

## **Tangent Communications plc**

3 November 2006,

### **Tangent Communications plc ("Tangent"): Announcement re St Ives plc ("St Ives")**

Tangent notes the announcement made by St Ives on 19 October 2006 rejecting its proposal to make an offer for St Ives (the "Proposed Offer").

In the light of the Board of St Ives' response, Tangent has decided not to proceed with its Proposed Offer.

Tangent is disappointed at the response of the Board of St Ives and believes that the 272.5 pence per share\* Proposed Offer represented a compelling proposition for the shareholders of St Ives.

For the purposes of Rule 2.8 of The City Code on Takeovers and Mergers, Tangent reserves the right to announce or participate in an offer for St Ives (or take any other action that would otherwise be prohibited by Rule 2.8 in relation to St Ives) within the next six months with the agreement or recommendation of the board of St Ives, or in the event that a third party announces a firm intention to make an offer for St Ives, or in the event that St Ives announces a whitewash proposal or a reverse takeover.

\*Based on Tangent's share price of 14.5 pence as at 25 September 2006, the date on which the proposal was submitted.

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