

The following amendments have been made to the ' Proposed Disposal of Dating Business' announcement released on 08/12/2014 at 7.00AM under RNS No 0515Z.

Cancellation of Treasury Shares

The Company cancelled the 12,169,978 Ordinary Shares held in treasury on 5 December 2014 (*rather than 2015, as announced*). Following such cancellation, there are 71,201,993 (*rather than 17,201,993, as announced*) Ordinary Shares in issue, none of which are held in treasury.

Cancellation of Reserves

The Company does not currently have sufficient distributable reserves to effect the Board's proposed return of capital to Shareholders. The Board therefore proposes that the Cancellation of Reserves be effected in order to increase the distributable reserves of the Company. The proposed Cancellation of Reserves reflects the relevant adjustments to these reserves made pursuant to the cancellation of the 12,169,978 Ordinary Shares held in treasury on 5 December 2014 (*rather than 2015, as announced*).

All other details remain unchanged.

The full amended text is shown below.

Date: 5 December 2014
On behalf of: Cupid plc ('Cupid', the 'Company' or the 'Group')
Embargoed until: 7.00am 8 December 2014

Cupid plc

Proposed Disposal of Dating Business

Cupid plc (AIM:CUP), the online dating operator, announces that following a strategic review of the Company's dating business, the Group has conditionally agreed to sell its Traditional Dating Assets to Tradax IP Licensing Limited; Together Networks Holdings Limited; and Together Networks Limited, for a total consideration of £3m.

The Disposal constitutes a fundamental change of business under Rule 15 of the AIM Rules. Accordingly, the Disposal is conditional upon approval of Shareholders at a general meeting to be held on 23 December 2015.

Headlines

- Disposal of Traditional Dating Assets for a cash consideration of £3m
- Payment of a reduced deferred consideration for casual assets has been accelerated with £12.5m to be paid by 15 December 2015
- Substantial return expected to be available to Shareholders in 2015
- Company will be reclassified as an Investing Company under the AIM Rules
- Cash at the end of December 2014 (prior to receipt of Disposal proceeds) expected to be ahead of forecast at £10m
- Proposed name change to Castle Street Investments plc

- Irrevocable undertakings to vote in favour of the resolutions granted by 40.53% of the shareholders
- Cancellation of treasury shares

A circular, explaining the background to and reasons for the Disposal and providing notice of a general meeting (the “**Circular**”), was posted to Shareholders on 6 December 2014. Copies of the Circular will also be available on the Company’s website (www.cupidplc.com).

George Elliott, Chairman of Cupid plc, commented:

“After a number of fundamental changes in the dating market, we instigated a rapid strategic review of the dating business. The Board believe that today’s announcement represents the solution which protects the best interests of shareholders, by providing much greater certainty over the Group’s cash balances and deferred consideration and removing substantially all costs from the Group.

The Company will effectively become a well capitalised cash shell with approximately £18 million that can be utilised for new opportunities in line with our proposed investing policy or returned to shareholders.”

For further information please contact:

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Introduction

The Company announced on 23 September 2014 that, in response to the accelerating rate of change in the dating market, it was carrying out a strategic review of its dating business with the intention of maximising shareholder value and arresting the Company’s cash burn.

The Company has entered into conditional agreements to sell or procure the sale of the Traditional Dating Assets to (a) Tradax IP Licensing Limited, a company registered in the British Virgin Islands, in respect of domain names and trade marks of the Group (including the Uniform Dating assets held by NSI); (b) Together Networks Limited, a company incorporated in Malta, in respect of all other assets and the shares in NSI; and (c) Together Networks Holdings Limited, a company incorporated in the British Virgin Islands, in respect of the Ukrainian Subsidiaries for a total consideration of £3 million.

