

Company	Cantono PLC
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Cantono plc

Debt for Equity Conversion and Proposed Transfer & Notice of Extraordinary General Meeting

The Company announced on 7 March 2007, that an offer had been received from Spotfire for the entire issued share capital of Panopticon, including the Group's 54.34 per cent. shareholding in that company. At the Extraordinary General Meeting held on 23 March 2007, Shareholders approved the ordinary resolution to authorise the Group to enter into a proposed disposal agreement between Spotfire and the Panopticon shareholders.

The Company has now been informed that, owing to reasons unconnected with its proposed acquisition of the entire issued share capital of Panopticon, Spotfire has withdrawn from negotiations and will not proceed with the proposed transaction at this time.

Shareholders are aware that the operations of Panopticon are not deemed to be core activities of the Group which, following the acquisitions of Blue River Systems Limited, NSA Solutions Limited and CSF Managed Services plc, is focused on providing managed services to a range of customers.

Shareholders are also aware that under the proposed transaction with Spotfire the consideration received would have been used to reduce the Company's long-term debt obligations.

The Directors believe that the Spotfire transaction is unlikely to recommence and complete in the near future and have therefore decided to implement an alternative strategy in order to reduce the uncertainty of the disposal of the Panopticon Shares and to enable the Company to remove all remaining long-term debt from the business.

Alternative Transaction

The Company can announce that agreements have been entered into, conditional upon the passing of the Resolutions and Admission, to remove the DDB debt and to effect the sale of the Panopticon Shares. These transactions involve the following steps which will be carried out simultaneously:

Step 1

Brunswick will assign £2,681,203 of the DDB debt owed to it by the Company to Edenmore. This will leave outstanding DDB debt due to Brunswick from the Company of £1,509,995. The Company and Brunswick have agreed that £1,347,797 of remaining DDB debt due to Brunswick will be deemed to have been repaid in full in consideration for the allotment and issue to Brunswick of 24,505,400 Ordinary Shares at 5.5p per share. As a gesture of goodwill Brunswick has agreed that the residual balance of £162,198 of DDB debt will be written off.

Step 2

It has been agreed that the remaining £2,681,203 DDB debt owing to Edenmore will be deemed to have been repaid in full in consideration for the transfer to Edenmore of the Panopticon Shares and the allotment and issue to Edenmore of 36,363,636 Ordinary Shares at 5.5p per share. Edenmore has also undertaken not to dispose of these Ordinary Shares for 12 months from completion of the agreement and has further undertaken not to dispose of such shares following the expiration of that 12 month period other than through WH Ireland as broker to the Company so as to maintain an orderly market in the Company's shares.

As part of the agreement with Edenmore it has also been agreed that the Group is entitled to receive additional consideration in respect of the disposal of the Panopticon Shares equal to 10 per cent. of any sale consideration received by Edenmore should Panopticon be sold for US\$20m or more within three years of completion of the agreement.

The net effect of the Transaction is as follows:

- all DDBs are removed from the Company's balance sheet;
- 60,869,036 new Ordinary Shares are issued, in aggregate, to Brunswick and Edenmore;
- the Panopticon Shares are transferred to Edenmore; and
- the Debt for Equity Shares are to be allotted at an agreed price of 5.5p per share.

Following the Transaction, Brunswick's shareholding will increase to 109,955,054 Ordinary Shares, representing approximately 29.90 per cent. of the Company's enlarged issued share capital.

Edenmore will hold 36,363,636 Ordinary Shares, representing approximately 9.89 per cent. of the Company's enlarged issued share capital.

The Ordinary Shares issued to Brunswick and Edenmore pursuant to the Transaction will rank *pari passu* in all respects with all other Existing Ordinary Shares in the capital of the Company. As stated above, completion of the Transaction is conditional upon Admission and the Company will apply for the Debt for Equity Shares to be admitted to trading on AIM as soon as is practicable following the passing of the Resolutions.

Panopticon

Panopticon is a Swedish company based in Stockholm and has offices in London and New York. It is a supplier of professional visual business intelligence to the financial services industry as well as other fields of business. Panopticon's software acts as a decision-making catalyst and allows users to:

- Easily visualise large volumes of information;
- Configure views of the information required;
- Drill-down to more detailed information; and
- Interpret data more efficiently.

