

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolutions to be voted on at an Extraordinary General Meeting of the Company to be held at 10.00 a.m. on 23 March 2007. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000.

Copies of this document will be available free of charge, for a period of one month from the date of this document, at the Company's registered office, the address of which is set out on page 5, during normal business hours (Saturdays, Sundays and public holidays excepted).

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the accompanying Form of Proxy for use in relation to the Extraordinary General Meeting as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your Ordinary Shares, you should consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the London Stock Exchange for the Placing Shares and the Consideration Shares to be admitted to trading on AIM. The Placing Shares and the Consideration Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing Ordinary Shares and for all dividends or other distributions declared, made or paid after Admission.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. This document provides you with information about the Placing and the Acquisition but does not invite you to participate therein. Collins Stewart Europe Limited has already separately contacted the investors who may participate in the Placing and does not solicit or accept any further subscriptions.

TANGENT COMMUNICATIONS PLC

(Incorporated and registered in England and Wales with registered number 3967805)

Truscott House, 32-42 East Road, London N1 6AD

Acquisition of Ravensworth Digital Services Limited

Placing of 46,615,385 Ordinary Shares

at 13 pence per share by

Collins Stewart Europe Limited

Nominated adviser and broker

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of the Company which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

Notice of an Extraordinary General Meeting of Tangent Communications PLC, to be held at 10.00 a.m. on 23 March 2007 at the offices of Rosenblatt Solicitors, 9-13 St Andrew Street, London EC4A 3AF, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the Extraordinary General Meeting should be completed and returned as soon as possible in accordance with the instructions on it and, in any event, so as to reach the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD by 10.00 a.m. on 21 March 2007. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in Tangent Communications PLC nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. This document does not constitute an offer to the public of transferable securities and so is not subject to the requirements or any legislation that implements the EU Prospectus Directive.

Collins Stewart Europe Limited which is authorised and regulated in the United Kingdom by the Financial Services Authority is acting as nominated adviser and broker to the Company in relation to the Placing and Admission and is not acting for any other persons in relation to the Acquisition, the Placing and Admission. Collins Stewart will not be responsible to anyone other than the Company for providing the protections afforded to clients of Collins Stewart, or for providing advice in relation to the contents of this document or any matter referred to in it. The responsibilities of Collins Stewart Europe Limited as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director, shareholder or any other person, in respect of his decision to acquire shares in the Company in reliance on any part of this document, or otherwise. Collins Stewart Europe Limited is not making any representation or warranty, express or implied, as to the contents of this document. Collins Stewart Europe Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Placing or any acquisition of shares in the Company.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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PLACING STATISTICS

Placing Price	13 pence
Number of existing issued Ordinary Shares prior to the Placing	111,780,007
Number of Placing Shares being placed on behalf of the Company	46,615,385
Estimated proceeds receivable by the Company, net of expenses ⁽¹⁾	£5,610,000
Number of Consideration Shares to be issued	3,396,443
Number of Ordinary Shares in issue following Second Admission	161,791,835
Placing Shares and Consideration Shares as a percentage of the Enlarged Share Capital	31 per cent.

Notes:

(1) Net proceeds are stated after the deduction of estimated total expenses of approximately £0.45 million

EXPECTED TIMETABLE OF EVENTS

	<i>2007</i>
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 21 March
Extraordinary General Meeting	10.00 a.m. on 23 March
First Admission: Admission and dealings in the First Placing Shares expected to commence on AIM	8.00 a.m. on 26 March
Second Admission: Admission and dealings in the Second Placing Shares and Consideration Shares expected to commence on AIM	8.00 a.m. on 27 March
Completion	27 March
Delivery in CREST of First Placing Shares to be held in uncertificated form	26 March
Despatch of definitive share certificates for First Placing Shares to be held in certificated form (if appropriate)	by 2 April
Delivery in CREST of Second Placing Shares and Consideration Shares to be held in uncertificated form	27 March
Despatch of definitive share certificates for Second Placing Shares and Consideration Shares to be held in certificated form (if appropriate)	by 3 April

Notes:

1. Each of the times and dates above are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service

DEFINITIONS

The following definitions apply throughout this document and the Form of Proxy, unless the context requires otherwise:

“Acquisition”	the proposed acquisition by Tangent of the entire issued share capital of Ravensworth, pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement dated 26 February 2007 between Tangent and the Selling Shareholders relating to the Acquisition
“Act”	the Companies Act 1985, as amended
“Admission”	where the context requires, (i) in the case of the First Placing Shares, the First Admission and (ii) in the case of the Second Placing Shares, the Second Admission
“AIM”	the AIM market of the London Stock Exchange
“AIM Rules for Companies”	the rules of the London Stock Exchange which govern the admission to trading on and operation of AIM
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers issued by the London Stock Exchange
“Board” or “Directors”	the board of directors of Tangent, namely Piers Caldecote, Nicholas Green, Timothy Green and Graeme Harris
“CAC”	Cotation Assistée en Continu
“certificated form” or “in certificated form”	an Ordinary Share recorded on the Company’s share register as being held in certificated form (namely, not in CREST)
“Collins Stewart”	Collins Stewart Europe Limited, the Company’s nominated adviser, broker and placing agent
“Completion”	completion of the Acquisition
“Concert Party”	Michael Green, Tangent Industries Limited, Nicholas Green, Timothy Green and Paul Murray
“Consideration Shares”	3,396,443 new Ordinary Shares which are to be issued to the Selling Shareholders in connection with the Acquisition Agreement
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which CRESTCo is the operator (as defined in those regulations)
“CRESTCo”	CRESTCo Limited, the operator of CREST
“EIS”	the Enterprise Investment Scheme pursuant to the provisions of Chapter III Part VII ICTA
“Enlarged Group”	the Group as enlarged by the Acquisition
“Enlarged Share Capital”	the Existing Shares, the Placing Shares and the Consideration Shares
“Existing Shares”	the 111,780,007 Ordinary Shares in existence prior to the Placing
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 10.00 a.m. on 23 March 2007 (or any adjournment thereof) notice of which is set out at the end of this document
“First Admission”	admission of the First Placing Shares to AIM becoming effective in accordance with the AIM Rules for Companies
“First Placing”	the placing of the First Placing Shares by Collins Stewart on behalf of the Company, at the Placing Price as described in this document
“First Placing Shares”	27,538,467 new Ordinary Shares which are to be conditionally placed for cash in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional, <i>inter alia</i> , on the approval of Shareholders at the EGM
“Form of Proxy”	the accompanying form of proxy for use by Shareholders in relation to the EGM

“Group”	Tangent and its subsidiary undertakings
“ICTA”	the Income and Corporation Taxes Act 1988
“Individual Sellers”	the Selling Shareholders other than the Trustee Sellers
“London Stock Exchange”	London Stock Exchange plc
“Notice of EGM”	the notice of EGM, set out at the end of this document
“Ordinary Shares”	ordinary shares in the capital of Tangent having a nominal value of 1 pence each
“Placing”	the proposed placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the agreement dated 26 February 2007 made between the Company (1) and Collins Stewart (2) pursuant to which the Placing Shares will be conditionally placed at the Placing Price
“Placing Price”	13 pence per Placing Share
“Placing Shares”	the First Placing Shares and the Second Placing Shares
“Ravensworth”	Ravensworth Digital Services Limited
“Ravensworth Management”	Kevin Cameron, Ian Gordon and Suzanne Pattison
“Resolutions”	the resolutions numbered 1 to 3 set out in the Notice of EGM
“Second Admission”	admission of the Second Placing Shares and the Consideration Shares to AIM becoming effective in accordance with the AIM Rules for Companies
“Second Placing”	the placing of the Second Placing Shares by Collins Stewart on behalf of the Company, at the Placing Price as described in this document
“Second Placing Shares”	19,076,918 new Ordinary Shares which are to be conditionally placed for cash in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional, <i>inter alia</i> , on the approval of Shareholders at the EGM
“Selling Shareholders”	the shareholders of Ravensworth, namely Paul McKie, Joseph Percy, Kevin Cameron, Ian Gordon, Suzanne Pattison and the Trustee Sellers
“Shareholder”	a holder of Ordinary Shares
“Tangent” or “the Company”	Tangent Communications PLC
“Tangent Labs”	Tangent Labs Limited, formerly C360 UK Limited, a fully owned subsidiary of Tangent
“Trustee Sellers”	Joseph Percy, Kevin Cameron and Robert Phillips (as trustees for the Joseph Percy 1997 discretionary settlement the beneficiaries of which are Daniel Percy and Dean Brian Percy)
“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on the Company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST
“VCT”	a Venture Capital Trust pursuant to the provisions of section 842AA ICTA

LETTER FROM THE CHAIRMAN OF TANGENT COMMUNICATIONS PLC

(Incorporated in England and Wales under the Companies Act 1985 with Registered No. 3967805)

Directors:

Piers Caldecote, *Non-Executive Chairman*
Nicholas Green, *Joint Chief Executive*
Timothy Green, *Joint Chief Executive*
Graeme Harris, *Finance Director*

Registered Office:

Truscott House
32-42 East Road
London
N1 6AD

26 February 2007

To the holders of Ordinary Shares ("Shareholders") and, for information only, holders of options under the Company's share option schemes

Dear Shareholder

The Acquisition, Placing of 46,615,385 Placing Shares at 13 pence per Placing Share and Notice of Extraordinary General Meeting

1. Introduction

Tangent today announced that it has entered into the Acquisition Agreement for the acquisition of the entire issued share capital of Ravensworth for a maximum consideration of £5.85 million payable in cash and shares (the "Acquisition"). The Acquisition is to be principally funded by way of a Placing for cash to institutional and other investors of 46,615,385 million Placing Shares at a Placing Price of 13 pence per Placing Share raising gross proceeds of approximately £6.06 million.

Approximately £5.41 million of the proceeds of the Placing are to be used to satisfy the cash consideration pursuant to the Acquisition Agreement, with the balance of the consideration being satisfied by the issue of 3,396,443 Consideration Shares (having a value of approximately £0.44 million at the Placing Price) to the Selling Shareholders. No deferred or contingent consideration is to be paid as part of the Acquisition.

The balance of the proceeds of approximately £0.65 million will be used to fund fees and expenses of approximately £0.45 million incurred in connection with the Acquisition and the Placing and for general working capital requirements.

The Acquisition Agreement and the Placing are conditional on, *inter alia*, the passing of the Resolutions and Admission. Further details of the Acquisition Agreement and the Placing Agreement are set out in paragraphs 5 and 6 below.

The purpose of this document is to explain the background to and reasons for the Acquisition and the Placing, to explain why the Board considers the Acquisition and the Placing to be in the best interests of the Company and its Shareholders and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.

2. Background

Strategic Rationale for the Acquisition

Tangent has identified Ravensworth as being of a highly complementary fit with Tangent's existing business. The Directors believe that the potential exists to extract sizeable operational and revenue synergies from the combination of the two businesses.

The Directors believe that the Acquisition will provide the following ongoing strategic benefits:

- the opportunity to supply Tangent's direct mail service expertise to Ravensworth's customer base;
- a customer base for Tangent Labs to cross-sell into, with 20 potential clients already identified; and
- access to a lower cost production centre through Ravensworth's modern facilities based in Newcastle, which has capacity for further growth.

Ravensworth is profitable on a stand alone basis and the Directors believe that the Acquisition will be earnings enhancing in its first year⁽¹⁾.

Piers Caldecote, Nicholas Green, Timothy Green, Paul Murray and Michael Green shall invest a total of £690,000 in the Placing in support of the Acquisition.

Note

(1) This statement should not be interpreted to mean the future earnings per share of Tangent, following completion of the Acquisition and the Placing, would necessarily match or exceed the historical earnings per share of Tangent.

Information on Tangent

Tangent is a direct marketing business which utilises proprietary technology to create direct marketing programmes for clients including Lane Fox, J Sainsbury plc, SAP AG and Greene King PLC. Its principal proprietary technology platforms are Toolkit and TaoBase.

Toolkit is Tangent's technology platform for delivering targeted local point of sale material for the retail community. Multi-location retailers recognise that their outlets have different customer profiles, but also recognise the importance of maintaining their brand integrity. Tangent's Toolkit system allows local retail managers to select appropriate marketing material from customisable templates which they access via a Tangent hosted website. The template allows local flexibility while the pre-determined fields ensure that marketing material complies with centrally determined brand guidelines. On a website hosted by Tangent, digital files are proofed, ordered and transferred directly to digital presses where printed material is produced and despatched.

TaoBase is a database solution developed specifically for marketers. With the ability to accept data sent from a variety of sources from web to keyed-in files, TaoBase creates rich content output in any channel, including websites, email, print and mobile, with a single reporting engine covering all applications. TaoBase enables easy re-purposing of assets and content across different output channels as well as providing accurate return on investment tracking at every level of a campaign.

Information on Ravensworth

Ravensworth is a digital marketing business based in Newcastle, serving the property sector. Ravensworth was founded in 1989, and has approximately 60 employees.

Ravensworth is a leading provider of outsourced digital services for estate agents in the UK, with clients of Ravensworth representing 20 per cent. of UK estate agency branches. Ravensworth has a track record of generating profits, and has approximately 2,500 clients who utilise a web based ordering system to generate bespoke marketing material. Clients include the larger national networks Halifax and Countrywide, and independent agents. Ravensworth has a broad client base and no single client represents more than 5 per cent. of turnover.