When the Board consulted with its largest shareholders in relation to the Disposal, feedback was given that the Board should also make every effort to realise the outstanding deferred consideration owed by Grendall in relation to the disposal of the Company’s casual dating businesses to Grendall in July 2013 in an earlier timeframe than that set out in the Casual Dating Agreements. Accordingly, the

Company has also entered into conditional agreements in terms of which the outstanding deferred consideration will be reduced from £20 million to £12.5 million, assuming payment of the aggregate amount of £1 million in accordance with the current arrangements on 15 December 2014. Payment of the reduced amount of deferred consideration will be accelerated such that the Casual Dating Payments will be paid by 15 December 2015 (rather than 15 November 2016 as previously set out in the Casual Dating Agreements).

The Disposal will constitute a fundamental change of business of the Company under Rule 15 of the AIM Rules and will therefore require the approval of the Shareholders. As such, the Disposal is conditional on, inter alia, the passing of the Disposal Resolution in the Notice as an ordinary resolution of the Company. The Disposal will also result in the Company becoming an Investing Company, as a consequence of which Rule 15 of the AIM Rules further requires the Company to state its Investing Policy in the Circular and to obtain the approval of the Shareholders to that Investing Policy.

If the Investing Policy is approved by Shareholders at the General Meeting, the Company will be required to make an acquisition or acquisitions which will constitute a reverse takeover under the AIM Rules or otherwise implement its Investing Policy within 12 months of the General Meeting, failing which, the Company's Ordinary Shares would then be suspended from trading on AIM. If the Company's Investing Policy has not been implemented within 18 months of the General Meeting, the admission to trading on AIM of the Ordinary Shares would be cancelled and the Directors will convene a general meeting of the Shareholders to consider whether to continue seeking investment opportunities or to wind up the Company and distribute any surplus cash back to Shareholders.

After completion of the Disposal, the Board proposes to return capital to the Shareholders in phases. The Directors envisage that a substantial return will be available to shareholders in 2015 by means of a tender offer or share buyback. While any such tender offer may be subject to separate Shareholder approval at the appropriate time, the Board considers it prudent that the Company implements the Cancellation of Reserves in order to create distributable reserves and approves the Buyback Authority which will enable future returns of capital to the Shareholders. Accordingly, the Board is seeking the approval of the Shareholders to the Cancellation of Reserves (which will be subject to final approval by the Court) and the Buyback Authority.

Information on the Traditional Dating Assets

The Traditional Dating Assets consist of a portfolio of trading brands based around the following core group of sites: Cupid, UniformDating and LoveBeginsAt, including their supporting sites and international equivalents. The disposal of the Traditional Dating Assets also includes the sale of 100% of the issued share capital of the Company's UK-incorporated subsidiary NSI and the Ukrainian Subsidiaries.

The recent financial performance of the Traditional Dating Assets was set out in the Company's Half Yearly Report dated 23 September 2014. The revenue attributable to the Traditional Dating Assets for the six months ended 30th June 2014 was £7.2 million (compared to revenue of £22 million for the full financial year ended 31 December 2013). For the six months ended 30th June 2014, after marketing and direct costs the Traditional Dating Assets generated a loss of £1.2 million (compared to a gain of £0.2 million for the full financial year ended 31 December 2013) and an EBITDA loss of

£2.8 million (compared to an EBITDA loss of £7.4 million for the full financial year ended 31 December 2013).

As at 30th June 2014 the value of plant and equipment and intangible assets being transferred as part of the Disposal was £4.3 million.

Background to and reasons for the Disposal

Through the course of the first half of 2014 it became clear that the pace of change in the industry was increasing; innovation with mobile and intuitive apps is accelerating as they gather momentum and scale. In light of this and in recognition that as a result the business would not break even when expected, the Board initiated a review of strategic options available to the Company to maximise value for Shareholders and arrest the cash burn. All options available to the Company were considered, including further cost reductions and the disposal of certain subsidiaries or assets to aid streamlining. On the conclusion of this review, the Directors believe that the best course for Shareholders is to seek a buyer for the Traditional Dating Assets. To that end, a disposal process has been run by the Company in conjunction with the Company's advisers GP Bullhound LLP. From the indications of interest that were received, the Board is of the view that the proposal from the Purchaser combines the best value for Shareholders along with a relatively straightforward transition to be managed largely by the Purchaser. As such, the Board recommends that Shareholders vote in favour of the Disposal at the General Meeting.

