

Acquisition of Managed Hosting Company Titan Internet heralds Golden Age for iomart Group

Submitted by: Iomart Group Plc

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£4.2M cash purchase nets iomart Group service focused managed hosting company

iomart Group plc (AIM:IOM), the managed hosting and cloud computing services company, has today acquired the entire issued share capital of Titan Internet Limited (<http://www.titaninternet.co.uk>), a leading UK managed server hosting company, for £3.6M cash on completion with a further amount of up to £0.6M payable in April 2011.

11 year old Titan Internet has become one of the UK's most respected and technically advanced hosting companies, particularly in the areas of virtualisation and network management. In recent years Titan Internet has achieved a well deserved reputation for excellent customer delivery and service.

Titan is focussed on delivering highly reliable complex managed and virtualised hosting solutions and has built an impressive client base, currently managing over 1,000 servers on behalf of clients ranging from SMEs to large corporates.

As at 31 August 2009, the net assets of Titan were £765k with revenues of £3.4M, EBITDA of £648k and pre-tax profits of £342k. Titan currently has net cash of approximately £500k.

Angus MacSween, CEO iomart Group plc, stated: "We announced back in June that the Group intended to become the UK's leader in the relatively new cloud computing (<http://www.iomarthosting.com/cloud-hosting>) market through a combination of organic growth and acquisition. Our enviable position of having a strong balance sheet and an additional £10 million credit facility from Lloyds Banking Group, enables us to make strategic and complementary acquisitions such as Titan Internet when they present themselves."

Angus MacSween added: "The purchase of Titan Internet provides us with additional highly skilled technical expertise particularly in the areas of virtualisation and network management, both core attributes required to deliver the full range of cloud computing flavours to the marketplace. "

"In Titan we have acquired a profitable business with a strong service brand that we expect to continue to thrive within our group environment and I am pleased that the management team responsible for growing the business has agreed to continue to drive it forward under our ownership".

Lee Christie MD of Titan Internet stated: "We believe today's announcement will bring enormous benefits to both our employees and customers alike. We are delighted to be joining the iomart Group at such an exciting time in the evolution of hosting services. We will benefit from the economies of scale, product innovation and financial support that the Group gives us, and we are confident we will be able to accelerate our growth and revenues as a result."

Angus MacSween added: "Having recently announced that our organic growth is ahead of market expectations, we believe the acquisition of Titan will accelerate that growth through the incorporation

of an excellent managed hosting (<http://www.iomarthosting.com/managed-hosting>) operation with an impressive client list.”

“The opportunities to add value through infrastructure, technology and marketing synergies are significant. In consequence, iomart expects the acquisition to be immediately earnings enhancing before the costs of integration synergies.”

Finally Angus MacSween added: “The Group continues to make excellent progress in the buoyant, but embryonic, cloud computing marketplace. We are now established, gaining market recognition and a reputation for service excellence, and I believe we are now extremely well placed to rapidly grow our market share. Today’s acquisition announcement cements our intent to be the UK’s market leader in this arena.”

“We will continue to explore a number of complementary acquisition opportunities over the months ahead enabling us to add revenues, profits, skills and savings to the Group”.

Issued by

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About iomart Group plc

iomart Group is one of the UK’s leading providers of managed hosting services. From a single server through to private cloud networks, iomart specialises in the delivery and management of mission-critical hosting services, enabling customers to reduce the costs, complexity and risks associated with maintaining their own web and online applications.

By physically owning and managing its own network infrastructure, including five UK data centres, iomart offers world-beating levels of service to its customers. The Group offers a unique 100% uptime guarantee with all hosting services being engineered to ensure no single point of failure. Services offered include: Managed Hosting, Colocation, Complex Hosting solutions, Content Delivery Networks, IP Transit, Data Centre Services and Cloud Computing

For further information about the Group, please visit www.iomart.com

About Titan Internet

Based in Rochford, Essex, Titan Internet Ltd was founded by Lee Christie in 2001. Nearly a decade later, Titan Internet has grown each year since it was established. Titan has expanded to become one the UK’s leading technical hosting companies. The company has earned a well deserved reputation for service, with a high level of customer referrals leading to its growth.

For further information about Titan Internet, please visit www.titaninternet.co.uk

Note

Financial information for Titan Internet Ltd has been sourced from unaudited, financial due diligence created by external accountants.

