

**ANGLE plc ("ANGLE" or "the Company")  
Statement re possible offer - Termination of talks**

Further to the announcement made by Braveheart Investment Group plc ("Braveheart") on 11 July 2008 ("the Braveheart Announcement") and the subsequent announcement made by the Company on the same day, ANGLE sets out its response to the Braveheart Announcement below:

- Braveheart approached ANGLE last year with a possible offer, which was rejected. At that time, Braveheart was unable to convince the ANGLE Board that the relative valuations placed on the companies were appropriate or that there were synergies between the businesses that would add sufficient value.
- On 7 April 2008, the Company announced that it had received a possible offer of 60 pence for each ANGLE ordinary share and that the consideration would be satisfied in full by the issue of new ordinary shares in the acquiring company.
- On 9 April 2008, Braveheart announced that it was considering making a recommended offer for the entire issued and to be issued share capital of ANGLE, with non-binding letters of intent to support a recommended offer from certain institutional investors representing, according to Braveheart, 35.76 per cent of ANGLE's issued shares. The Board of ANGLE was aware, however, that other substantial shareholders were not in favour of the Braveheart possible offer and was obliged to consider the interests of shareholders as a whole.
- The Board of ANGLE noted that the approach was at a significant premium to the ANGLE share price but that the consideration would be entirely in new Braveheart shares. In subsequent discussions, Braveheart stated that a cash element to the possible offer was not available.
- Given the proposed premium and the views of certain of ANGLE's shareholders, this possible offer has received considerable attention from the ANGLE Board who fully recognise their responsibilities to all stakeholders, including that of maximising shareholder value.
- Braveheart shares, like those of ANGLE, are not very liquid and this has led the ANGLE Board to focus on how longer term value might be created. A key consideration was the ability of Braveheart to help release the potentially significant value inherent in the ANGLE portfolio of companies, which would otherwise accrue solely to the benefit of ANGLE's shareholders. In this regard, ANGLE noted that Braveheart's business consists principally of arranging third party investment syndicates in Scotland including private investors, Government and other co-investors to invest in, to date, predominantly Scottish companies in which Braveheart makes a small minority investment. ANGLE's business model centres around an international Management services business and a portfolio of companies, which it has founded and developed and in which it holds a controlling or substantial shareholding. These portfolio companies are based both in the USA, where the Board believes that Braveheart has no direct experience or capability, and in England.
- During the last financial year, ANGLE continued to invest in its portfolio companies, and including amounts received from third parties, 4.5 million was raised. In the present business climate, however, it is difficult to attract third party funding for developing technology companies and cash generation and conservation are important. As ANGLE has made clear to its shareholders in its recent results, it has been taking active steps to develop its portfolio companies so their calls on ANGLE's own funds are reduced. Significant progress has been made in this direction but the Board would, nonetheless, see value in a transaction which gave access to significant additional

funds for the existing ANGLE portfolio, in order to accelerate its development. The ANGLE Board believes, however, that its portfolio is progressing under its current funding arrangements.

- Braveheart has confirmed to ANGLE on a number of occasions that its existing cash resources would not be made available to any significant extent for investment into the ANGLE portfolio but that it would seek third party investment to provide this funding. The ANGLE Board believes that Braveheart has little or no experience of raising funding for companies based in the USA and is less able to leverage its partners for investments outside of Scotland. The ANGLE Board believes that the Enterprise Investment Scheme (EIS) and the facility provided by the Scottish co-investment funds that Braveheart has used in arranging deals in Scotland, would not be available for companies based in the USA.
- Given the poor performance of Braveheart's share price since its IPO in March 2007, and the ANGLE Board's doubts as to whether Braveheart's largely local, minority investment business approach would offer any benefits to ANGLE's international activities (including ANGLE's Management services business which would be entirely new to Braveheart), the ANGLE Board could see little merit in the possible offer unless Braveheart could convince the ANGLE Board that significant funding will be made available to accelerate the growth of the ANGLE portfolio sufficiently to compensate ANGLE shareholders for the dilutive effects of the possible offer. To that end, and contrary to the statement made in the Braveheart Announcement regarding the supply of information, ANGLE supplied Braveheart with detailed unpublished information on the ANGLE portfolio companies and its Management services business, and the ANGLE Board believes it has responded to all of Braveheart's information requests in relation to that information.
- The ANGLE Board has consistently and repeatedly sought written comfort from Braveheart that additional funding would be available to the ANGLE portfolio following completion of a Braveheart possible offer for ANGLE in order for the ANGLE Board to consider recommending the Braveheart possible offer to ANGLE shareholders. No comfort has been provided by Braveheart to date which is sufficient to provide the ANGLE Board with the level of certainty that it requires that such funding would be available.
- Notwithstanding the above, and in order to try to progress discussions, ANGLE indicated to Braveheart, initially on 13 June 2008, that it was prepared to enter into exclusivity with Braveheart on the condition that comfort on funding would be provided prior to a recommendation being sought from the ANGLE Board. This was made clear again to Braveheart in a letter sent on 1 July 2008, to which no response was received prior to the Braveheart Announcement on 11 July 2008.

Whilst the ANGLE share price performance has been very disappointing, the Company is profitable, cash generative at the operating level and, as a result of their maturing profile and due to management actions taken over the last 12 months, there is a reduced demand on ANGLE's cash for its portfolio companies.

- As announced on 10 July 2008, ANGLE reported pre-tax profits (before controlled investments) for the financial year ended 30 April 2008 of 3.4 million on sales of 3.9 million for the year ended 30 April 2008. As at 30 April 2008, Net Asset Value was 7.2 million, excluding the value of controlled investments, into which ANGLE has invested 3.7 million.
- As announced on 25 June 2008, Braveheart reported a pre-tax profit for the financial year ended 31 March 2008 of 0.1m on revenue of 0.7m. As at 31 March 2008, Net Asset Value was 7.3 million and Braveheart had no controlled investments.
- The ANGLE Board has continuing concerns with regard to relative valuations and the lack of synergy between its business and that of Braveheart. The ANGLE Board considers that there is little or no evidence to suggest that Braveheart can add

significant value to the ANGLE portfolio or contribute significantly to the Management services business.

After careful consideration of the issues and of the interests of ANGLE shareholders as a whole, the Board of ANGLE has unanimously concluded that the Braveheart possible offer is not in the interests of ANGLE shareholders as a whole. Accordingly, ANGLE is discontinuing all discussions with Braveheart and is looking forward to focusing its attention exclusively on running the ANGLE business and seeking to maximise shareholder value in these difficult market conditions.

This announcement is not being made with the agreement or approval of Braveheart.

18 July 2008

**Enquiries:**

**ANGLE plc**

Andrew Newland, Chief Executive

Ian Griffiths, Finance Director

**01483 295830**

**Collins Stewart Europe Limited**

Mark Connelly, Stewart Wallace

**0207 523 8350**

**Buchanan Communications**

Suzanne Brocks, James Strong

**0207 466 5000**

This information is provided by RNS  
The company news service from the London Stock Exchange

Alerts - from Hemscott, leading international provider of high quality business & financial data and investor relations services.