

Shore Capital Group Limited

("Shore Capital" or the "Group")

Spectrum Investments sells National Licence

Shore Capital, the independent investment group specialising in equity capital markets, principal finance and alternative asset management, announces an update regarding Spectrum Investments Limited, ("Spectrum") in which it holds a 59.26% interest.

Spectrum's subsidiary, DBD, is an entity that holds radio spectrum licences in Germany in the 3.5 GHz frequency range, which is increasingly being deployed around the world, having been established by regulators, equipment manufacturers and operators as a frequency for 4G services.

DBD has signed a Sale and Purchase Agreement, ("the SPA") to sell its interest in national radio spectrum licences together with six regional radio spectrum licences to Deutsche Telekom AG, ("DT") for €15.45 million, ("the Transaction"). The national licences confer the right on DT to utilise the assigned 3.5 GHz frequencies until 2021, at which time they will be due for renewal. The six regional radio spectrum licences included in the Transaction enable DT to fully utilise the national licences without the possibility of signal interference.

As a result of the SPA, completion of the Transaction is expected during the second quarter of 2015, following customary completion conditions, including approval by the German telecommunications regulator, Bundesnetzagentur.

DBD's remaining 32 regional radio spectrum licences cover areas with approximately 16.5 million inhabitants including many of Germany's largest metropolitan centres: Berlin, Leipzig, Dresden, Düsseldorf and Hanover. They convey the right to utilise the assigned 28 MHz of frequencies in the 3.5 GHz range in perpetuity. The regional radio spectrum licences therefore enable potential owners to make long term investment decisions when faced with the challenge of delivering greater levels of data capacity to subscribers as 4G services are deployed in Germany for smart phones, tablet devices and mobile computing.

The remaining licenses are now being carried on Spectrum's balance sheet at an overall value of €2.5 million, equivalent to approximately €0.005/MHz/pop, (a measure often used in the industry) which the Company believes to be a conservative valuation.

Commenting on the transaction, Howard Shore, Executive Chairman, said:

"The transaction with Deutsche Telekom validates our initial investment thesis in the business through Spectrum. The finite nature of radio spectrum capacity is a central determinant in the growth prospects of mobile operators. We believe the perpetual nature of DBD's remaining regional radio spectrum licences is of significant value and are therefore optimistic that our interest in Spectrum's remaining DBD assets will deliver very significant additional value to the Group in due course."

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About Shore Capital

Shore Capital is an AIM quoted independent investment group. Founded and owned by entrepreneurs, for three decades Shore Capital has been helping entrepreneurial businesses reach their full potential, find committed long term investors and develop into significant enterprises. The business offers innovative corporate advice; a leading market-making business; some of the most respected investment research available in the UK; and a diverse range of high quality investment opportunities, including its hugely successful VCTs and principal finance activities. It is a business founded on four simple values – integrity, drive, competence and trust.

The Group is based in Guernsey, London, Liverpool, Edinburgh and Berlin. Shore Capital Stockbrokers Limited, Shore Capital and Corporate Limited, Shore Capital Limited and Puma Investment Management Limited are each authorised and regulated by the Financial Conduct Authority. Shore Capital Stockbrokers Limited is a member of the London Stock Exchange.

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