

TSG: Technology Services Group Ltd
Head Office
One Gosforth Parkway
Gosforth Business Park
Newcastle-upon-Tyne, NE12 8ET



PRESS RELEASE

December 7, 2004

For immediate release

TECHNOLOGY SERVICES GROUP EXPANDS OPERATIONS IN SCOTLAND

On December 3, 2004, Technology Services Group Ltd (TSG), one of the UK's fastest-growing IT services companies for SMEs, acquired ESCO (Computer Systems & Maintenance Ltd), the Cumbernauld-based IT hardware, software and infrastructure business.

Established in 1990, ESCO has built an excellent reputation as hardware maintenance specialists in Scotland, offering infrastructure and network performance evaluation, server installation and commissioning together with security and disaster recovery plans.

The company has built up a customer base of more than 150 sites across diverse industry sectors, from the Drambuie Liqueur Company and Glenmorangie PLC, to financial e-business specialists Origo Services and the Royal Environmental Health Institute of Scotland.

Graeme Scott (Managing Director, ESCO) and David Welsh (Sales Director, ESCO) are leaving the industry to expand their established commercial property interests, and are

delighted with the continuation of ESCO's commitment to service through TSG. All 17 staff will shortly transfer from ESCO's Cumbernauld site to TSG's offices in Glasgow and Edinburgh.

Graeme Scott said "We have built long-standing relationships with customers, and it's good to know the tradition of providing flexible support services will be maintained and built upon by TSG."

Tom O'Hara (Regional Managing Director, TSG Scotland) said "This is an ideal opportunity to consolidate our presence in Scotland. The hardware and IT infrastructure expertise of ESCO added to the accounting and business software expertise of TSG Scotland means that our customers benefit on all fronts. We will be looking after 150 new customers and will be able to service existing customers even more effectively thanks to the skills and experience of the former ESCO team."

TSG Scotland employs over 100 people in Edinburgh, Glasgow and Aberdeen, serving 2,200 customers across Scotland. With the recent acquisition of System Advantage, TSG is now among the UK's leading Sage, Exchequer and Pegasus resellers. The ESCO acquisition is the third for TSG in as many weeks, and brings the total to ten in the last year.

ENDS