In 2006 Ravensworth won the British Print Industry Federation's excellence award for 'Best Use of Digital Print.' Summary financials for Ravensworth are included below:

<i>Financial year ended 31 December</i>	<i>Audited</i> <i>2004</i> <i>£000</i>	<i>Audited</i> <i>2005</i> <i>£000</i>	<i>Unaudited</i> <i>2006</i> <i>£000</i>
Turnover	5,861	5,924	6,936
Operating profit ⁽¹⁾	808	484	1,129
Operating margin	14%	8%	16%
Net assets	164	154	657

Notes

(1) before intra-group write off and excluding remuneration of retiring directors

Source: Ravensworth audited and management accounts

In the financial year ended 31 December 2005, Ravensworth's profitability was reduced, following increased costs and disruption resulting from the business moving its premises during the year. The

financial year ended 31 December 2006, showed increased profitability, with an increase in turnover of 17 per cent. and an increase in operating margins to 16 per cent.

In recent years, the Ravensworth Management, which comprises Kevin Cameron (Finance and Commercial Director), Ian Gordon (Operations Director) and Suzanne Pattison (Sales Director), has had effective day to day control of the business. They have all worked together for over ten years, were appointed to Ravensworth's board in January 2003 and are remaining with the business following the Acquisition. They each currently own 5 per cent. of the issued share capital of Ravensworth and, pursuant to the Acquisition Agreement, they have agreed to receive approximately 31% of their total consideration in Ordinary Shares.

The decision to receive a significant proportion of the consideration in Ordinary Shares reflects the Ravensworth Management's commitment to working within the Enlarged Group in order to help grow the business. Each member of the Ravensworth Management has agreed not to dispose of their Ordinary Shares for a period of two years. Details of the lock-up arrangements are set out in paragraph 7 of this letter.

Two directors of Ravensworth, Paul McKie (non-executive chairman) and Joseph Percy (managing director), who together hold 85% of the issued share capital of Ravensworth, will retire from the business at Completion.

Successful history of integrating transactions

Tangent Communications PLC was formed through the reverse take-over of Documedia Solutions PLC by Tangent Communications Limited, a provider of creative digital print services utilising leading edge technology. The rationale for the transaction was to combine two complementary businesses to form a marketing services company with a diversified client base, deriving significant operational synergies. The enlarged group was readmitted to trading on AIM on 12 July 2005.

Following the reverse take-over described above, the Directors successfully reduced the enlarged group's costbase by consolidating the two London sites into one centre and renegotiating supplier contracts. Further, the Directors were able to cross-sell different services into the combined client base and utilise the Group's larger size to bid for larger contracts. As a result, supported by growth at the top line, with sales for the half year ended 31 August 2006 up 36 per cent. year on year, Tangent's operating profit margins (before amortisation and exceptional items) have steadily increased from -1.6 per cent. for the financial year ended 28 February 2005 to 13.2 per cent for the half year ended 31 August 2006.

On 11 July 2006, Tangent announced the acquisition of a marketing technology company, C360 UK Limited, for a maximum consideration of £4.5m, in cash and shares. C360 UK Limited was rebranded Tangent Labs, which operates in high growth markets including data hosting, website design and database construction for clients including HarperCollins, SAP and the Labour Party.

This acquisition has resulted in several new business wins where Tangent Labs has successfully sold its services into Tangent's existing customer base, thus generating incremental revenues at attractive margins, with the revenue run rate more than doubling between the six months following the acquisition and the six months preceding the acquisition.

As part of the consideration for the acquisition of Tangent Labs up to 12.5 million Ordinary Shares are to be issued as deferred consideration, subject to performance criteria, in each of the years ending on 11 July 2007, 11 July 2008 and 11 July 2009. The Directors currently expect that the first deferred payment, for the year ending the 11 July 2007, of 4.17 million Ordinary Shares is likely to be issued under this acquisition agreement.

Ongoing Strategy

Following Completion, the Enlarged Group will benefit from a growing commercial and web technology team in London with work flowing to a modern digital production facility in the lower cost environment in Newcastle. In addition, Tangent will be able to provide a broader service offering to existing clients.

