

Kelway acquires managed services and virtualisation specialist Panacea

Submitted by: The Crocodile Design & Marketing Ltd

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Acquisition of Panacea Services strengthens Kelway's managed services and virtualisation capabilities and creates a combined business with revenues in excess of £140m

Kelway (<http://www.kelway.co.uk/>), the UK's leading mid-market IT reseller, has today announced the acquisition of London-based HP and VMware partner Panacea Services Ltd. Panacea's expertise in managed services and virtualisation will bolster Kelway's portfolio, complementing its established strengths in product, consultancy and lifecycle solutions.

Established in 1992, Panacea Services offers storage solutions, IT consulting, information lifecycle management and next-day supply of hardware and software. The company employs in the region of 110 staff, with 70 percent of them focused directly on providing project and technical services. The company is headquartered in London and has technical support centres in the Midlands, Edinburgh, Amsterdam and the United Arab Emirates.

Peter Stroud, managing director of Panacea Services, joins the Kelway board and assumes the role of head of Kelway's solutions and services offering. Stroud comments: "We are delighted to be joining forces with Kelway in a move that will be hugely beneficial to both parties. Panacea Services has gone from strength to strength since its inception in 1992 to its current position as an agile and profitable leader in managed services and virtualisation. Kelway's investment in Panacea Services underscores our position as one of the UK's premier value added resellers. It will enable us to continue to serve our loyal customer base as the leading IT infrastructure systems provider for London, and to work with new customers throughout the UK."

This latest acquisition sees Kelway (<http://www.kelway.co.uk/>) delivering on its ambitious growth plans after the company posted record revenues of over £55 million for the first half of its 2008/9 financial year. The integration of Panacea Services creates a combined business with revenues in excess of £140m.

"The acquisition of Panacea Services represents another dynamic move forward for Kelway and a key step in strengthening our position as the UK's foremost mid-market IT reseller," says Phil Doye, Kelway's Chief Executive Officer. "We are pleased to welcome Peter Stroud to the board. With the addition of Panacea Services' expertise in managed services and virtualisation we see great opportunities for our existing clients. We will continue to seek out further complementary additions to the company, enabling us to fulfil our growth plans despite this tough economic climate."

Both Kelway and Panacea Services are HP Gold accredited partners. In 2008 Panacea was named HP's Mid-Market Preferred Partner of the Year. Commenting on the acquisition, Dave Poskett, director of Solutions Partner Organisation for the UK & Ireland at HP, says: "It is encouraging to see two of our Gold accredited partners coming together. This can only help their respective HP customers, and HP looks forward to supporting them in their continued growth. Both Kelway and Panacea's existing customers stand to reap significant business benefits from the combined and complementary expertise of these two

leading players in the channel.”

In addition to its status as an HP Gold accredited partner, Panacea Services was the first VAR in EMEA to deliver VMware as an OEM solution. Its standing within the virtualisation community was further enhanced when it received VMware’s coveted EMEA Rising Star award, placing Panacea firmly in the top tier of specialist VMware partners.

Ends.

About Kelway (<http://www.kelway.co.uk/>):

Kelway is one of the UK’s most successful IT resellers. Established in 1990, the company delivers IT solutions for a wide range of customers, backed by unrivalled levels of service. Kelway’s account management and customer service teams are experienced IT professionals who offer a consultative approach to procurement. The company’s EasyLife customer service philosophy means staff work closely with customers to establish a genuine understanding of their entire business, plans and objectives. In 2007 Kelway was named both Corporate Reseller of the Year and overall Reseller of the Year at the prestigious CRN Awards.

Kelway operates from headquarters in London and regional sales offices in Basingstoke, Exeter and Swansea. Customer orders are fulfilled from a central distribution centre in Northampton. For more information please visit: www.kelway.co.uk

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