

4 August 2011

Tangent Communications plc
("Tangent" or the "Company")

POSTING OF ANNUAL REPORT AND ACCOUNTS

NOTICE OF AGM

**PROPOSED GRANT OF AUTHORITY TO BUY BACK SHARES
AND
PROPOSAL TO SHAREHOLDERS FOR THE
APPROVAL OF WAIVERS OF RULE 9 OF THE CITY CODE**

Tangent Communications plc (AIM: TNG) is a leading integrator of technology and marketing strategy, with industry leading digital print facilities.

The Company will today post to Shareholders the Company's Annual Report and Accounts for the year ended 28 February 2011 together with a circular containing a notice of the Annual General Meeting ("AGM") to be held at 9am on 30 August 2011 at the offices of Pinsent Masons LLP, 30 Crown Place, London, EC2A 4ES (the "Circular"). Contained within the Circular to be posted to Shareholders today are proposals regarding the grant of authority to buy back Shares and a proposal to Shareholders for the approval of Waivers of Rule 9 of the City Code on Takeovers and Mergers. The Company does not currently intend to implement a buy back programme and Shareholders should not assume that any such market purchase of Shares will necessarily take place.

A copy of the Company's Annual Report and Accounts for the year ended 28 February 2011 together with the Circular to Shareholders containing the notice of AGM (and the proxy forms for use by Shareholders) will shortly be available on the Company's website: www.tangentplc.com.

Terms used in this announcement have the same meaning as those defined in the documentation posted to Shareholders today.

Key Points

- Proposed grant of authority to buy back Shares
- Proposal to Shareholders for the approval of Waivers of Rule 9 of the City Code
- Latest time for receipt of Form of Proxy at 9am on 28 August 2011
- The AGM of the Company will be held at 9am on 30 August 2011

Introduction

In addition to the business usually conducted by the Company at its Annual General Meeting (namely, the adoption of our Annual Report and Accounts for the year ended 28 February 2011, the declaration of a final dividend for that year, the re-appointment of our auditors and a director who is retiring and is eligible for re-appointment in accordance with our Articles of Association, and the grant to the Directors of the authority to allot Shares on a non-pre-emptive basis), the Directors are proposing a resolution at the forthcoming AGM to allow the Company to buy back Shares.

The Company does not currently intend to implement a buy back programme and Shareholders should not assume that any such market purchase of Shares will necessarily take place.

Any share repurchase by the Company would increase the percentage shareholding of certain Shareholders (Michael Green, Nicholas Green and Timothy Green, together referred to as the "Concert Party"), that are together already interested in Shares carrying in aggregate over 30 per cent. of the Voting Rights. Therefore, the Circular contains a proposal for Independent Shareholders to waive the obligation on the Concert Party which would otherwise arise under Rule 9 of the City Code as a result of the possible exercise by the Company of the Buyback Authority.

Together with the proposed waiver of the Buyback Authority, the Company would like to take the opportunity to include a proposal for Independent Shareholders to waive the obligation on the Concert Party which would otherwise arise under Rule 9 of the City Code as a result of the possible exercise of options granted to Timothy Green and Nicholas Green in 2005, at the time when the Concert Party's percentage holding was above 50 per cent.

Proposal for grant of authority to buy back Shares

The Company had indicated at the time of the preliminary announcement in May 2011, that it may seek the approval of shareholders to grant the Company the ability to buy back its shares if the Board determines that the circumstances are appropriate.

The Board has decided that it would be appropriate to put in place the necessary authorities to provide the Company with the flexibility to repurchase a proportion of the Company's own shares by way of on-market share buy backs under certain circumstances. The Company does not currently have any authority to repurchase its own shares. The Board intends that share buy backs will only be executed when appropriate financial and stock market conditions prevail and when the Board determines that share purchases are in the best interests of the Company and its shareholders as a whole.