Ravensworth will benefit from the increased product offering which Tangent possesses (direct mail and technology via Tangent Labs) and the Directors aim to continue to build on the momentum of 2006 which saw a 17% increase in sales over the financial year ended 31 December 2005. In addition significant operational synergies to the Enlarged Group should arise from the acquisition of Ravensworth over the first twelve months together with broader opportunities, such as the provision of home information packs.

The Directors believe that the Acquisition will position the Enlarged Group to implement Tangent's progressive acquisition strategy.

Proposed addition to the Board

Following Completion, Paul Murray will join Tangent as a non-executive director. Paul Murray currently owns 2,155,767 Ordinary Shares and shall subscribe for a further 769,231 Ordinary Shares in the Placing. Paul Murray is currently a senior non-executive director of Taylor Nelson Sofres PLC and a non-executive director of Thompson S.A., a CAC 40 company in France.

It is not envisaged that any further changes will be made to the Board at this time.

3. Current Trading

Current trading for Tangent is in line with management expectations. The integration of Tangent Labs was achieved quickly and it continues to make a positive contribution to the Group. Tangent has announced recent new business wins, including with the Wolseley Group and increased revenue from new products with Greene King.

4. Use of proceeds of the Placing

As stated above the Company intends to use the approximately £6.06 million gross proceeds of the Placing to:

- satisfy the cash part of the consideration for the Acquisition, being approximately £5.41 million; and
- cover fees and expenses incurred in connection with the Acquisition and to provide for general working capital requirements for the Enlarged Group.

5. Summary Terms of the Acquisition Agreement

Under the Acquisition Agreement, the Company has conditionally agreed to pay the Selling Shareholders an aggregate consideration of £5.85 million to be satisfied by:

- (a) the payment of approximately £5.41 million in cash; and
- (b) the allotment and issue to the Selling Shareholders of the Consideration Shares at the Placing Price.

The Consideration Shares are valued at approximately £0.44 million at the Placing Price and will represent 2 per cent. of the issued share capital of the Company at Completion. The Consideration Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Shares, including rights to dividends. The Acquisition Agreement provides for an adjustment to the Consideration on a £ for £ basis if Ravensworth's balance sheet at Completion contains net assets of less than £600,000 and/or net debt of more than £850,000.

The Acquisition is conditional on:

1. the approval of the Resolutions by the Shareholders at the EGM;
2. Admission occurring in respect of the Placing Shares and the Consideration Shares; and
3. the Placing Agreement having been entered into and having become unconditional in all respects (other than any condition relating to the Acquisition Agreement being completed in escrow).

The Company has a right to terminate the Acquisition Agreement if, *inter alia*, a material adverse change occurs in respect of Ravensworth prior to Completion.

Under the terms of the Acquisition Agreement, the Individual Sellers have (on a joint and several basis) given certain customary warranties as to the assets, liabilities and business of Ravensworth as well as a customary indemnity in relation to the tax affairs of Ravensworth. The liability of the Individual Sellers under the warranties (other than taxation) expires eighteen months following Completion and seven years from Completion in relation to warranties relating to taxation. The liability of the Individual Sellers in respect of warranty claims is subject to certain limitations, including an aggregate maximum liability equal to the total cash consideration actually paid under the Acquisition Agreement and *de minimis* provisions. There is an aggregate claim threshold of £150,000. If such threshold is reached, then the Individual Sellers are liable for the whole of the aggregate amount of the claims under such warranties and not merely the excess.

The Individual Sellers have, under the Acquisition Agreement, provided, *inter alia*, non-competition and non-solicitation covenants that they will not compete with the business of the Group or solicit certain of its suppliers, customers or employees for a period of three years following Completion.

6. Details of the Placing

The Company proposes to raise approximately £5.61 million (net of expenses) through the issue of the Placing Shares at the Placing Price by way of a placing to institutional and other shareholders. The Placing Price represents a discount of 2 per cent. to the closing middle market price of 13.25 pence on 23 February 2007, being the last practicable date prior to this document. The Placing Shares will represent 28.8 per cent. of the Company's issued share capital immediately following Admission.

The Placing is being made on a non pre-emptive basis as the time and costs associated with a pre-emptive offer resulting from the introduction of the EU Prospectus Rules (which came into force on 1 July 2005) are considered by the Directors to be excessive. The making of a pre-emptive offer would require the production of a prospectus which would have to comply with the Prospectus Rules and be pre-vetted and approved by the Financial Services Authority.

The Placing Shares will rank *pari passu* with the existing Ordinary Shares and will rank in full for any dividends and distributions paid or made in respect of the Ordinary Shares. It is expected that definitive evidence of title to the Placing Shares will be delivered under CREST on the date of their Admission where delivery is requested in uncertified form, or by first class post not later than 14 days after such date where delivery is requested in certificated form. No temporary documents of title will be issued.