In the event that the Disposal does not proceed the Board intends to take immediate action to stem the cash losses. This will involve a phased cessation of the dating operations and the release of associated staff and assets. It is then the Board's intention to collect the outstanding deferred consideration relating to the disposal of the Company's casual dating businesses to Grendall in July 2013 and to seek approval for the adoption of Investing Company status in due course to allow the company to continue as an Investing Company.

Principal terms of the Sale Agreements

Under the terms of the Sale Agreements, a combination of Tradax, Together Networks Limited and Together Networks Holdings Limited will acquire the Traditional Dating Assets for a total consideration of £3 million. Of this consideration, £2.25 million will be paid at completion in respect of the sale of all of the Traditional Dating Assets (other than the French Assets) and the sum of £750,000 will be paid at completion of the French Asset Purchase Agreement. The Traditional Dating Assets are being sold to different companies to assist the Purchaser group and operating structure. Under the terms of the Sale Agreements, Tradax and Together Networks Limited will acquire the operating assets of the dating business including the Ukrainian Subsidiaries. The sale also includes the FLEX operating platform and the existing licence to Grendall will be terminated with no further payments due to Cupid under such licence.

The Sale Agreements contain warranties from the Company on standard terms and certain indemnities. The time limit for bringing any non tax warranty claims is 31 December 2015 and seven years in relation to tax. However, the aggregate liability of the Company for warranties and tax claims pursuant to the Sale Agreements is £1.5 million, which is less than the total consideration

payable of £3 million. As part of the commercial arrangements agreed with the Purchaser, the Purchaser will have the right from and after 1 April 2015 to set off any agreed or determined warranty claims under the Sale Agreements and other claims under the Sale Agreements against any payments due from Grendall pursuant to the Casual Dating Agreements as amended.

The sale of the business of AGL is also contingent on the Group's compliance with ESS legislation in France, expected to be complete by 5 January 2015. Subject to compliance with this process, completion is expected to take place under the French Asset Purchase Agreement and the sum of £750,000 will be paid to the Company. The ESS process is a new piece of French legislation which requires that employees of a business which is being sold to a third party must be notified of the proposed sale and given the opportunity to make an offer to acquire the business and assets to be sold. The Directors have not, to date, received any indication from the employees of AGL that they intend to make an offer to acquire the relevant assets. Although the legislation entitles the employees to make an offer for the business the selling company is not obliged to accept this offer. The Company will consider any offer it receives relative to the terms of the Sale Agreements.

Subject to the Shareholders approving the Disposal Resolution, at completion of the UK Asset Purchase Agreement, the Company will enter into the Ukrainian Corporate Rights Purchase Agreements pursuant to which the Company shall sell and Together Networks Holdings Limited shall purchase the corporate rights in the Ukrainian Subsidiaries held by the Company.

The Company and the Purchaser have also agreed to enter into a contract for the provision of transitional services between the parties following completion of the Sale Agreements. This contract will be entered into on completion of the Disposal.

The Sale Agreements are contingent on the approval of Shareholders and the Framework Agreement provides that the Sale Agreements will terminate in the event that the Disposal Resolution is not approved. In the event that the Disposal Resolution is passed, completion of the UK Asset Purchase Agreement, the UK Share Purchase Agreement and the Ukrainian Corporate Rights Purchase Agreements is intended to take place on the day after the Disposal Resolution is passed. It is expected that completion in respect of the French Asset Transfer Agreement will take place in January 2015.

Amendments to the Casual Dating Agreements

Contingent upon the Disposal Resolution being passed by Shareholders and completion of the Disposal, the Board has also agreed a reduced and accelerated payment schedule in relation to the amounts due from Grendall pursuant to the Casual Dating Agreements entered into in July 2013. Currently there is a balance of £20 million due for repayment by November 2016. To support the Company's proposed new status as an Investing Company, and in order to provide an earlier return to Shareholders, a reduced and accelerated repayment schedule has been agreed in terms of the Amendment Agreements whereby £12.5 million will be repaid in instalments from December 2014 to December 2015. As a consequence the total consideration in respect of the 2013 disposal will be reduced from £43.1 million to £35.6 million. Of this discount, £2.8 million has already been recognised in the financial statements at 30th June 2014.

