



News release

Innovise acquires IT infrastructure services company, Abilitec

28 December 2007: AIM-quoted Innovise plc, the fast-growing provider of workforce management software and managed IT solutions, announced today that it has reached agreement to acquire Abilitec Ltd, Europe's leading supplier of IBM Tivoli Netcool services, consultancy, licence sales, support and training.

This latest acquisition marks another major step in Innovise's mission to grow its business substantially through a buy and build strategy, spanning both its workforce management software division and its managed IT services division, which was established with the acquisition of Data Technology Group Ltd in July this year.

Mike Taylor, CEO of Innovise, said: "The managed IT services sector remains relatively fragmented, with a top stratum occupied by global giants and many much smaller providers below this top tier. We believe there is an opportunity within this valuable sector to build a highly profitable and integrated enterprise offering a comprehensive range of dependable IT services to medium and medium-large organisations.

"Prior to acquisition, both Abilitec and Data Technology were profitable and growing within their respective specialist areas – infrastructure services and applications services. We hope to accelerate the growth of both businesses, which provide a solid foundation for further selective expansion in these areas," he added.

The Abilitec transaction involves an initial cash payment of £3 million, plus up to £1 million in shares based on its business performance over the next two years. Abilitec will continue to be operated on an "as is" basis by the current team, including the principals, ensuring continuity and accountability for performance. At the same time, Innovise will seek to drive synergies throughout the enlarged group in order to increase recurring revenues, expand the customer base, and extend the range and value of its offering.

Last week Innovise announced its results for the year ended 30 September 2007. Operating profit before interest, tax and amortisation of goodwill rose to £405,542 – up 180% from the previous year, while turnover increased by 50% to £2,280,598.

Abilitec, which is based in Bedfordshire and has 35 employees, had annual sales of £3.76 million to 31 March 2007 and earnings before interest, tax and amortisation of £704,000. On a pro forma basis, the acquisition of Abilitec is immediately earnings enhancing for Innovise.

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