Application will be made for the Placing Shares and the Consideration Shares to be admitted to trading on AIM. It is expected that dealings in the First Placing Shares will commence on AIM on 26 March 2007. It is expected that dealings in the Second Placing Shares and the Consideration Shares will commence on AIM on 27 March 2007.

In order to fall within the requirements of VCT and EIS, the Placing will be in two tranches. The First Placing Shares will be offered to those investors who may seek relief under the VCT and EIS legislation and the Second Placing Shares will be offered to non-EIS investors, VCTs investing funds raised prior to 6 April 2006 and to other investors who will not be seeking relief under the VCT and EIS legislation.

It should be noted that the First Placing is not conditional upon the Second Placing and it is therefore possible that the First Placing may occur but the Second Placing and Completion do not.

The Placing Agreement

Under the Placing Agreement, Collins Stewart has agreed to act as broker to the Company and conditional on, *inter alia*, in relation to the First Placing, First Admission taking place not later than 2 April 2007 and in relation to the Second Placing, Second Admission taking place not later than 3 April 2007, or in each case such later date as Collins Stewart and the Company may agree, but not later than 6 April 2007, as its agent and has conditionally agreed to procure placees to acquire the Placing Shares at the Placing price, failing which it will as principal acquire any such Ordinary Shares for which placees have not been procured.

The Placing Agreement is conditional upon, *inter alia*, the satisfaction of the following conditions:

- (a) the passing of the Resolutions to be passed at the EGM;
- (b) the Acquisition Agreement becoming unconditional in all respects except as regards (i) any condition relating to Admission;
- (c) First Admission taking place not later than 2 April 2007 and in relation to the Second Placing, Second Admission taking place not later than 3 April 2007;
- (d) there being no material breach of warranty in the Placing Agreement prior to (i) First Admission in respect of the First Placing and (ii) in respect of the Second Placing, the period prior to Second Admission; and
- (e) the performance by the Company of its obligations under the Placing Agreement in all material respects prior to Admission.

Under the Placing Agreement the Company has agreed to pay Collins Stewart:

- (a) a corporate finance fee of £50,000;

- (b) a commission of 4 per cent. on the value at the Placing Price of the Placing Shares; and
- (c) all other costs and expenses of Collins Stewart incurred in connection with the Placing and Admission.

7. Lock-up arrangements

Each of Paul McKie and Joseph Percy has undertaken to the Company that he will not, without the prior written consent of the Company (save in limited circumstances), dispose or agree to dispose of the Consideration Shares registered in his name or beneficially owned by him for a period of one year from the date that the Consideration Shares are allotted and issued to him and each has agreed for a period of three years following Completion that the Company will, in order to ensure an orderly market in the Ordinary Shares, be entitled to require any disposal of any of the Consideration Shares or interest therein to be carried out by the then broker of the Company.

Each of Kevin James Cameron, Ian Gordon, Suzanne Pattison and the Trustee Sellers has undertaken to the Company that he or she will not, without the prior written consent of the Company (save in limited circumstances) dispose or agree to dispose of the Consideration Shares registered in his or her name or beneficially owned by him or her for a period of two years from the date the Consideration Shares are allotted and issued to them and each has agreed for a period of three years following Completion that the Company will, in order to ensure an orderly market in the Ordinary Shares, be entitled to require any disposal of any of the Consideration Shares or interest therein to be carried out by the then broker of the Company.

8. Majority shareholders

Michael Green currently owns approximately 45 per cent. of Tangent and Nicholas Green and Timothy Green, the joint Chief Executives of Tangent own approximately 4 per cent. in aggregate. As part of the Placing, Michael Green, Nicholas Green, Timothy Green, Piers Caldecote and Paul Murray shall subscribe for Ordinary Shares at the Placing Price, further details are provided below.

	<i>Prior to the Placing</i>		<i>Following the Placing⁽²⁾</i>	
	<i>Current Ordinary Shares held</i>	<i>Percentage of current issued share capital</i>	<i>Ordinary Shares subscribed in the Placing</i>	<i>Percentage of enlarged issued share capital</i>
Michael Green	50,000,000	44.7%	3,076,924.00 ⁽¹⁾	32.8
Nicholas Green	2,500,000	2.2%	230,770.00	1.7
Timothy Green	2,500,000	2.2%	230,770.00	1.7
Piers Caldecote	—	—	1,000,000.00	0.6
Paul Murray	2,155,767	1.9%	769,231.00	1.8

(1) Participation will be through Tangent Industries Limited, a vehicle indirectly held and wholly owned by Michael Green and his dependents.