In connection with the amendments to the Casual Dating Agreements, the Company and Grendall have also agreed certain escrow, intellectual property protection and management provisions which will apply throughout the period remaining for payment of the deferred consideration and during which Cupid will continue to retain ownership of the domain names and trademarks relating to the casual dating business until the full amount of the amended deferred consideration has been received. Cupid will continue to licence these trade marks and domain names to Grendall with the relevant licence agreements also being adjusted to reflect the transfer of title on payment of the full amount of the outstanding consideration under the amended Casual Dating Agreements. In addition, Cupid will retain the securities currently in place over relevant companies and assets in Grendall's group as security for payment of the remaining outstanding sums.

The amendments to the Casual Dating Agreements are also contingent on the approval of Shareholders and the amendments will not take effect in the event that the Disposal Resolution is not approved. If the Disposal Resolution is passed, the amendments will take effect from the date of completion of the UK Asset Purchase Agreement.

The Board believes that the Disposal and related reduced and accelerated payment schedule for the sale of the casual dating business is in the best interests of Shareholders as it enables a swift exit from the dating business and therefore the ability to stem trading losses; it reduces the period during which payments will be made and the risk of default and enhances the security arrangements; and given the unstable political situation in Ukraine allows an immediate withdrawal from that country and a significant reduction in risk. It also supports an earlier transition to Investing Company status and a more substantial and earlier return of proceeds to Shareholders than would have been possible under the existing deferred consideration payment schedule.

Information on the Purchaser

The Traditional Dating Assets are to be purchased by Tradax, Together Networks Holdings Limited and Together Networks Limited in terms of the Sale Agreements.

Tradax is a British Virgin Islands incorporated subsidiary of Global Intellectual Holdings Limited which develops and acquires consumer facing internet and mobile properties. Tradax partners with website operators to commercialize its intellectual property portfolio, create brand loyalty and provide consumers on a global basis with leading services and experiences.

Tradax is purchasing the domain names, trademarks, databases and other intellectual property rights relating to the Company's traditional dating business. Tradax is partnering with Together Networks Holdings Limited and its subsidiary Together Networks Limited to operate the newly acquired intellectual property. To effect this, Together Networks Holdings Limited and Together Networks Limited will be purchasing certain operating assets and personnel from Cupid to support their partnership with Tradax.

Solicitors for Tradax have confirmed that they are holding the funds required to complete the Disposal pending the Disposal becoming unconditional.

The Company's operations following the Disposal

Following the Disposal, the Company will have no material remaining trade. It is intended that the Board will work to close out all remaining liabilities relating to the dating operations, minimize operating costs and work with the new Board to identify potential opportunities in 2015 in line with the Investing Policy.

It is expected that the Cupid plc team post transition will consist of approximately seven staff, all of whom will be based in the UK.

The Company will retain offices in Edinburgh following a transition period.

The Group's data adtech business, Mimir Data, is making promising steps but will not generate any significant revenue until 2016. It is envisaged that this business will require investment of approximately £250,000 in the first half of 2015 to prove its minimal viable product and business model with a handful of early customers at which point its future will be reviewed.

The remaining assets within the Group are summarised below.

Cash and cash equivalents

After the completion of the Disposal, the Company is expected to have cash and cash equivalents of approximately £13 million.

Closure costs

The Company has set aside £1.7 million to cover the costs of closing out the operations in UK, USA, France and Ukraine along with terminating various operating contracts. These costs will be incurred during 2015.

Net trading liabilities at completion

At completion of the Disposal, the Company expects to have net trading liabilities of approximately £2.4 million, being trade creditors, accruals and amounts due to HMRC net of amounts receivable. These liabilities are anticipated to be settled in the first quarter of 2015.

