

15 February 2007

## **Upstream Marketing and Communications Inc.**

### **UPSTREAM ACQUIRES AUSTRALIAN PUBLIC RELATIONS FIRM, EXPANDING ASIA PACIFIC NETWORK AND ACCESSING NEW MARKETS**

**LONDON - February 15, 2007:** Upstream Marketing and Communications Inc. ("Upstream", Stock Code UPS.L) is pleased to announce that it has acquired Macro Consulting ("Macro"), a full service public relations company founded in 1985, with a specialized technology practice serving such clients as Linksys, SanDisk, Skype and O2 (the "Acquisition").

The maximum total consideration for the Acquisition is £800,000 which will be satisfied by the issue and allotment to the vendors of up to 4,000,000 new Ordinary Shares in Upstream at an agreed price of 20p each (the "Consideration Shares"). Based on the closing middle market price of 9.75p per Ordinary Share on February 14 2007, the maximum aggregate consideration payable will be £390,000. The Consideration Shares represent approximately 3% of the Upstream's enlarged share capital and the agreed issue price of 20p represents a premium of approximately 106% to the closing middle market price of 9.75p per Ordinary Share on February 14, 2007.

The Consideration Shares will be issued in 4 different tranches upon completion of the Acquisition (the "Completion") and after achieving specific performance targets from 2007 to 2009. Upstream will issue 1 million shares in each tranche no later than 30 days after release of final accounts by the auditor each year. Any Consideration Shares issued will be subject to lock-in undertakings for a period of 36 months from Completion. Peter Kingsbury and Paul Adams, two of the vendors of Macro, have board representation on Upstream Asia Limited, a subsidiary of Upstream, and accordingly the Acquisition is deemed to be a related party transaction under the AIM Rules. Accordingly the board of Upstream, having consulted with Strand Partners Limited, considers the terms of the acquisition to be fair and reasonable insofar as shareholders are concerned.

Macro Consulting, whose focus is the Australian market, has been an Upstream network affiliate since 2003, and has led to client introductions to Upstream including Qantas, GMI and Informatica, while Upstream's Asian network has led to business wins in Australia such as O2 and Skype. In the financial year ended 31 December 2006, Macro Consulting achieved a pre-tax profit of £ 48,007 and as at 31 December 2006 had net assets of £ 40,500.

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[www.aboutupstream.com](http://www.aboutupstream.com)

# UPSTREAM

"Having a significant Upstream presence in Australia will enhance our ability to drive business throughout the network and serve clients region wide, whether in Australia, operating from regional headquarters there, or from Australian companies continuing to push into China," according to Upstream's CEO, David Ketchum.

"China is fast becoming Australia's largest trading partner and the relationship between the two nations continues to strengthen with most major Australian firms having established offices in China over the past few years," said Grahame Cox, managing director of the Australian company.

"Our offices in Beijing and Shanghai are perfectly positioned to help Australian companies increase their brand recognition in the world's most exciting marketplace."

## **About Upstream**

Founded in 2000, Upstream is a full service marketing and corporate communications network positioned to help companies make the most of business opportunities in the Asia Pacific region. Upstream has offices in Beijing, Hong Kong, Shanghai, Singapore, Sydney, Taipei and Tokyo, as well as regional and global affiliates. Key practice areas include technology, corporate & financial, and consumer & travel. For more information, please visit [www.aboutupstream.com](http://www.aboutupstream.com)

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