10,000 for any single item;
- (d) save to the extent reflected in the then current Budget, the entry into any contract or arrangement with any customer or supplier (whether or not in the ordinary course of business) where the aggregate revenue under that contract or arrangement would exceed £50,000 or the term of that contract or arrangement is in excess of 12 months;
- (e) the entry into, termination or variation of any liability limitation agreement (pursuant to the Act) or any similar arrangement with the auditors of North or any of its subsidiaries;

- (f) the making of any change to its bankers or the terms of the mandate given to such bankers in relation to its accounts(s) or the agreement to any alteration to any of the terms (other than of a minor nature) of any facilities provided by its bankers;
- (g) the making of any loan or advance to any person, firm, body corporate or other business in excess of £25,000, other than to another of North or any of its subsidiaries;
- (h) the making of any charitable contribution or making any political donation of any amount;
- (i) save pursuant to any loan or other finance facility previously approved by an Investor Director Consent, the factoring of any of its debts or incurring of borrowings (or indebtedness in the nature of borrowings other than normal trade credit) in excess of £50,000;
- (j) the appointment or removal of any director or (save in accordance with a decision of any remuneration committee and any audit committee established by the Company) any alteration (including increases in emoluments) to be made to service agreements and/or terms of employment and/or contracts for services from time to time of any employee or consultant earning a gross remuneration in excess of £65,000 a year (a "Senior Employee") or any director;
- (k) the appointment or removal of any Senior Employee or the alteration of (including increases in emoluments) any service agreement and/or terms of employment and/or contracts for services from time to time of any Senior Employee;
- (l) the making of any payment (whether gratuitous or in consideration of past or future services or in satisfaction of any existing liability or otherwise) to or for the direct or indirect benefit of any director or Senior Employee other than emoluments, expenses and other payments paid in accordance with his service agreement and/or terms of employment and/or contract for services from time to time or dividends lawfully paid in accordance with the Articles;
- (m) the commencement, discontinuance, settlement or compromise of any legal, arbitral or tribunal proceedings (in whatever capacity) which is or may be material, save for any application for an interim injunction or other application or action (including interim defence) which is urgently required in the best interests of North or the relevant subsidiary in circumstances in which it is not reasonably practicable to obtain prior consent;
- (n) the disposal of, or the dilution of its interest in, (including by way of lease to a third party) the whole or a significant part of its undertaking;
- (o) the entry into, termination or variation of any joint venture, partnership consortium or other similar arrangement involving an investment by North or any of its subsidiaries of £50,000 or more;
- (p) the making of any material change to the level, scope or extent of its insurance cover involving an increase or decrease in the level of its premiums of 25 per cent or more;
- (q) the changing of its accounting policies, unless the change is required by law or by virtue of a new statement of standard accounting practice or financial reporting standard which does not offer any discretion in its application to North and/or its subsidiaries;
- (r) other than in the ordinary and normal course of trading in respect of the obligations or liabilities of North or any of its subsidiaries, the giving of any guarantee or indemnity; and

- (s) the acquisition of any asset or contract to receive any services or the disposal of any asset or contract to provide any service otherwise in each case than on arms' length commercial terms.

Any issue of North Management Ordinary Shares which would result in more than 455,407 North Management Ordinary Shares being in issue shall constitute a variation of the rights attaching to the North Management Ordinary Shares.