Contingent/potential liabilities

The Company intends to retain approximately £2 million in order to meet certain contingent or potential liabilities. These liabilities of the Company could arise from the Company's activities in a number of areas, including (but not limited to) empty property costs, patent claims and ongoing legal claims.

Deferred consideration

Following the Disposal, the Company will be due deferred consideration of £12.5 million which is payable in accordance with the amended Casual Dating Agreements. This is will be received by the end of 2015, with £1 million in January; £3 million March; and the balance of £7.5 million payable in 8 monthly payments April to November of £889,000, with final payment of £389,000 in December. In addition Grendall will remain obliged to make the payment of £1 million due on 15 December 2014.

Working capital

The Company intends to keep the costs of operating the Company to a minimum and consequently has earmarked £900,000 for working capital purposes. It is expected that, based on current circumstances, the amounts available to the Company will be sufficient to meet the Company's working capital requirements for the next 12 months.

Taxation

The Company has tax repayable of approximately £700,000 in relation to losses incurred in 2014 and carried back to earlier years

Amounts expected to be returned to Shareholders

Following the receipt of the Disposal proceeds the Group will have cash reserves of £13 million which will be used to settle existing liabilities of £2.4 million and closure costs of £1.7 million. A further £900,000 will be reserved to fund operations to the end of 2015 and £2 million to fund contingent/potential liabilities. The residual net cash balance, along with the remaining £11.5 million of deferred consideration, will allow for a substantial return to shareholders by means of a tender offer or share buyback in 2015. Such return is subject to Shareholders approving the proposed Cancellation of Reserves and voting in favour of the Cancellation of Reserves Resolution at the General Meeting.

This assumes that no alternative uses for the funds are identified.

Investing Company Status and Proposed Investing Policy

On completion of the Disposal, the Company will have disposed of a substantial part of its trading business and will have no material trading activities. Accordingly, the Company will be reclassified as an Investing Company under Rule 15 of the AIM Rules. Under the AIM Rules, Investing Companies are required to adopt an Investing Policy which must be approved by the Shareholders.

The Company's proposed Investing Policy, which is subject to approval of the Shareholders at the General Meeting, is as follows:

Investing Policy

The Company's proposed Investing Policy, which is subject to Shareholder approval, is to invest in businesses that typically have attributed to them some or all of the following criteria and characteristics:

- Strong management;
- An established entity in growth mode;
- Profitable at the EBITDA level;
- Generating positive cash flows or imminently likely to do so;
- Good levels of revenue visibility;

- The ability to pay dividends.

The Board believes that the broad collective experience of the Directors together with their extensive network of contacts will assist them in the identification, evaluation and funding of suitable investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence of prospective opportunities. The Board will also consider appointing additional directors with relevant experience if the need arises.

Shareholders should be aware that, under the terms of the Disposal, the Company will not be able to compete in online dating for a period of two years.

The objective of the Board is to generate capital appreciation and any income generated by the Company will be applied to cover costs or will be added to the funds available to further implement the Investment Policy. In view of this, it is unlikely that the Board will recommend a dividend in the early years. However, they may recommend or declare dividends at some future date depending on the financial position of the Company. Given the nature of the Company's Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value.

The Directors may consider it appropriate that the Company takes an equity interest proposed investment which may range from a minority position to 100 per cent. ownership. Proposed investments may be made in quoted or unquoted securities in companies or partnerships at any stage of development; however, the Company will avoid investing in businesses incurring significant losses at the operating level.

The Company's financial resources may be invested in a small number of investments or potentially in just one investment which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules, in which case the approval of the Shareholders will be required. Investments will be made with a view to yielding returns over the medium to long term.

As required by the AIM Rules, at each annual general meeting of the Company shareholder approval of its Investing Policy will be sought.

Cancellation of Treasury Shares

The Company cancelled the 12,169,978 Ordinary Shares held in treasury on 5 December 2014. Following such cancellation, there are 71,201,993 Ordinary Shares in issue, none of which are held in treasury.

