

PRESS RELEASE

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TECHNOLOGY SERVICES GROUP EXTENDS OPERATIONS IN THE SOUTH WITH 20TH ACQUISITION

Technology Services Group Ltd (TSG) has extended its coverage in the South with the acquisition of CCL Technologies Limited (CCL), the Kingston-based IT reseller and hardware business, on November 1, 2006. The acquisition is the twentieth for the group since its inception in October 2003, and represents continued progress in TSG's establishment of UK-wide IT service and solutions provision for small and medium sized businesses.

CCL, formed in 1991, specialises in Sage software and has additional experience in hardware and infrastructure, serving a diverse customer base in London and the South

The Company has considerable expertise in business and financial software, including customer relationship management. The company's 12 staff will move to TSG's existing central London offices.

Richard Boler, TSG's Regional Managing Director said: 'This is another important acquisition for TSG's expansion in the south of England. It further strengthens our position as the leading IT service provider to small and medium sized businesses nationwide with the addition of a significant customer base in the area. Apart from Sage product expertise, CCL has strong hardware and infrastructure support and installation skills, which will allow us to further accelerate the roll-out TSG's System Care support service to London and the South.'

The acquisition process was overseen on behalf of TSG by Newcastle-based legal firm Sintons llp through partner Chris Welch, working with corporate finance organisation UNW and partner Neville Bearpark. CCL's legal advisor was Duncan Brown of Chivas Easton Brown.

This latest acquisition means that TSG now provides services to more than 12,000 small and medium sized businesses nationwide, from Southampton in the South, to Aberdeen in the north.