

RNS Number : 8403M
Reach4Entertainment Enterprises PLC

reach4entertainment Enterprises plc
(‘r4e’ or the ‘Company’)

Trading Statement and Update on Funding

r4e, the transatlantic media and entertainment marketing company, today provides an update on its funding position and its annual results for the year ended 31 December 2014, which are expected to be announced at the end of May or in early June 2015.

Further to the Company’s announcement on trading on 26 February 2015, the Directors of r4e have remained in discussions with the Company’s bank with regards to a restructuring of the Company’s bank loan or to replace it altogether. Whilst there can be no guarantee that these discussions will be successful or that an agreement will be reached with the Company’s bank, the Directors of r4e remain hopeful that a satisfactory resolution will be achieved. As part of these discussions, the Company has undertaken a revaluation of its assets and this will result in a significant one-off impairment charge being recorded in the Company’s accounts for the year ended 31 December 2014.

Although the Company expects that its trading results will be in line with market expectations, the effect of the non-cash impairment charge will mean the Company records a loss for the year to 31 December 2014 and therefore will not meet current market expectations of profit before tax.

In addition, as the impairment charge will result in a serious loss of capital position of the Company and pursuant to section 46 of the Companies Act 2006, a general meeting will be called to consider whether any, and if so what, steps should be taken. A notice will be distributed within the next 28 days to confirm the date of the general meeting.

David Stoller, Executive Chairman of r4e, said: “We are hopeful that we will successfully conclude our discussions with our lenders and agree a new debt structure which provides the basis for a positive future for the Company.”

Further announcements will be made as appropriate.

Ends

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