Cancellation of Reserves

The Company does not currently have sufficient distributable reserves to effect the Board's proposed return of capital to Shareholders. The Board therefore proposes that the Cancellation of Reserves be effected in order to increase the distributable reserves of the Company. The proposed Cancellation of Reserves reflects the relevant adjustments to these reserves made pursuant to the cancellation of the 12,169,978 Ordinary Shares held in treasury on 5 December 2014.

It is proposed that:

- the amount standing to the credit of the Company's share premium account in the sum of £18,025,395 is cancelled; and
- the amount standing to the credit of the Company's capital redemption reserve in the sum of £347,374 is cancelled.

In addition to the approval by the Shareholders of the Cancellation of Reserves Resolution, the Cancellation of Reserves requires the approval of the Court. Accordingly, following approval of the Cancellation of Reserves by the Shareholders, an application will be made to the Court in order to confirm and approve the Cancellation of Reserves. The Cancellation of Reserves will become effective (if so approved) upon the registration by the Registrar of Companies of the Court Order and the minute in respect of the Cancellation of Reserves. The Cancellation of Reserves, if approved by the Shareholders and the Court, is expected to create a distributable reserves of approximately £17 million.

In seeking the Court's approval of the Cancellation of Reserves, the Court will consider the position of the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date. Creditors of the Company are, in certain circumstances, entitled to object to a proposed reduction of capital. The Court will consider whether it might dispense with the consent of creditors and whether the interests of creditors had been adequately safeguarded. Such safeguards could be seeking the consent of the Company's creditors to the Cancellation of Reserves or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of securing the non-consenting creditors of the Company or otherwise satisfying the Court that the future cashflows of the Company (including receipt of the remaining outstanding deferred consideration) will be sufficient to discharge its liability to creditors. In particular, the Court will consider whether there is a real likelihood that the reduction would result in the Company being unable to discharge its claim or debts when it falls due.

The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the Cancellation of Reserves would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or the Shareholders as a whole. The Directors have undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and consider that the Company will be able to satisfy the Court that, as at the date (if any) on which the Court Order relating to the Cancellation of Reserves and the statement of capital in respect of the Cancellation of Reserves have both been registered by the Registrar of Companies at Companies House and the Cancellation of Reserves therefore become effective, the Company's creditors will be sufficiently protected.

It is expected that a petition for the Cancellation of Reserves will be submitted to the Court in January 2015 and that, subject to approval of the Court, the Cancellation of Reserves will become effective at the end of the first quarter of 2015.

Tender Offer

Conditional upon completion of the Disposal and the Cancellation of Reserves becoming effective, the Board may offer all Shareholders the opportunity to realise some of their investment in the

Company by means of a tender offer pursuant to which the Company's broker will purchase Ordinary Shares from the Shareholders. Any such tender offer will take place after receipt of the proceeds of the Disposal and certain payments of the deferred consideration including an increased payment due in March 2015. It is expected that any such tender offer will take place no earlier than the second quarter of 2015. Any such tender offer may be subject to separate Shareholder approval at the appropriate time.

Authority to Purchase Own Shares

The Directors consider that in certain circumstances it may be advantageous for the Company to purchase its own Ordinary Shares. As such, it is proposed that Shareholders approve the Buyback Resolution contained in the Notice which will give the Company authority to purchase up to 10,680,299 Ordinary Shares in the capital of the Company from Shareholders which equates to approximately 15% of the issued share capital of the Company. It is proposed that the Buyback Authority will expire on the earlier of the date of the next annual general meeting of the Company or 31 December 2015.

It is proposed that pursuant to the Buyback Authority the maximum price per Ordinary Share (exclusive of expenses) shall be an amount equal to 105% of the average market value of the Ordinary Share (as derived from the mid-market price) for the five business days immediately preceding the date on which the Ordinary Share is purchased.

The Directors would only exercise the Buyback Authority if it is considered that such purchases would be to the advantage of the Company and the Shareholders as a whole. The Directors intend that any Ordinary Shares purchased under the Buyback Authority will be held by the Company as treasury shares, within the limits allowed by the law, unless the Directors consider that purchasing the Ordinary Shares and cancelling them would be to the advantage of the Company and the Shareholders. The Directors may dispose of treasury shares in accordance with relevant legislation.

