

RNS Number : 6557R
reach4entertainment enterprises plc.
30 June 2015

reach4entertainment enterprises plc
(‘r4e’, the ‘Company’ or ‘Group’)

Statement from the General Meeting
and the Results of the Annual General Meeting

r4e, the transatlantic media and entertainment marketing company, announces that at its General Meeting at 10am today David Stoller, Chairman of r4e, read the following statement:

“This serious loss of capital arose as a consequence of the decision to impair the goodwill in relation to some of the Company’s investments. As part of the negotiations with the Bank on the restructuring of our credit facilities, AIB obtained an independent valuation of the Group. This valuation brought into question the carrying book value of some of the Company’s investments which have been consistently determined to be compliant with the applicable accounting standards, after careful review by our auditors, Baker Tilly.

Therefore, the Board considered that it was prudent to review the book values of its investments under different valuation methodologies which resulted in a decision to reduce the book value of these investments. As previously noted, this was a pure accounting entry and has no effect on cash flow or the underlying operating performance of the business.

Subject to being able to conclude the refinancing of the AIB credit facilities, we will record an exceptional after tax gain of around £4m as a result of the debt to equity conversion. This, together with the intention to raise new equity as part of the refinancing, will restore shareholder funds to a positive value.

While we are at an early stage in the process of raising the capital to refinance the AIB facilities, I and the Board have every confidence in bringing this to a successful conclusion”

The Company is also pleased to announce that at its Annual General Meeting at 10.30am today all resolutions were passed.

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