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Interactive Prospect TargetingHdgs
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Interactive Prospect Targeting Holdings Plc
("IPTH", "the Company" or "the Group")
(AIM:IPH)

Update on Strategic Review, Settlement of NP6 Issues, Sale of NP6,
Reduction in Group Debt, Board and Management Appointments and
Resumption of Trading in Company's Shares

Further to the various announcements made on and since 29 September 2008, the Board of IPTH provides the following update to shareholders in respect of the strategic review which was initiated in April 2008 ("Strategic Review") and which is being taken forward under the leadership of Nicholas Ward following his appointment as Executive Chairman on 19 June 2008. The Board also announces that a settlement has been agreed on all issues relating to NP6 and that NP6 has been sold as part of this settlement. In addition, the Board announces changes to the Group's Board and the appointment of a new Company Secretary. In light of these developments, the Board has requested the suspension in the Group's shares to be lifted, and for dealings to be reinstated from 7.30am on 17 April 2009.

Disposal of UK Businesses

The sale of the Core UK Business was announced on 29 September 2008 and since then the Group has completed and announced three further disposals: the Integra Insight business was sold on 31 October 2008, the shares in Real World Customer Experience (including its subsidiaries TPoll and Stimulating World Research) were sold on 3 November 2008 and the shares in NewslettersOnLine and SmartQuotes were sold on 11 November 2008.

The effect of these sales has been to protect the Group from further losses from these businesses. It has been an important feature of these sale arrangements that the employment contracts, outstanding trade creditors, commitments to customers and other similar obligations in respect of these businesses have been assumed by the new buyers or retained by the companies that were sold.

Following these disposals, the only remaining business in the UK was the email broadcasting business, formerly known as Emailbureau, which was transferred to MailPerformance UK Limited ("MPUK"), a newly formed subsidiary of NP6. MPUK is referred to below.

French Businesses

Following the UK disposals referred to above, the Group was left with its three French subsidiaries:-

- Directinet SA ("Directinet") - an online direct marketing agency specialising in consumer targeting and email campaign management;
- Netcollections SAS ("Netcollections") - providing online marketing services including data collection through consumer promotions on the Internet; and
- NP6 SAS ("NP6") - a technology business which, with MPUK, provides email messaging and web hosting service.

Control over French Subsidiaries

The Board announced on 15 September 2008 that, due to French dividend regulations and the earn-out arrangements entered into in connection with the acquisition of Directinet and NP6, the Group had been precluded from remitting any of the cash resources in these profitable and cash generative businesses to the UK, and that the Board was actively working with the twin objectives of securing access to these funds as quickly as possible and of putting in place arrangements for the long-term management of these subsidiaries.

The Board achieved its twin objectives in relation to Directinet, as announced on 5, 12 and 17 November 2008. The Group now has full control of Directinet and has access to its cash resources within the framework allowed by French law. The five original founders of Directinet have left the Group and a new management team has been installed, as announced on 13 February 2009.

The Group announced on 11 February 2009 that its negotiations with the vendors of NP6 ("the Vendors") had not so far been productive. The uncertainty as to the outcome of these negotiations led to the Company requesting suspension of trading in IPTH shares on AIM and the suspension was duly granted on 11 February 2009.

The Company is pleased to announce today that the Group has now entered into settlement and sale agreements (the "NP6 Settlement") with the Vendors to settle all issues that have been in dispute between the parties.

The NP6 Settlement

The NP6 Settlement came into effect on 16 April 2009 and the key features of the agreements are as follows:-

- The disposal of NP6, including its subsidiary MPUK referred to above, to Lerinardh SAS ("Lerinardh"), a private equity backed vehicle of the Vendors.
- Lerinardh has paid the Group the sum of €3,220,000 ("Initial Payment") in cash on 16 April 2009 and has undertaken to pay 50% of any supplementary capital gain if within six months it sells all or part of its shares in NP6.
- All of the disputes which existed between the Vendors and the Group have been fully and finally settled.

- The Vendors have agreed to cease all proceedings against all members of the Group and have undertaken not to commence any further proceedings or measures against any member of the Group, nor against any director or consultant of any company in the Group, and the Group has agreed to reciprocal undertakings.
- New contractual trading arrangements between NP6 and both Directinet and Netcollections, which are intended to ensure that all three companies continue to benefit from the relationship forged when they were in the same group together.

The Board believes that the key merits of the NP6 Settlement to the Group are:

- The receipt of the Initial Payment of €3,220,000 in cash;
- The settlement of all claims that the Vendors may have had against the Group, including their demands in respect of the 2008 earn out under the terms of the Share Purchase Agreement dated 14 June 2007 ("the NP6 Purchase").
- The avoidance of the possible dilution of the existing shareholders' interests in the Group by the issue of new shares in IPTH to the Vendors. Up to 44 million new shares may have had to be issued to the Vendors.
- The avoidance of a potential claim against DEL for damages if the shareholders in IPTH had refused to give consent for the increase in the authorised share capital that would have been necessary to enable the new shares referred to above to be issued to the Vendors.
- A substantial reduction in the aggregate bank debt of the Group and of future interest charges, and the avoidance of the fee of €25,000 referred to below. The Initial Payment having been used to repay part of the Group's loan from Barclays Bank PLC ("Barclays").
- The avoidance of what could have been a protracted and expensive dispute with the Vendors, thus allowing the Board and the Group's management to focus their attention on the remaining issues facing the Group.

In agreeing the NP6 Settlement, the Board has also taken account of:

- The €1.4 million dividend which was declared by NP6 at the end of 2008, the benefit of which is retained by the Group.
- The release of a provision for €2,475,000 which was made in the Group's accounts for the year to 31 December 2007 in respect of a possible liability under the NP6 Purchase. As a result of the NP6 Settlement, this provision is no longer required.
- The Group has been released from its obligation to fund certain development and other costs of NP6, which in 2008 amounted to approximately €380,000.