Proposed Changes to the Board

As the Company will be an Investing Company after completion of the Disposal, the Board considers that the services of Ian McCaig and Russell Shaw as Non-Executive Directors will no longer be appropriate. Therefore, Ian McCaig and Russell Shaw will resign as Directors upon completion of the Disposal. It is proposed that George Elliott will remain as independent Non-Executive Chairman and Bill Dobbie will remain as Non-Executive Director.

Phil Gripton intends to continue leading the Company as Executive Director and Niall Stirling will remain as Executive Director and Company Secretary.

It is expected that further changes will be made to the Board of Directors and details of any such further changes will be announced in due course.

Change of Name

As the Purchaser will be operating dating sites in the name of Cupid following the Disposal, the Board proposes that the name of the Company be changed to Castle Street Investments plc. The change of name will require the approval of the Shareholders.

Irrevocable undertakings

Irrevocable undertakings to vote in favour of the resolutions at the General Meeting have been received in respect of 28,910,038 Ordinary Shares constituting approximately 40.53 per cent. of the issued Ordinary Share capital of the Company.

General Meeting

Completion of the Disposal and the Casual Dating Payment, approval of the Investing Policy, the Cancellation of Reserves, the grant of the Buyback Authority and the proposed change of name of the Company are conditional upon the passing of the Resolutions at the General Meeting. A Notice convening the General Meeting at the offices of Cupid plc, 7 Castle Street, Edinburgh at 10 a.m. on 23 December 2014 for the purpose of considering and, if thought fit, passing the Resolutions has been included in the Circular sent to Shareholders.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"AGL"	means Assistance Génie Logiciel SAS, a company incorporated under the laws of France with number 334806098
"AIM"	a market of that name operated by London Stock Exchange plc
"AIM Rules"	rules of the London Stock Exchange governing the admission to, and operation of, AIM
"Amendment Agreements"	deeds of variation to the Casual Dating Agreements to, <i>inter alia</i> , provide for the reduction and acceleration of the consideration due under the Casual Dating Agreements to the Casual Dating Payment
"Buyback Authority"	the authority proposed to be granted to the Company by the Shareholders at the General Meeting to make market purchases of up to a maximum of 10,680,299 Ordinary Shares representing 15% of the issued share capital of the Company

"Buyback Resolution"	the Resolution in the Notice in terms of which the Shareholders' approval of the Buyback Authority is sought
"Cancellation of Reserves"	the proposed cancellation of the sum of £18,025,395 standing to the credit of the Company's share premium account and the cancellation of the sum of £347,374 standing to the credit of the Company's capital redemption reserve
"Cancellation of Reserves Resolution"	the Resolution in the Notice in terms of which the Shareholders' approval of the Cancellation of Reserves is sought
"Casual Dating Agreements"	the asset purchase agreement between the Company and Grendall dated 15 July 2013 as amended; the share sale agreement between Global Digital Corporation Limited and Grendall in respect of the sale of the share capital of EZD Digital Limited dated 15 July 2013 as amended; and the share sale agreement between Frindr Limited and Grendall in respect of the sale of the share capital of Yarra Digital Limited dated 15 July 2013 as amended
"Casual Dating Payment"	means the accelerated and reduced payment of £12.5 million in lieu of the outstanding deferred consideration of £20 million relating to the disposal of the Company's casual dating businesses to Grendall in July 2013
"Company" or "Cupid"	Cupid plc, a public limited company, incorporated and registered in Scotland (registered number SC368538)
"Court"	the Court of Session
"Court Order"	the order of the Court confirming the Cancellation of Reserves
"Directors" or the "Board"	the directors of Cupid
"Disposal"	the proposed sale of the Traditional Dating Assets to the relevant Purchaser on the terms and subject to the conditions set out in the Sale Agreements
"Disposal Resolution"	the Resolution in the Notice in terms of which the Shareholders' approval of the Disposal is sought