APPENDIX V
RISK FACTORS RELATING TO THE NORTH SHARES

1. None of the North Shares will be listed on any stock exchange, nor is it the current intention to offer any trading facility for the North Shares.
2. Pursuant to the Articles, for so long as it holds 30 per cent. or more of the North Investor Ordinary Shares EPVCT will have the right to appoint a director of North. The holder of 30 per cent. or more of the North Investor Ordinary Shares (other than EPVCT) will have the right to appoint a director of North. Such directors are “Investor Directors”. The Articles provide for certain conventional rights of veto over certain corporate actions with the consent of an Investor Majority (being the holders of a majority of the North Investor Ordinary Shares) or an Investor Director Consent (being the consent of both Investor Directors or the consent of an Investor Majority).
3. North Shares are subject to conventional pre-emption rights on transfer which restricts the ability to transfer such shares.
4. The holders of North Shares will not enjoy any minority protections or other rights save for those rights reflected in Appendix IV or as described in the Offer Document and for those rights prescribed by applicable law.
5. The value of the North Shares will be uncertain since the North Shares are unlisted securities and there is no current expectation that they will be listed or admitted to trading on any recognised exchange or market for the trading of securities. It is therefore unlikely that there will be a market for North Shares. The North Shares are likely to carry a higher risk than shares quoted on a regulated stock market or stock exchange, as it is likely to be significantly more difficult for holders of North Shares to realise the value of their holdings in a company whose shares or other securities are not quoted on a regulated market.
6. Shareholders in North may be required in the future to sell their North Shares under the terms of a “drag along” provision in the articles of association of North. Under the “drag along” provision the holders of 51 per cent. of the North Investor Ordinary Shares wishing to sell such shares to a third party purchaser may require all other shareholders to sell their shares to the same purchaser.
7. Holders of North Shares will not be afforded the same level of protections and disclosure of information that they currently benefit from as Coolabi Shareholders as a company whose shares are traded on AIM.
8. The value of North and, hence, North Shares will be subject to the same sector and trading risks as are currently faced by Coolabi, including risks associated with the trading performance of the Coolabi Group.

APPENDIX VI DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

“Act” or “Companies Act”	the Companies Act 2006
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange (as amended)
“AIM”	AIM Market of the London Stock Exchange
“Announcement Date”	the date of this announcement
“Annual Report”	the annual report and accounts of Coolabi for the year ended 31 December 2010
“Authorisations”	material authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licenses, permissions and approvals
“Business Day”	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business (other than solely for trading and settlement in Euros) in the City of London
“City Code” or “Code”	the City Code on Takeovers and Mergers
“Conditions”	the conditions as set out in Appendix I to this announcement and a “Condition” shall mean any one of them
“Convertible Loan Notes”	the £562,114 7 per cent. convertible loan notes issued by Coolabi which are repayable on 17 June 2016. The convertible loan notes are convertible at a price of 6.75p per share
“Coolabi Directors”	the directors of Coolabi as at the date of this announcement
“Coolabi Group”	Coolabi, its subsidiaries and subsidiary undertaking
“Coolabi Management Directors” or “Executive Management”	Jeremy Banks, Tim Ricketts and William Harris
“Coolabi Share Options”	the 3,168,246 options over Coolabi Shares which have all been waived subject to the Offer becoming or being declared wholly unconditional
“Coolabi Share Option Scheme”	the share option scheme operated by Coolabi
“Coolabi Shareholders” or “Shareholders”	the holders of Coolabi Shares

“Coolabi Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 1 penny each in the capital of Coolabi and any further such ordinary shares which are unconditionally allotted or issued while the Offer remains open for acceptance or before such earlier date as North (subject to the City Code) may determine, not, unless the Panel so permits, being earlier than the date on which the Offer is declared unconditional as to acceptances or, if later, the first closing date of the Offer
“Coolabi” or the “Company”	Coolabi plc
“Daily Official List”	the Daily Official List of the London Stock Exchange
“EIM”	Edge Investment Management Limited
“Enlarged Group”	North and its subsidiaries from time to time
“EPVCT”	Edge Performance VCT plc
“Evolution Securities”	Evolution Securities Limited, financial adviser to Coolabi
“Executive Management Transactions”	the transactions to be undertaken pursuant to the Investment Agreement
“Existing Loan Notes”	means the £700,000 A series secured six per cent. Loan Notes 2016 of North and the £700,000 B series secured six per cent. Loan Notes 2016 of North, each constituted by separate loan note instruments dated 30 March 2010 (as amended and restated on 28 October 2011)
“Form of Acceptance”	the form of acceptance and authority to be issued in connection with the Offer and which will in the case of Shareholders who hold their Coolabi Shares in certificated form accompany the Offer Document
“FSA” or “Financial Services Authority”	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“General Meeting”	the general meeting of Coolabi to be convened in relation to the Offer
“HMRC”	HM Revenue & Customs
“Independent Directors”	Stuart Lindsay, Nicholas James and Linda James
“Independent Shareholders”	the shareholders of Coolabi other than EPVCT and the Coolabi Management Directors
“Investors”	means the holders of North Investor Ordinary Shares and, for so long as there are any North Preference Shares in issue, the holders of the North Preference Shares and for so long as there are any Existing Loan Notes in issue, the holders of Existing Loan Notes
“Investment Agreement”	the investment agreement between North, the Coolabi Management Directors and EPVCT dated on or around the Announcement Date

