

GCap Media plc to retain radio stations

24 March 2006

On 24 November 2005 GCap Media plc (GCap) announced that, as part of its strategy review, it was proposing to dispose of nine analogue stations in the South West and North Wales.

Several offers have been received for this portfolio of assets. The Board does not believe that it would be in the best interests of GCap's shareholders to sell these businesses at the level of the offers received having taken account of the likely post tax proceeds and the dilution to earnings per share from disposal. Accordingly, the sale process has been terminated and the stations will be retained as integral parts of the Group.

The stations concerned remain attractive assets which will be managed for growth under the existing structure.

The company further announced on 24 November that it was its intention to distribute the majority of the anticipated cash proceeds from these disposals by way of special dividends. In view of the termination of the sale process, these special dividends will now not be made.

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