The Company, via its wholly-owned subsidiary, Hamsard Holdings Limited, owns 907 A ordinary shares in the capital of Panopticon representing 54.34 per cent. of Panopticon's issued share capital and entitling it to 70.75 per cent. of the voting rights.

For the year ended 31 May 2006, the audited results of Panopticon recorded turnover of £3,063,387 with profit before tax of £757,316.

For the six months ended 30 November 2006, the unaudited results of Panopticon recorded turnover of £225,810 with a loss before tax of £601,796. Panopticon had fixed assets of £997,166 at 30 November 2006.

Willem De Geer is Panopticon's chief executive officer and has a beneficial interest in 132 A ordinary shares and 195 B ordinary shares in the capital of Panopticon constituting 19.59 per cent. of Panopticon's issued share capital and an entitlement to 11.82 per cent. of the voting rights.

It has been agreed that Willem will resign from the Board with immediate effect. The Board would like to thank Willem for his contribution to the Group during his time as a Director.

Edenmore holds 43 A ordinary shares and 99 B ordinary shares in the capital of Panopticon representing 8.51 per cent. of Panopticon's issued share capital and an entitlement to 4.13 per cent of the voting rights.

Reasons for the Proposed Transfer

As already disclosed to Shareholders, Panopticon is not core to the Group's business activities, which are focused on managed services. The Proposed Transfer together with the Debt for Equity Conversion will enable the Company to remove all DDB debt.

Resolutions

In order to carry out the Transaction the Directors need authority from the Shareholders to approve the Proposed Transfer and to allot Ordinary Shares and to allot such shares free from the statutory pre-emption rights. The Resolutions seek to give the Directors these authorities and a notice convening the EGM is included at the back of this document. The EGM has been convened for 10.00 am on 4 May 2007 to be held at the offices of Halliwells LLP, One Threadneedle Street, London, EC2R 8AW.

Recommendation

The Directors consider, having consulted with WH Ireland as its nominated adviser, that the terms of the Transaction are fair and reasonable insofar as the Company's shareholders are concerned. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings of 27,154,550 Ordinary Shares representing 7.38 per cent. of the Existing Ordinary Shares.

A copy of the circular despatched to Shareholders will be available at the Company's website: www.cantono.com

For further information, please contact:

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DEFINITIONS

The following definitions apply throughout this announcement;

“Admission”	the Admission of the Debt for Equity Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
“AIM”	a market operated by London Stock Exchange plc
“the Board” or “the Directors”	the directors of the Company at the date of the shareholder circular
“Brunswick”	Brunswick Investment Holdings Limited
“Company” or “Cantono”	Cantono plc
“Debt for Equity Conversion”	the conversion by Brunswick and Edenmore of, in aggregate, £4,029,000 of debt into 60,869,036 Ordinary Shares
“Debt for Equity Shares”	60,869,036 Ordinary Shares to be issued and allotted pursuant to the Debt for Equity Conversion
“DDBs”	deep discount bonds to the value of £4,191,198 issued to BIHL on 29 April 2005
“Edenmore”	Edenmore Investments Limited, a company incorporated in Cyprus, which is controlled by Mr Giertz
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company, convened for 10.00 am on 4 May 2007, and any adjournment thereof, notice of which is set out in the shareholder circular
“Existing Ordinary Shares”	the 306,874,037 Ordinary Shares
“Form of Proxy”	the form of proxy enclosed with the circular for use by holders of Ordinary Shares in connection with the EGM
“Group”	Cantono and its subsidiaries
“Mr Giertz”	Sam Giertz, vice president of sales for Panopticon
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Panopticon”	Panopticon Software AB, a company registered in Sweden with company number 556614-0686 and whose principal office is Brunnsgratan 9, se-111 87 Stockholm, Sweden
“Panopticon Shares”	the 907 A shares in Panopticon held by the Group

comprising in aggregate 54.34 per cent. of Panopticon's issued share capital

“Proposed Transfer”

the proposed transfer of the Panopticon Shares to Edenmore as part consideration for the deemed repayment in full of the DDB debt due to Edenmore

“Resolutions”

the resolutions to be proposed at the EGM, details of which are set out in the notice of EGM

“Shareholders”

holders of Ordinary Shares

“Spotfire”

Spotfire Holdings Inc., a private company registered in the State of Massachusetts

“Transaction”

the Proposed Transfer and the Debt for Equity Conversion

“WH Ireland”

WH Ireland Limited

END