

IOMART SEES SILVER LINING IN CLOUD AS PURSUIT OF HOSTING STRATEGY PAYS DIVIDENDS FOR GROUP

Submitted by: The Big Partnership

Wednesday, 3 June 2009

Final results reveal strong organic growth, 45% increase in hosting revenues, and profit of £11.2 M and payment of dividend.

Glasgow/Wednesday June 3rd 2009: Managed hosting and data centre services provider iomart Group plc (<http://www.iomart.com>) has today reported a 45% per cent rise in hosting services revenues to £11.8M (£8.1M 2008) for the financial year 2008/09, and a post tax profit of £11.2M from total operations (£0.4M 2008)

Both of iomart's main operating units contributed to the strong growth, with Easyspace increasing its revenues 14% to £7.2M (£6.3M 2008), and the group's Managed Hosting business, iomart Hosting, growing its revenues by 155% to £4.6M (£1.8M 2008).

The Group's latest final annual results reveal:

- 45% increase in revenue £11.8M (£8.1M 2008)
- Post tax profit £11.2M (£0.4M 2008) from total operations
- Revenue growth in both operating units
- 52% Gross Margin maintained at £6.1M (£4.2M 2008)
- Final dividend of 0.3p per share
- Basic earnings per share from total operations 11.27p (0.35p 2008)
- Cash balances at year end £13.9M (£0.7M 2008)
- iomart Hosting gains 60 new managed hosting customers

EBITDA losses from continuing operations improved to (£0.3M) from (-£1.4M) in previous year. Cash balances at year end totalled £13.9M (£0.7M 2008) due in the main to the resultant net proceeds of the disposal of its non-core directory business for £15.2M.

Additionally, the group has also announced a re-establishment of a dividend policy with the Board proposing to pay 0.3p per share on 3 September 2009 to shareholders on the register on 12th June 2009.

Ian Ritchie, CBE, Non Executive Chairman stated: "I'm very pleased to report that we have continued to make substantial progress in pursuit of our strategy to become one of the UK's foremost hosting groups."

Angus MacSween, CEO, stated: "The past year has seen significant progress on all fronts. Both of our hosting businesses have demonstrated strong organic growth with Easyspace now serving over 235,000 customers and iomart Hosting acquiring 60 new managed hosting customers.

"Utilising our own data centre and network infrastructure, which offers both synergy and efficiency, we can offer a hosting brand suited for every market – from the small online retailer seeking a simple web presence through to high availability, on demand virtualised hosting for the corporate and new media

markets.

“There can now be no doubt that the world is split into two economies, the offline and the online, and the online one continues to grow, change and innovate despite the world’s economic problems. As a Group, we are solely focused on providing the expertise, facilities and quality support demanded by the online market. Despite the hype and general confusion over the definition of Cloud Computing, we are quite clear on our positioning. We are beginning to see the benefit of our geographically spread UK network of 5 data centres, and we are able to offer a uniquely resilient high availability ‘infrastructure as a service’ solution for all organisations on an outsourced basis at lower cost than in-house.

“For today’s business, the benefits of Cloud Computing, of a centralised computing infrastructure that can be easily accessed via the internet, are just too compelling to ignore but there is a flip side. When you are dependent on someone else for the technology, you are effectively placing your business in the hands of a third party. We recognise this and have ensured that every process, every practise, every piece of technology is engineered to ensure no single point of failure.

“I have stated before that we don’t simply offer web hosting, we offer peace of mind and this is our key differentiator in the marketplace. I am pleased to report that this mantra is finding empathy with many businesses and we are seeing a very healthy prospect pipeline developing across all of our brands.”

Last month the AIM-listed company revealed it had acquired the managed server hosting business RapidSwitch for sum of £5.2m, one of the UK’s market leading dedicated server hosting brands.

Angus MacSween added: “Our strategy has always been to deliver both organic and acquisitive growth and after the year end we were delighted to conclude the acquisition of RapidSwitch. In Rapid Switch we have acquired a fast growing and profitable business with a strong brand that we expect to continue to thrive within our environment. We shall continue to seek to add complementary cash generative hosting businesses to the Group’s portfolio for the benefit of our employees, customers and shareholders.”

Issued by The BIG Partnership on behalf of iomart plc. For more information contact Bryan Garvie at The BIG Partnership on 0141 333 9585 / bryan.garvie@bigpartnership.co.uk

NOTES TO EDITORS:

About iomart

Founded in 1998, and listed on AIM in 2000, iomart plc has built an enviable reputation for its core internet hosting skills and experience. The company holds a unique place in the hosting market in that it genuinely offers a ‘one source’ approach. By physically owning and managing its own network infrastructure, including state-of-the-art data centre facilities, it offers world-beating levels of service to its customers.

iomart provides a blend of hosting services, ranging from domain name management through to complex

managed data centre solutions, to both the private and public sector.

All hosting services are customised to suit the client's exact requirements and are designed for superior performance, reliability, security, and scalability.

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