

# Articon-Integralis AG and Harrier Group plc in merger discussions

Submitted by: Perfectly Picked

Thursday, 29 July 2004

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Ismaning, Germany, Reading UK, and Hook UK: 29 July 2004: Articon-Integralis AG (&#8220;Articon-Integralis&#8221;) (Prime Standard: AAGN; ISIN DE0005155030), and Harrier Group plc (&#8220;Harrier&#8221;) (AIM market: HRR; ISIN: GB0008823493) announce that they have reached agreement in principle to merge their security systems integration businesses, to be traded on the London AIM market under the name, Harrier-Integralis Group PLC (&#8220;Harrier-Integralis&#8221;). This is intended to create one of Europe's market leading security integration groups with considerable potential for further growth. Articon&#8211;Integralis will be restructured into an investment company with cash of at least &#8364;7 million, to be named Articon AG, and will be traded on the German market.

If implemented, the proposals under discussion envisage the acquisition by Harrier of the Integralis business and certain cash assets (&#8220;Integralis&#8221;) owned by Articon-Integralis in exchange for an issue of new ordinary shares in Harrier Group. The merger will be treated as a reverse of Harrier Group under the AIM Rules and will therefore be subject to, inter alia, shareholder approval and the production of a new admission document for the enlarged group. In addition, the merger will also be subject to the approval of the shareholders of Articon-Integralis. Accordingly, the board of Harrier has requested that its shares be suspended from trading on AIM pending the publication of an admission document in due course.

Following the transaction, it is intended that Articon-Integralis will own 75% of the issued and outstanding share capital of the newly formed Harrier-Integralis Group.

Based on audited 2003 revenues, Harrier-Integralis would have had, on a pro-forma basis, combined revenues of approximately &#8364;100 million and will have established operations in the UK, France, Germany, Switzerland and also in the USA.

Mark Silver, CEO of Articon-Integralis, said: &#8220;The combination of our two businesses will create a leader in the growing but fragmented European security integration market. The integration of the two operations is expected to be accomplished rapidly and effectively. Harrier-Integralis will have a strong sales operation which will allow greater leverage of vendor relationships. It is also expected that economies can be realised across the operations.

Harrier provides enterprise data management and storage solutions, an offering which complements the security systems business. Following the merger, we intend to promote this established capability strongly throughout the Integralis customer base.

The new group structure will also give us access to the UK financial markets to support us as we look forward to further expansion&#8221;.

For the Harrier Group, CEO Jim Stoddart, said &#8220;This merger will bring Harrier the scale and critical mass needed to succeed at a time when margins across the industry are under pressure. In the UK, the new group is expected to be one of the leaders in the security integration market sector.

Over the past four years, Integralis has made a major investment in the development of a Managed Security Services operation which works through a network of dedicated security management centres in Germany, UK and the US, and currently manages contracts in 34 countries. After the merger, we will be able to exploit that service within the existing Harrier client base.

The outcome of this merger will be a focussed and sustainable international group of companies, well placed to grow further as the marketplace continues to consolidate&#8221;.

Articon-Integralis will announce full results for quarter two of 2004 in August 2004, and preliminary estimates indicate revenues of &#8364;21.8 million and an EBITDA loss (pre-exceptionals) of &#8364;0.6 million. Harrier is also due to announce its results for the first half of 2004 in August 2004, and preliminary indications are for revenues in the half year of £6 million with an EBITDA profit of £0.295 million. The circumstances indicated at Harrier&#8217;s Annual General Meeting relating to reductions in gross margins continue and as a result, the board of Harrier notes that profit before tax, but not revenues, for the year ended 31 December 2004 is expected to be below their expectations.

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For further information contact:

Juliet Machan

Head of Investor Relations, Articon-Integralis

+44 7768 283 074

Mark Silver

CEO, Articon-Integralis

+44 118 930 6060

Jim Stoddart

CEO, Harrier Group

+44 1256 760081

Trevor Bass

Fleet Financial

+44 207 0670743

Adam Hart/Jonathan Marren

KBC Peel Hunt Ltd

+44 207 418 8900

About Articon-Integralis

Articon-Integralis AG (quoted on the Prime Standard, ticker symbol AAGN, Security Code Number 5155030)

Articon-Integralis AG is a European market leader as a specialist in security systems integration. It has 11 offices in Europe and the US and 378 employees. Under its brand name Integralis, the company is focused on security systems integration which include best-of-breed IT security products and a range of consulting, system integration and managed security services. Articon-Integralis has a large number of

blue-chip clients which include government agencies and a range of international companies. Additional information about Articon-Integralis is available on the Internet under <http://www.articon-integralis.com>

#### About Integralis

Since its formation 15 years ago, Integralis has grown to become one of Europe's Leading Security Systems Integrator. Integralis enables companies to conduct secure communications and e-commerce transactions via private and public networks. The company offers a broad selection of security services, security products and managed security services. The existing customers of Integralis include government authorities and numerous major European companies, including half the companies listed on the FTSE 100. Integralis is a part of Articon-Integralis AG. <http://www.integralis.com>

#### About the Harrier Group

The Harrier Group plc (AIM market: HRR; ISIN: GB0008823493) was established in 1987, originally as reseller of products from the Digital Equipment Corporation and other computer manufacturing companies. In November 1999 the Harrier Group floated on the AIM Market of the London Stock Exchange (AIM). In May 2000 the Harrier Group combined the operations of its four subsidiaries, Harrier Network Solutions, Harrier Storage Solutions, ReNet and Zeuros to form a new brand HarrierZeuos. In January 2002 Harrier Group plc acquired IKAN, a small consultancy practise providing business continuity and operational risk services. IKAN was launched to the UK Market as a two tier provider of training, risk and business continuity services in April 2002. More information about the Harrier Group can be found on the Internet: <http://www.harrier.com>

#### About HarrierZeuos

Incorporating two sister companies, HarrierZeuos Ltd and HarrierZeuos Storage Solutions Ltd, HarrierZeuos provides a range of information protection, assurance and continuity services that enable organisations to maximise the value of their existing IT investment. The company offers an independent approach to technology led solutions with a range of services, including consultancy, secure managed services and training, covering the entire spectrum of data protection and data availability technology. HarrierZeuos secures and protects the business critical data of many of the UK's leading blue chip companies. Clients include Boots, Friends Provident, Prudential and Vodafone. <http://www.harrierzeuos.co.uk>