

# **iomart accelerates managed hosting growth with acquisition of RapidSwitch**

Submitted by: Iomart Group Plc

Tuesday, 12 May 2009

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£4.3M cash purchase nets fast growing Managed Hosting Company RapidSwitch

Iomart Group has today acquired the entire issued share capital of RapidSwitch Limited, a leading managed hosting provider and currently ranked by Deloitte as the 10th fastest growing technology company in the UK, for £4.3M cash on completion with a further £0.95M payable on 31st March 2010.

RapidSwitch has become one of Europe's most respected and technically advanced hosting companies. In recent years RapidSwitch has achieved strong organic growth, via a high rate of repeat business and referrals, through its well deserved reputation for excellent customer delivery and service.

The company is focussed on delivering highly reliable managed hosting (<http://www.iomarthosting.com>) solutions for its clients. RapidSwitch currently manages over 4,000 dedicated servers on behalf of 1,600 clients ranging from SMEs through to large corporate. For the year to March 2008 revenues grew from £1.4 to £2.6m and EBITDA was £760k. Similar rates of revenue growth have been maintained through to March 09.

Angus MacSween, CEO Iomart Group plc, stated: "Iomart Group's strong balance sheet, a direct result of our recent disposal of our noncore directory business to BT, has released cash to make strategic acquisitions. The acquisition is in line with Iomart's strategy of becoming the UK's foremost hosting company, focused on the delivery of managed hosting environments and solutions, be they virtual (<http://www.iomarthosting.com/virtual-machine-servers>), dedicated, cloud, or SaaS."

The purchase of RapidSwitch provides Iomart with a fifth data centre, to add to its existing portfolio of 4 newly commissioned UK wide properties. RapidSwitch's data centre, located in Maidenhead, Berkshire, is newly commissioned and operational, and when fully built out it will give Iomart Group the capacity to accommodate a further 600 racks.

Angus MacSween added: "The purchase of RapidSwitch provides us with additional highly skilled technical expertise and increases the Group's data centre capacity significantly. We are now even better placed to service a comprehensive range of hosted servers, high density cloud computing, virtualisation and disaster recovery solutions to our clients."

Ed Butler, MD of RapidSwitch stated: "We believe today's announcement will bring enormous benefits to both our employees and customers alike. Over the past decade we have worked hard to build RapidSwitch into one of the fastest growing and most respected dedicated servers companies in the UK. We believe that in joining the Iomart group, we will benefit from the economies of scale, ensuring that we have the opportunity to continue our rapid growth by reaching new and exciting hosting markets".

Ed Butler also stated: "The synergies between the two companies are marked. Both Iomart Group and RapidSwitch have over a decade of hosting experience, own and manage data centre infrastructure, and most importantly understand the importance of high availability and customer service."

Finally Angus MacSween stated: "The market reaction to our focus of the provision of managed hosting and data centre services has been very encouraging to date, and we are convinced that our acquisition of RapidSwitch at this stage of the Group's evolution will accelerate growth opportunities and profits for the group. We are operating in a growing market, despite the current economic conditions, and "we will continue to explore a number of complementary acquisition opportunities over the months ahead" which will enable us to add revenues, skills and savings to the group."

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Notes for Editors:

1. RapidSwitch was owned and will continue to be managed by two technical entrepreneurs – Ed Butler and Paul Tacey-Green.
2. The Company is currently located in Berkshire, employs 20 people, manages 4000 servers, serves 1600 business customers and operates a Tier 2 Data Centre in Maidenhead.
3. RapidSwitch Ltd will continue to trade as a separate entity and all existing Directors and employees will remain with the company.
4. The acquisition of RapidSwitch provides the iomart group with its fifth data centre, offering an additional 1,300 m<sup>2</sup> of fully redundant and secure data centre space. The Group now owns data centres in London, Maidenhead, Glasgow, Nottingham and Leicester delivering a combined capacity of 4,600m<sup>2</sup>
5. The existing customers of iomart Group plc or RapidSwitch Ltd will not be affected in any way by today's announcement.

About iomart Group

The iomart Group's principal activity is providing web based managed hosting services for businesses

Originally founded in 1998 as an integrated internet and telecommunications company, the Group has evolved to become one of Europe's largest providers of managed hosting, colocation, data centre, and cloud services, serving over 300, 000 customers each day. The group currently serves both the consumer and business hosting markets through its brands – iomart Hosting, Easyspace, Internetters and Netintelligence.

Having been at the forefront of the UK's technological revolution for the past decade the Group has developed an enviable reputation for its internet expertise, its service ethic and its product innovation. By owning its own data centre and network infrastructure, it is able to deliver the complete set of vertical components in the hosting arena from domain names, virtual and managed servers through to complex managed cloud hosting solutions

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