“IFRS”	International Financial Reporting Standards
“IRR”	Internal rate of return
“ITA”	Income Tax Act 2007
“Loan Facility”	the loan facility between North and EPVCT dated 28 October 2011
“London Stock Exchange”	London Stock Exchange plc
“Merchant Securities”	Merchant Securities Limited, financial adviser to North, a company incorporated in England and Wales with registered number 01825671 whose registered office is at 51 - 55 Gresham Street, London EC2V 7HQ and a firm regulated and authorised by the Financial Services Authority
“North”	North Promotions Limited, to be re-registered as a public limited company before the Offer is made
“North Directors”	the directors of North as at the date of this announcement
“North Management Ordinary Shares”	the 455,407 management ordinary shares of 0.13p each in the capital of North, which have the terms set out in Appendix IV
“North Investor Ordinary Shares”	The investor ordinary shares of 0.13p each in the capital of North, which have the terms set out in Appendix IV
“North Preference Shares”	the preference shares of 0.13p each in the capital of North, which have the terms set out in Appendix IV
“Share Alternative” or “North Share Alternative”	the share alternative to be made available to Coolabi Shareholders who accept the Offer details of which are set out in paragraph 3 of this announcement
“Non Disclosure Agreement”	the non disclosure agreement relating to the Offer dated 23 September 2011 between Coolabi, North, EPVCT and EIM whereby North, EPVCT and EIM committed to keep information provided by Coolabi confidential
“North Shares”	together, the North Preference Shares, the North Investor Ordinary Shares and the North Management Ordinary Shares
“Offer Document”	the document to be despatched on behalf of North to Coolabi Shareholders (other than Coolabi Shareholders in a Restricted Jurisdiction) containing the terms and conditions of the Offer and, where appropriate, any other document(s) containing terms and conditions of the Offer constituting the full terms and conditions of the Offer
“Offer Period”	the offer period (as defined by the Code) relating to Coolabi, which commenced on 9 August 2011
“Offer”	the recommended cash offer being made by North to acquire the whole of the issued and to be issued share capital of Coolabi not otherwise held by North on the terms and subject to the conditions to be set out in the Offer

	Document and in the case of Coolabi Shares held in certificated form, the Form of Acceptance, including, where the context requires, any subsequent revision, variation, extension or renewal of such offer
“Opening Position Disclosure”	has the same meaning given in Rule 8 of the Code
“Ordinary Resolution”	the ordinary resolution to be proposed at the Coolabi General Meeting in accordance with the requirements of the Code to approve certain arrangements between North and the Coolabi Management Directors
“Panel”	the Panel on Takeovers and Mergers
“Prospectus Rules”	the prospectus rules made by the Financial Services Authority
“Publicly Announced”	means fairly disclosed in any public announcement by Coolabi to any RIS or the Annual Report
“Registrar”	the Registrar of Companies in England and Wales
“Regulatory Information Service” or “RIS”	means a service approved by the London Stock Exchange for the distribution to the public of London Stock Exchange announcements and included within the list maintained on the London Stock Exchange’s website, www.londonstockexchange.com
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for North, any parties acting in concert with it, any of their respective directors or Coolabi if information or documentation concerning the Offer is sent or made available to Shareholders in that jurisdiction
“Share Alternative”	the share alternative to be made available to Coolabi Shareholders who accept the Offer details of which are set out in paragraph 3 of this announcement
“Third Party”	any central bank, government, governmental, quasi-governmental, supranational, statutory, regulatory or similar investigative body, trade agency, court, professional association or any other such body or person in any jurisdiction
“UKLA”	the UK Listing Authority, being the Financial Services Authority Limited acting in its capacity as the competent authority for the purposes of Part IV of the Financial Services and Markets Act 2000
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“US Person”	a US person as defined in Regulation S under the United States Securities Act of 1933, as amended
“Wider Coolabi Group”	Coolabi, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Coolabi and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the

voting or equity capital or the equivalent

For the purposes of this announcement, “**subsidiary**”, “**subsidiary undertaking**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the Act.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.