

PRESS RELEASE
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TECHNOLOGY SERVICES GROUP CONTINUES EXPANSION IN MIDLANDS WITH 17TH ACQUISITION

Technology Services Group Ltd (TSG) continues its expansion in the Midlands with the acquisition of Open Systems Services Ltd (OSS), the Birmingham-based IT reseller and support business, on November 8, 2005. The acquisition, using funding from the £25m Lloyds TSB Corporate facility agreed earlier in the year, is the seventeenth for the group since its inception in October 2003, and continues TSG's activity in establishing UK-wide IT service and solutions provision for small and medium sized businesses.

OSS, founded by Don Islip and Colin Corbett in April 1991, specialises in Pegasus software and has additional expertise in hardware and infrastructure. Their focus has been the provision of a complete service to Pegasus users, and they also have a considerable network engineering capability. Founders Don and Colin will continue working with TSG regional managing director Alan Mann to integrate OSS into TSG's Midlands region, and the 10 staff will immediately be involved in supporting TSG's rapidly increasing number of SME customers in and around Birmingham, led by OSS software director Ken Lunn.

Alan Mann, regional managing director, TSG Midlands, said: "This is a key acquisition for TSG, further strengthening our position as the leading IT service provider to small and medium sized business in and around Birmingham with the addition of 100 customers in the area. Apart from Pegasus product expertise, OSS has particular strengths in hardware and infrastructure support and installation, which will allow us to offer an increasingly comprehensive service to our customers in Birmingham with the roll-out of TSG's System Care support service.'

Don Islip said: 'OSS has concentrated on providing a professional IT service to businesses throughout the Midlands and beyond over the past 14 years, giving companies the benefit of dealing with a dedicated local company. As a part of TSG we can continue with this service but with the advantage of a broader product range, backed up by the resources of the group.'

The acquisition process was overseen on behalf of TSG by Newcastle-based legal firm Ward Hadaway through partner Martin Hulls, working with corporate finance organisation UNW and partner Neville Bearpark.

TSG now employs 460 staff across the UK, has an annualised turnover in excess of £40 million and provides IT solutions and services to more than 10,000 small and medium sized businesses nationwide, from Basingstoke in the south, to Aberdeen in the north.

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