

## Record financial results for Kelway

Submitted by: The Crocodile Design & Marketing Ltd

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Completion of Elcom integration and appointment of new chairman establish framework for further growth to come

Kelway (<http://www.kelway.co.uk/>), one of the UK's most successful IT resellers, has today announced record results for the first half of its 2008/9 financial year. The news comes at an exciting time for Kelway, which has also completed the successful integration of Elcom ITG and appointed Richard Barfield as its new Chairman.

Revenues of over £55 million for the first half of Kelway's current financial year are over 35 percent up on last year. Growth in infrastructure projects, solutions and services was particularly strong, contributing to improved margins and a net profit up 80 percent to a record high. Cash flow has been strongly positive, and the group closed its half-year with a strong balance sheet, showing positive cash balances and no debt.

Going into the second half of its financial year, order books are at record levels as Kelway's clients continue to invest in consultancy, managed services and lifecycle solutions through its innovative ProServices, ServiceTrack and EasyLife offerings. Elcom ITG, the Basingstoke-based IT reseller Kelway acquired in June 2007, has been successfully integrated within the core Kelway business. The success of the Elcom acquisition has been a key factor in Kelway's growth and performance this year.

"In market conditions widely recognised as some of the most difficult the IT industry has ever known, Kelway has continued to grow its revenues and take market share," says Phil Doye, Kelway's Chief Executive Officer. "Our successful acquisition and integration of Elcom has helped us to grow our national footprint and reinforced our position as a leading supplier of IT solutions. Kelway's strong financial position will enable us to trade strongly through the downturn, provide a platform for further growth and enable us to consider further acquisitions in the sector."

Kelway has also announced the appointment of Richard Barfield as non-executive Chairman. Barfield was the Chief Executive Officer of Spring Group plc, the UK's largest technology staffing specialist, from March 2002 until September 2006, and is a past Chairman of the Recruitment and Employment Confederation (REC), the recruitment industry's trade association. He is the Chairman of ARC International plc, a UK listed business which is the world leader in configurable microprocessor design for the consumer electronics industry, and was formerly the Group Finance Director of Northgate Information Solutions plc.

"I am very pleased to be joining Kelway at this exciting stage in its evolution," says Barfield. "Kelway has firmly established itself as a market leader by providing outstanding service to its clients. With continued revenue growth in the first half of its current financial year and a very strong balance sheet, the company has a solid financial platform for future growth and I look forward to working with Phil and his excellent team as Kelway embarks on the next leg of its exciting journey."

Ends.

## About Kelway:

Kelway (<http://www.kelway.co.uk/>) is one of the UK's most successful IT resellers. With headquarters in London's Docklands, Kelway has five UK sales offices and a sixth in South Africa. Kelway employs over 100 account managers and customer service consultants, offering a consultative approach to procurement and working closely with its clients to recommend and deliver the most appropriate IT solutions.

It was established in 1990 and has expanded dramatically in the past seven years with turnover rising from £12 million to £100 million. In 2006 Kelway was named both Corporate Reseller of the Year and overall Reseller of the Year at the prestigious CRN Awards. In 2008 Kelway was awarded one of the first HP Gold Preferred Partner accreditations in the UK.

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