

International Brand Licensing plc

("IBL" or "the Company")

Issue of Circular to Shareholders and Option Arrangements

Overview

On 26 November 2009, the Company announced the appointment of David Evans, Julian Baines and Dr Kevin Wilson to the Board and a placing to raise approximately £1 million through the issue of 8,398,300 new ordinary shares at 12.75p per share. The Company also announced that it would be seeking Shareholder approval for the proposed change in the strategy of the Company, moving away from the exploitation of a portfolio of sports and lifestyle brands to building a business within the in vitro diagnostic devices ("IVD") market place.

The Company is pleased to announce that a Circular will be issued to Shareholders later today explaining the rationale behind the proposed change of strategy, as previously announced on 26 November 2009, and why the Directors unanimously consider this to be in the best interests of the Company and its shareholders as a whole and why they recommend that you vote in favour of the resolutions to be proposed at the General Meeting of the Company as they intend to do in respect of their own beneficial holdings of Ordinary Shares.

Shareholder approval is required under the AIM Rules for the proposed change of strategy.

In addition, in order to properly incentivise the new management team, the Company has adopted a Long Term Incentive Plan ("LTIP"). Under the terms of the LTIP, awards have been made to David Evans and Julian Baines, full details of which, together with changes in other option arrangements, are set out below and within the Circular.

A General Meeting of the Company will be held at 12.00 noon on 4 January 2010 at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP.

Long Term Incentive Plan

In order to properly incentivise the new management team, the Company has adopted a Long Term Incentive Plan. Under the terms of the LTIP, each of David Evans and Julian Baines, have received awards equal to 7 per cent. of the issued share capital of the Company ("Issued Share Capital") as at the date immediately following the commencement of dealings following the first acquisition which constitutes a reverse takeover under the AIM Rules (the "Admission Date"). The exercise price of each of the awards under the LTIP is 1p, being the nominal value per Ordinary Share.

These awards become exercisable as follows:

- Awards over 3.5 per cent. of the Issued Share Capital on the Admission Date;
- Awards over 1.167 per cent. of the Issued Share Capital on the first anniversary of the Admission Date;
- Awards over 1.167 per cent. of the Issued Share Capital on the second anniversary of the Admission Date; and
- Awards over 1.166 per cent. of the Issued Share Capital on the third anniversary of the Admission Date.

Option Arrangements

a) 2005 Options

Adam Reynolds who had options over 1,250,000 Ordinary Shares (the "2005 Options"), has entered into a deed of release in respect of 625,000 of those Ordinary Shares. At the same time the Board has granted a 12 month extension to the original exercise date of 28 June 2010. The exercise price remains at 20p per share.

The Board has granted a 12 month extension to the original exercise date of 28 June 2010 in respect of the options over 500,000 Ordinary Shares held by Gordon Hall. The exercise price remains at 20p per share.

The Board has granted new options over 625,000 Ordinary Shares to Paul Foulger at an exercise price of 20p per share with an exercise date of 28 June 2011.

b) Bonus and Phantom Share Incentive Scheme

Following the resignation of Tony Hutchinson, his previous entitlement over shares in the Company under the terms of the Company's Bonus and Phantom Share Incentive Scheme, have been reallocated as follows:

- as to 883,659 Ordinary Shares in favour of Adam Reynolds;
- as to 383,509 Ordinary Shares in favour of Paul Foulger; and
- as to 400,000 Ordinary Shares in favour of Gordon Hall.

The exercise price of the options in this paragraph b) is 1p, being the nominal value per Ordinary Share.

Related Party Transactions

Each grant of awards over Ordinary Shares under the LTIP and as set out in paragraphs a) and b) above is a related party transaction under the terms of the AIM Rules. Where a Company on AIM enters into a related party transaction then the directors independent of the transaction must consider, having consultation with the Company's nominated adviser, whether the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

The directors (independent of each of the separate awards over Ordinary Shares) consider, having consulted with Zeus Capital in its capacity as the Company's nominated adviser, that each of the awards over Ordinary Shares is fair and reasonable and in the best interests of the Company.

Authority to allot Ordinary Shares

Following the recent placing, the Directors have used all existing authorities to issue further shares without the prior approval of Shareholders. The Directors are of the opinion that the Company should have the flexibility to make future allotments and are therefore seeking authority at the General Meeting to allot up to a further 7,500,977 Ordinary Shares, representing approximately 17.86 per cent. of the current Issued Share Capital. The authority that the Directors are seeking at the General Meeting is sufficient to enable the allotment of all of the shares that would need to be issued on exercise of the outstanding options and the outstanding entitlements under the Bonus and Share Incentive Scheme. In addition the authority sought by the Directors would also enable the Company to allot a further 2,500,000 Ordinary Shares, representing approximately 5.95 per cent. of the issued share capital of the Company, if required.

The Directors have no current intention of issuing any further Ordinary Shares.

Recommendation

The Directors consider that the change in strategy will promote the success of the Company and is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings of 5,618,153 Ordinary Shares, representing approximately 13.38 per cent. of the entire issued share capital of the Company.

For further information, please contact:

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