

DISTRIBUTION OF ANNOUNCEMENTS TO SHAREHOLDERS, EMPLOYEE REPRESENTATIVES (OR EMPLOYEES) AND PENSION SCHEME TRUSTEES

As you may already be aware, Coms plc ("Coms") made an announcement on 3 September 2013 that it is considering a possible corporate transaction with Pinnacle Technology Group plc ("Pinnacle" or the "Company") that could result in an offer by Coms for the entire issued and to be issued ordinary share capital being made.

In accordance with Rule 2.12 of the City Code on Takeovers and Mergers (the "Code"), please therefore [click here](#) to read a copy of the announcement made by Coms pursuant to Rule 2.4 of the Code. It should be stressed that this does not represent a firm intention to make an offer under Rule 2.7 of the Code and that discussions are at a very preliminary stage. There can be no certainty that any transaction or offer for the Company will be forthcoming.

Your Board has since considered the non-binding indicative offer made by Coms and views it to be opportunistic and one which significantly undervalues the growth prospects of the Company. Accordingly, the Board cannot recommend an offer to its shareholders at this level. An announcement to this effect was therefore made by the Company on 5 September 2013, a copy of which is [available here](#).

It should be noted that all addresses, electronic addresses and certain other information provided by Pinnacle shareholders, persons with information rights and other relevant persons for the receipt of communications from the Company may be provided to Coms during the offer period as required under Section 4 of Appendix 4 of the Code.

Under Rule 25.9 of the Code, employee representatives have the right to have a separate opinion appended to the offer document as to the effects of the offer on employment, provided that such opinion is received in good time before publication of the offer document. Pinnacle would be responsible for all costs reasonably incurred by the employee representatives in obtaining advice required for the verification of the information contained in that opinion.

Pursuant to Rule 2.12(c) of the Code, a summary of the principal provisions of Rule 8 is as follows:

Disclosure requirements of the Takeover Code (the "Code")

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Yours sincerely,
Dr. James Dodd
Non-Executive Chairman
Pinnacle Technology Group plc