The Board is proposing that Shareholders authorise the Company to purchase in the market a maximum of 17,469,183 Shares, representing approximately 10 per cent. of the Company's current issued share capital as at 3 August 2011. The maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to 105 per cent. of the average of the middle market quotations for a Share as derived from the AIM section of the Daily Official List for the five business days immediately preceding the day on which Shares are to be purchased. The minimum price (exclusive of expenses) which may be paid for a Share is 1 pence (being the nominal value of a Share). It is proposed that the Buyback Authority will expire on the second anniversary of the date of passing Resolution 8, as set out in the Notice of AGM.

The Company does not currently have an intention to proceed with a buy back and Shareholders should not assume that any such market purchase of Shares will necessarily take place.

Proposals to Shareholders for the approval of Waivers of Rule 9 of the City Code on Takeovers and Mergers

Under Rule 9 of the City Code, when any person, together with any persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

The Company's largest Shareholder is Michael Green, who currently owns 30.4 per cent. of the Company. Additionally, Timothy Green, Tangent's Chief Executive Officer, and Nicholas Green, Executive Director (Michael Green's nephews) own, in aggregate, 3.2 per cent. of the Company. These persons, together referred to as the "Concert Party", are considered to be acting in concert for the purposes of the City Code and their aggregate shareholding is 58,538,464 Shares, representing approximately 33.6 per cent. of the current issued share capital of the Company.

Buyback Waiver

Any share repurchase by the Company, pursuant to the proposal above, would increase the percentage shareholding of Concert Party, that are together already interested in Shares carrying in aggregate over 30 per cent. of the Voting Rights.

The requirement for the Concert Party (collectively or individually) to make a general offer pursuant to Rule 9 that would otherwise result from the Company's exercise of the Buyback Authority in making market purchases of its Shares, can be waived subject to the approval of Independent Shareholders.

Therefore, the Circular contains a proposal for Independent Shareholders to waive the obligation on the Concert Party which would otherwise arise under Rule 9 of the City Code as a result of the possible exercise by the Company of the Buyback Authority.

Option Waiver

Together with the proposed waiver of the Buyback Authority, the Company would also like to take the opportunity to include a separate proposal for Independent Shareholders to waive the obligation on the Concert Party which would otherwise arise under Rule 9 of the City Code as a result of the possible exercise of options granted to Timothy Green and Nicholas Green in 2005.

Any exercise of the 2005 Options by Timothy Green and Nicholas Green, as members of the Concert Party, would, without the approval of the Option Waiver by Independent Shareholders at the AGM, trigger an obligation to make an offer for the Company under Rule 9.

Potential effect on shareholdings of Buyback Authority and Option Exercise

The following scenarios describe relevant holdings of the Concert Party, assuming that the Buyback Resolution and the Waiver Resolutions are duly passed, and that the maximum number of Shares were to be repurchased by the Company pursuant to the Buyback Authority and that such shares were cancelled.

- The Buyback Authority is exercised in full but there is no exercise of the 2005 Options. The Company's share capital would decrease to 157,222,652 Shares and the Concert Party's percentage holding would therefore increase to 37.2 per cent. from 33.6 per cent.
- Only the exercise of all the 2005 Options takes place. The Company's share capital would increase to 184,691,835 Shares. It is expected that the Concert Party's holding would therefore increase to 37.1 per cent. from 33.6 per cent.
- The Buyback Authority is exercised in full and the exercise of all the 2005 Options takes place. The Company's share capital would decrease to 167,222,62 Shares and the Concert Party's holding would therefore increase to 41.0 per cent. from 33.6 per cent.

The Circular contains the Independent Directors' recommendation that shareholders vote in favour of the resolutions to be proposed at the AGM which has been convened for 9am on 30 August 2011 at the offices of Pinsent Masons LLP, 30 Crown Place, London, EC2A 4ES. Copies of the Circular will be available for inspection at Pinsent Masons LLP, 30 Crown Place, London EC2A 4ES during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) up to and including 30 August 2011 and at the AGM to be held on that day.

About the Company: Tangent employs 230 people across four locations in London, Newcastle, Cheltenham and Melbourne and is traded on AIM (AIM: TNG). For more information please visit www.tangentplc.com

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