In the year ended 31 December 2008 the net earnings before interest and tax attributable to NP6 were €2.3m. As at 31 December 2008 NP6 had a net asset value of €1.5m.

Related Party Transaction

Stephane Zittoun (a director of IPH from 4 June 2008 until 11 February 2009) and Amoleen Invest SARL ("Amoleen"), a company in which Stephane Zittoun has a beneficial interest, are two of the Vendors and, as such, are parties to the NP6 Settlement. They are also shareholders in Lerinardh, which has acquired 100% of the shares in NP6. As such the transaction is a related party transaction under the AIM Rules.

The Board of IPTH having consulted with Canaccord Adams Limited, the Group's nominated adviser, considers that entry into the NP6 Settlement referred to above is fair and reasonable insofar as IPTH's shareholders are concerned.

Re-listing of the Company's Shares

The Board believes that entering into of the NP6 Settlement has removed the fundamental uncertainty which arose from the initiation of legal action by the Vendors and which gave rise to the Board's request to AIM that dealings in the Company's shares be suspended. Accordingly, the Company has requested that suspension to trading of the Company's shares on AIM be lifted and for dealings to be reinstated from 7.30am on 17 April 2009.

Indebtedness to Barclays

Agreement in principle to the restructuring of the Group's €6.5 million loan from Barclays was announced at the time of the sale of the Core UK Business on 29 September 2008 and the completion of the restructuring was announced on 27 October 2008.

As announced on 30 December 2008, the Group continued to discuss with Barclays, the fulfilment of certain conditions set out as a result of the restructuring. Such conditions were due to be fulfilled by 15 December 2008. IPTH failed to fulfil some of these conditions and received formal notification (the "Notification") from Barclays that the Company was in default under the terms of the restructuring. In the Notification, Barclays confirmed to the Company that it had no current intention of enforcing its rights or taking any immediate action in respect of the breaches under the terms of the restructuring, but it reserved its right to do so.

Prior to the NP6 Settlement, the principal indebtedness to Barclays totalled €7,150,000, which included a €50,000 restructuring fee. Following the NP6 Settlement, a total of €3,250,000 has been repaid, reducing the principal loan amount to €3,900,000. As a result of this reduction the interest rate on the outstanding debt will be reduced from 5% to 2.5% above Euro LIBOR. As part of the negotiation leading up to the NP6 Settlement, Barclays agreed to waive the fee of €325,000 which would otherwise have become due on 31 March 2009.

Notwithstanding the repayment of €3,250,000 referred to above, the Barclays' indebtedness remains in default, in accordance with the Notification. Barclays is keen that the full amount of the remaining debt should be repaid as quickly as possible, and the Board is actively working to that end.

Vincent Square Offices

The announcement of 29 September 2008 included a reference to the fact that the Group retains responsibility for the offices at No. 1 Vincent Square, London SW1P 2PN. These offices comprise 11,970 square feet over four floors. The leases provide for a first break opportunity in November 2014, and the total outgoings by way of rent, rates, service charges and VAT are of the order of £800,000 per annum. Following the UK disposals referred to above, most of these premises have been vacant since the end of 2008 and the Board is actively seeking to address this issue.

Current Performance of French Subsidiaries

Taken together, the three French subsidiaries performed well in 2008, particularly in the last quarter. However, the first three months of 2009 have been difficult, reflecting the economic environment in which they now operate.

Directorate and Company Secretary

The Board is pleased to announce that, with effect from 17 April 2009, Martin Kiersnowski has been appointed to the Board as an Executive Director and Martin Purvis has been appointed Company Secretary of IPTH.

Martin Kiersnowski (53) was one of the original founders of the Group in 2000 and has had various management roles. He is currently Director and Chief Operating Officer of DEL.

Martin is also currently a director and company secretary of 67 Hammersmith Grove W.6. Limited.

There are no further disclosures required in respect of Martin Kiersnowski under Schedule 2 paragraph (g) of the AIM Rules.

Martin Purvis is an experienced company secretary and director of legal and corporate services who has performed these roles in a number of listed companies and turnaround situations. He has been a consultant to IPTH since October 2008. He is a director of Holdserve Limited, of six Metronet Rail group holding companies and Trans4M Limited and of The MedicAlert Foundation Limited.

The Board announced on 12 March 2009 that Barton Faber, who lives in Arizona USA, had given notice of his intention to resign as a Director on or before 26 May 2009. He has now retired from the Board with effect from 17 April 2009. The Directors would like to reiterate their thanks to him for his contribution to the Group since its flotation in 2004 and particularly for his unfailing support to Nicholas Ward since the latter's appointment as Chairman in June 2008.

Following the changes referred to above, the Group's Board comprises Nicholas Ward (Executive Chairman), David Cicurel (Non Executive Director) and Martin Kiersnowski (Chief Operating Officer - DEL).

Remaining Operations and Future Strategy

Following the NP6 Settlement, the Group's remaining interests will be Directinet and Netcollections, two online direct marketing companies in France.

Good progress has been made in the last few months in addressing a number of important issues that have been highlighted by the Strategic Review. However, there is still further work to do, in particular addressing the following remaining key issues:-

- The optimisation of the performance of Directinet and Netcollections.
- The repayment of the balance of the Barclays loan which remains in default.
- The vacant Vincent Square office, which is a heavy drain on the Group's resources, particularly the very scarce resources in the UK.

As part of the Strategic Review the Board has rationalised the Group and sold a number of operations. In doing this it had taken into account how and when shareholder value can be achieved and realised. It is with this approach that the Board is working to determine the operational direction and strategy in respect of its remaining subsidiary businesses.

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