

**Totally plc**  
**(“Totally” or “the Company”)**

**Issue of warrants**

In the announcement made on 1 September 2008 relating to the disposal of a trading subsidiary, the Company announced that The Zvhil-Mezbuz Rebbe, Grand Rabbi Y.A. Korff of Boston (“the Rebbe”) would be released from his obligations under the guarantee to Bank Hapoalim to support the Company’s banking facility. The guarantee to Bank Hapoalim to support the extended credit facility of £700,000 for the Company would be provided by Leo Noé, a third party shareholder, and Dr Michael Sinclair, Non-Executive Chairman (together the “Guarantors”).

In addition, the Company stated that it was the intention of the Board to issue warrants to Leo Noé and Dr Sinclair as guarantors of the facility in the near future in recognition of the increase in their personal guarantees.

Following approval of the resolutions at the general meeting of the Company held on 25 September 2008 and in accordance with the terms of the Jewish Advocate Publishing Corporation share purchase agreement, the Company has today cancelled warrants to subscribe for 4,394,350 ordinary shares which had been issued to the Rebbe.

Furthermore, owing to the exercise price of all of the warrants previously issued in relation to the personal guarantees to Bank Hapoalim to support the Company’s overdraft facility being significantly above the current share price, the Company has agreed to cancel all the warrants issued to Dr Sinclair and Leo Noé and to replace the cancelled warrants, by issuing 35,000,000 warrants to each of Dr Sinclair and Leo Noé in recognition of the fact that the Guarantors have continued to provide personal guarantees to Bank Hapoalim.

The warrants are exercisable immediately from the date of issue for a period of five years at an exercise price of 1 penny per share, being the nominal value of the Company’s ordinary shares, which is a premium of 132.5 per cent over the closing middle-market price on 1 October 2008.

At the date of this announcement, Dr Sinclair holds 14,509,791 ordinary shares and warrants over 35,000,000 ordinary shares exercisable at one penny per share. Mr Noé currently holds 6,666,666 ordinary shares and warrants over 35,000,000 ordinary shares exercisable at one penny per share.

Following the issue of the new warrants detailed above there will be warrants outstanding over 90,123,013 Ordinary Shares, equivalent to 98.02 per cent. of the issued voting share capital of the Company, which are exercisable at exercise prices ranging from 1 to 5 pence per share.

At the date of this announcement the Company has 91,947,934 ordinary voting shares in issue.

If Dr Sinclair were to exercise his warrants and no other shares in the Company were to be issued, Dr Sinclair would hold 49,509,791 ordinary shares, representing 39.00 per cent. of the then enlarged issued share capital. If Leo Noé were to exercise his warrants and no other shares in the Company were issued, Mr Noé would hold 41,666,666 ordinary shares, equivalent to 32.82 per cent. of the then enlarged issued share capital. In addition, if both Dr Sinclair and Mr Noé were to exercise their warrants and no other shares in the Company be issued, between them they would hold 91,176,457 ordinary shares, equivalent to 56.30 per cent. of the then enlarged issued share capital.

Were either of Dr Sinclair or Mr Noé to exercise their warrants, to such an extent that individually they would hold 30 per cent. or more of the then issued share capital, they would first need to be granted a waiver of Rule 9 of the Takeover Code, which would need to be approved by shareholders of the Company at a general meeting.

Under the AIM Rules, the issue of the warrants is classified as a related party transaction. The directors, other than Dr Michael Sinclair, who is interested in the warrant issue, (the “Independent Directors”) who have

consulted with John East & Partners Limited, consider the terms of the warrant issue to be fair and reasonable insofar as the shareholders are concerned. In advising the Independent Directors, John East & Partners Limited has relied upon their commercial assessment.

For further information:

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