(2) Assuming subscription in the Placing.

The Panel on Takeovers and Mergers has confirmed that the Concert Party, or its individual members, will be able to subscribe for Placing Shares such that the resultant aggregate percentage interest of the Concert Party in the Ordinary Shares, following the completion of the Acquisition and Placing, will not exceed the Concert Party's current percentage interest in the shares of the Company without triggering an obligation under Rule 9 of the City Code on Takeovers and Mergers.

9. Long Term Incentive Plan

The Company proposes to put in place a performance based Long Term Incentive Plan ("LTIP") in order to further align management and shareholder interests through long term value creation. Any such grant under this proposed LTIP will be conditional on the prior approval of independent Shareholders at a general meeting and the grant of a waiver under Rule 9 of the City Code on Takeovers and Mergers from the Panel on Takeovers and Mergers.

Pursuant to the proposed LTIP, option grants to the executive Directors are proposed at an intrinsic value equal to 50 per cent. of each executive Director's basic annual salary, subject to performance criteria based on total shareholder return performance of the Ordinary Shares. It is expected that this will be repeated annually.

10. Enterprise Investment Scheme (“EIS”) and Venture Capital Trust (“VCT”)

First Placing Shares

The Company has received assurance from the HM Revenue and Customs (“HMRC”) that the First Placing Shares will rank as a qualifying investment for the purposes of EIS and will represent qualifying investments for the purposes of VCT. The availability of tax relief will depend, *inter alia*, upon the investor and the Company satisfying various qualifying conditions, normally for a period of not less than three years. The Company cannot guarantee to conduct its activities in such a way as to maintain its status as a qualifying EIS or VCT investment but the Directors intend, as far as possible, to do so.

Second Placing Shares

The Company has received assurance from HMRC that the Second Placing Shares will represent qualifying investments for the purposes of those VCTs investing funds which were raised prior to 6 April 2006. However, the Second Placing Shares will not rank as qualifying investments for the purposes of EIS or for VCTs which raised funds after 5 April 2006.

Investors considering taking advantage of EIS relief or making a qualifying VCT investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances.

Any Shareholder who is in any doubt as to his taxation position under the EIS and VCT legislation should consult an appropriate professional adviser.

11. Admission and dealings

Application will be made to the London Stock Exchange for the Placing Shares and the Consideration Shares to be admitted to trading on AIM. The Placing Shares and the Consideration Shares will, when issued, rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that Admission of the First Placing Shares will become effective and that dealings will commence on 26 March 2007 and Admission of the Second Placing Shares and the Consideration Shares will become effective and that dealings will commence on 27 March 2007.

12. Extraordinary General Meeting

You will find at the end of this document a notice of the EGM, to be held at 10.00 a.m. on 23 March 2007 at the offices of Rosenblatt Solicitors, 9-13 St Andrew Street, London EC4A 3AF at which the following Resolutions will be proposed for implementing the Placing:

1. to increase the authorised share capital of the Company from £1,426,700 to £2,250,000 by the creation of 82,330,000 additional Ordinary Shares;
2. to authorise the Directors to allot relevant securities pursuant to Section 80 of the Act up to an aggregate nominal amount of £500,118.28 in connection with the Placing and the Acquisition, which represents approximately 45 per cent. of the current issued share capital of the Company;
3. in addition to the authority referred to above, to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £539,306.12, which represents approximately 33 per cent. of the issued share capital of the Company assuming completion of the Placing for the period expiring on 22 March 2012; and
4. to disapply the statutory pre-emption rights contained in Section 89(1) of the Act, provided that such authority shall be limited to, *inter alia*, the allotment of equity securities in connection with the Placing and otherwise the allotment of equity securities up to an aggregate nominal amount of £80,895.92 (representing 5 per cent. of the enlarged issued share capital of the Company).

The Resolutions referred to in paragraphs 2 and 3 above will give the Directors the power to allot new Ordinary Shares in connection with the Acquisition and the Placing.

The provisions of Section 89(1) of the Act (to the extent not disapplied pursuant to Section 95 of the Act) confer on Shareholders rights of pre-emption in respect of the allotment of equity securities (as defined in Section 94(2) of the Act) which are, or are to be, paid up in cash.

