

## FOR IMMEDIATE RELEASE

29 February 2008

### PNC TELECOM PLC

("PNC" or the "Company")  
Acquisition and Placing

The Board of PNC announces that it has today acquired the entire issued share capital of Specs and Lenses Limited ("S&L"), a newly incorporated company which has been established to develop an internet and retail consumer offering of optical glasses. The acquisition will be developed alongside PNC's existing consumer products business, comprising the sale of mobile phone handsets. The total consideration comprises 185,000,000 new PNC ordinary shares of 0.01p each ("Consideration Shares") to be issued to the vendor of S&L, Bade Finance Limited ("Bade Finance") which, based on the closing middle market price of a PNC ordinary share of 0.01p each ("Ordinary Share") on 28 February 2008, values S&L at approximately £508,750 and will represent 27.9 per cent. of the enlarged issued share capital of the Company.

S&L is a newly incorporated company, established in 2007 by Bade Finance, a company wholly-owned by James Alan Berryman, who has over 40 years experience within the optical business in both manufacturing and retailing. S&L plans to develop its business by combining a town centre presence with outlet shopping mall locations, "out of town" superstores and "in town" satellite stores and offering through its website, [www.specsandlenses.co.uk](http://www.specsandlenses.co.uk). The Directors of PNC believe that an ageing profile in the UK population together with the growing designer fashion glasses trend provides an attractive opportunity for S&L.

S&L has also entered into a fulfilment agreement with Premier Optical Services Limited ("POSL"), a company wholly-owned by James Berryman, which will fulfill the on-line orders generated by the website. The fulfilment agreement is on arms length commercial terms. S&L's first retail outlet will be located at No. 3 Tacket Street, Ipswich IP4 1AU and comprises 123 square metres of retail space. S&L has entered into a five year lease agreement to sub-let the Tacket Street outlet from Premier Optical Services (Properties) Limited, a company wholly-owned by James Berryman, at a rent of £25,000 per annum, subject to a three year review. The Board is reviewing additional retail outlets in the South of England.

S&L has not yet traded. As at the date of acquisition, S&L's assets amount to £ 140,000 comprising stock, equipment, the website and associated intellectual property.

The vendor, Bade Finance Limited, has undertaken not to dispose of any of the Consideration Shares issued to it as for a period of twelve months after Admission to AIM. The Lock-in agreements shall not apply to a disposal made:

- (a) in acceptance of a general offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the City Code or the provision of an irrevocable undertaking to accept such an offer;
- (b) pursuant to any compromise or arrangement under Section 425 of the Companies Act 1985 providing for the acquisition by any person (or group of persons acting in concert) of 50 per cent. or more of the equity share capital of the Company and which compromise or arrangement has been sanctioned by the courts;
- (c) under any scheme or reconstruction under Section 110 of the Insolvency Act 1986 in relation to the Company;
- (d) to a disposal by the personal representatives of the covenantor if the

covenantor shall die during the period of such restrictions provided that

the sale of any shares in the Company by such personal representatives

pursuant to this sub-clause during such period shall be effected in

accordance with the reasonable requirements of the Company so as to ensure

an orderly market for the issued share capital of the Company; or (e) pursuant to any sale or transfer required by an order made by a court with

competent jurisdiction. The vendor has further undertaken that any disposal of Consideration Shares between the first and the second anniversary of the acquisition of S&L will be made through the Company's broker in such orderly manner as the Company's broker reasonably determines.

The Company has also today placed 210,000,000 new Ordinary Shares at a placing price of 0.1p per Ordinary Share with a number of institutional investors. The total proceeds of the placing of the Placing Shares, which after expenses amounts to £190,000, will be used to provide additional working capital for PNC.

Application will be made for the Consideration Shares and the Placing Shares to be admitted to trading on AIM which is expected to become effective on 6 March 2008.

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