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PRESS RELEASE

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For immediate release

TECHNOLOGY SERVICES GROUP CONTINUES EXPANSION IN YORKSHIRE

On January 31, 2005, Technology Services Group Ltd (TSG) continued its expansion in developing UK-wide IT service provision for SMEs, with the acquisition of Logical Solutions, the Leeds-based IT hardware, software and infrastructure business.

Established in 1983, Logical Solutions has demonstrated steady and sustainable growth to become a highly respected systems house capable of offering a complete range of IT solutions. As one of the larger Sage Solution Centres in the UK, and winners of 'MMS Business Partner of the Year' at the Sage Visions 2004 conference, Logical Solutions will add further breadth to TSG North's range of product and service expertise.

Directors Dave Rawes and David Aitken, and the existing 15 staff will be relocating to TSG North's existing offices at Thorner, Leeds.

Mark Ambler (Regional Managing Director, TSG North) said "This is an ideal opportunity to expand our mid-market proposition in the region, and we'll be offering additional hardware and infrastructure expertise to all Logical Solutions' customers.

"We'll be looking after 300 new customers and will also be able to service existing customers even more effectively thanks to the skills and experience of the former Logical team."

Dave Rawes said “The success of Logical was founded on the hard work, dedication and determination of all its employees. It’s been achieved by truly focusing on customer requirements, and I know that TSG is committed to exactly the same goals. It’s great that the traditions of commitment and service built over the years will continue and grow in the future under the TSG banner.”

The acquisition process was overseen by Newcastle-based legal firm Sintons LLP on behalf of TSG, working with the vendor’s solicitors Last Cawthra Feather and corporate finance organisation UNW. Chris Welch, Corporate Partner with Sintons LLP, commented “We’re delighted to have assisted with the acquisition process since TSG’s inception in the North East of England, and throughout the subsequent rapid growth which has led to their current national presence”.

TSG now employs 380 staff, has an annualised turnover of £36 million and provides IT services to more than 9,000 small and medium sized businesses across the UK.

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