Resolution 3 is proposed to empower the directors pursuant to Section 95 of the Act to allot equity securities of the Company as if Section 89(1) did not apply to any such allotment but in limited circumstances only, including the allotment of shares in connection with the Placing.

13. Action to be taken

You will find enclosed the Form of Proxy for use in relation to the EGM. Whether or not you intend to be present in person at the EGM, you are requested to complete, sign and return the Form of Proxy by post or by hand to Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD as soon as possible but in any event so as to arrive by not later than 10.00 a.m. on 21 March 2007. Completion and return of a Form of Proxy will not preclude you from attending the EGM and voting in person should you so wish.

14. Recommendation

The Directors consider that the Acquisition and the Placing are in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of all of the Resolutions to be proposed at the Extraordinary General Meeting as they intend to do in respect of their own beneficial holdings which in aggregate amount to 5,500,000 Ordinary Shares, representing 4.9 per cent. of the Company's current issued ordinary share capital.

Yours faithfully

Piers Caldecote
Non-Executive Chairman

TANGENT COMMUNICATIONS PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Tangent Communications PLC (the "Company") will be held at the offices of Rosenblatt Solicitors, 9-13 St Andrew Street, London EC4A 3AF at 10.00 a.m. on 23 March 2007 for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed in the case of Resolutions 1 and 2 as ordinary resolutions and in the case of Resolution 3 as a special resolution:

ORDINARY RESOLUTIONS

1. THAT subject to and conditional upon First Admission (as such term is defined in the circular to be issued by the Company to its shareholders on 26 February 2007 (the "Circular")), the authorised share capital of the Company be increased from £1,426,700 to £2,250,000 by the creation of 82,330,000 Ordinary Shares of 1p each;
2. THAT, subject to and conditional upon Resolution 1 having been passed and subject to and conditional upon First Admission, for the purposes of Section 80 of the Companies Act 1985 (the "Act"), and in substitution for all powers and authorities granted to the Directors, the Directors be and they are hereby generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 90(2) of the Act):
 - (i) up to an aggregate nominal amount of £500,118.28 in connection with the Placing and the Acquisition (as such terms are defined and described in the Circular);
 - (ii) otherwise than pursuant to paragraph (i) above up to an aggregate nominal amount of £539,306.12

provided that this authority shall expire on 22 March 2012, unless renewed, varied or revoked by the Company in general meeting before such expiry, except that the Company may at any time before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

3. THAT subject to and conditional upon Resolutions 1 and 2 having been passed and subject to and conditional upon First Admission, in substitution for all powers previously granted to the Directors, the Directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) of the Company for cash pursuant to the authority conferred by Resolution 2 above (as varied from time to time by the Company in general meeting) as if Section 89(1) of the Act did not apply to any such allotment, provided that such power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue, open offer or other pre-emptive offer in favour of holders of Ordinary Shares on such record date(s) as the Directors may determine where the equity securities are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by such holders on the record date(s) selected by the directors for such allotment, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient for the purpose of dealing with fractional entitlements, record dates or legal or practical problems arising under or as a result of the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or the issue and/or holding of any securities in uncertificated form; and/or
 - (ii) the allotment of equity securities in connection with the Placing; and/or
 - (iii) the allotment (otherwise than pursuant to paragraphs (i) and (ii) above) of equity securities up to an aggregate nominal amount of £80,895.92 (representing 5 per cent. of the Enlarged Share Capital (as defined and described in the Circular) and shall expire on 22

March 2012, unless renewed or extended before such expiry, except that the Company may 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 any such offer or agreement as if the power conferred hereby had not expired.

By Order of the Board

Company Secretary:
Graeme Harris

26 February 2007

Registered Office:

Truscott House
32-42 East Road
London N1 6AD

Notes:

1. Any member entitled to attend and vote at the Extraordinary General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, to vote in his place. A proxy need not be a member of the Company.
2. To be valid the enclosed Form of Proxy for the Extraordinary General Meeting together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited by 10.00 a.m. on 21 March 2007 at the offices of the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD.
3. Completion of the Form of Proxy will not prevent you from attending and voting in person.
4. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 21 March 2007 or, in the event that the Extraordinary General Meeting is adjourned, in the register of members 48 hours before the time of any adjourned Extraordinary General Meeting, shall be entitled to attend or vote at the aforesaid Extraordinary General Meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the register of members after 6.00 p.m. on 21 March 2007 or, in the event that the Extraordinary General Meeting is adjourned, in the register of members less than 48 hours before the time of any adjourned Extraordinary General Meeting, shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.
5. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