"Easydate Dnepr"	Foreign Enterprise "Easydate Dnepr" incorporated in Ukraine under identification code 36160490
"Easydate Ukraine"	Foreign Enterprise "Easydate Ukraine" incorporated in Ukraine under identification code 34640911
"ESS"	French law n° 2014-856 dated 31 July 2014 known as "loi sur l'économie sociale et solidaire"
"Framework Agreement"	the framework agreement between the Company, Together Networks Limited, Tradax and Together Networks Holdings Limited dated 5 December 2014
"French Assets"	the relevant dating domain, trademarks, business and assets of AGL
"French Asset Purchase Agreement"	the conditional agreement to be entered into between AGL and Tradax in respect of the sale of the dating domains, trademark business and assets of AGL
"General Meeting"	the general meeting of the Company convened for 10 a.m. on 23 December 2014 (and any adjournment thereof), notice of which is included in the Circular
"Grendall"	means Grendall Investments Limited, a private limited company incorporated in the British Virgin Islands with registered number 1694954
"Group"	the Company and its subsidiaries or subsidiary undertakings
"Investing Company"	any AIM company which has as its primary business or objective, the investing of its funds in securities, businesses or assets of any description
"Investing Policy"	the policy the Investing Company will follow in relation to asset allocation and risk diversification
"London Stock Exchange"	The London Stock Exchange plc
"Notice"	the notice of the General Meeting set out in the Circular
"Ordinary Shares"	ordinary shares of 2.5 pence each in the share capital of the Company

"NSI"	NSI (Holdings) Limited a company incorporated in England and Wales with registered number 05236118
the "Purchaser"	Tradax, Together Networks Holdings Limited and Together Networks Holdings Limited and each of them individually as the context requires
"Resolutions"	the ordinary and special resolutions set out in the Notice which are to be proposed at the General Meeting (and each of them shall be a "Resolution")
"Sale Agreements"	the Framework Agreement, the UK Asset Purchase Agreement, the UK Share Purchase Agreement, the French Asset Purchase Agreement and the Ukrainian Corporate Right Purchase Agreements
"Shareholders"	holders of Ordinary Shares in Cupid
"Together Networks Holdings Limited"	Together Networks Holdings Limited, a private limited company incorporated and registered in the British Virgin Islands with registered number 1777326 whose registered office is at Trident Trust Company (B.V.I.) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands
"Together Networks Limited"	Together Networks Limited, a company incorporated and registered in Malta, with registered number C61234 whose registered office is at Vincenti Buildings 28/19, Suite No. 149, Strait Street, Valetta, VLT 1432, Malta
"Tradax"	Tradax IP Licensing Limited, a company incorporated and registered in the British Virgin Islands with registered number 1848512
"Traditional Dating Assets"	the dating domains, trademarks, business and assets currently owned and operated by the Company including: the assets, dating domains, trademarks, the French subsidiary company, AGL, and the Ukrainian Subsidiaries
"UK Asset Purchase Agreement"	the agreement entered into between Cupid, Tradax, Together Networks Limited and Together Networks Holdings Limited on 5 December 2014 in respect of the sale of the Traditional Dating Assets

"UK Share Purchase Agreement"	the share purchase agreement in the agreed form to be entered into between Cupid and Together Networks Limited for the sale of the whole of the issued share capital of NSI (Holdings) Limited
"Ukrainian Corporate Rights Purchase Agreements"	the corporate rights purchase agreements in the agreed to be entered into between Cupid and Together Networks Limited in respect of the sale of the Corporate Rights in the Ukrainian Subsidiaries
"Ukrainian Subsidiaries"	means Easydate Ukraine and Easydate Dnepr

The use in this document of the words and phrases "other", "including" and "in particular" shall not limit the generality of any preceding words, and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.

Words in this document which import the singular include the plural and vice versa. Words importing a gender include every gender and the neutral gender. References to a person include any individual, corporation, firm, partnership, joint venture, association, body of persons, organisation or trust (in each case, whether or not having separate legal personality).

Unless otherwise stated, words and phrases which are generally defined in, and for the purposes of, the Companies Act 2006 (as amended) shall, when used in this document, bear the meanings respectively attributed to them by that Act.