

Press Release

Access Intelligence acquires Ether-Ray

1 July 2009

Access Intelligence plc, a London-based software and services group, has acquired Ether-Ray, a software business that provides media and communication software for public sector, for £2.4 million in cash. Convertible loan notes were issued to Unicorn VCT plc and Elderstreet VCT plc, a significant shareholder, raising £1.75 million to part fund the transaction.

Ether-Ray was founded by Raul Gonzalez and is based in Old Street, London. Ether-Ray's products are delivered via the Software-as-a-Service ("SaaS") model with the majority of customers on six year subscription contracts, where subscriptions are paid annually in advance. Ether-Ray has approximately 188 customers, of which around 150 are on the hosted platform. Raul will stay on as a consultant for a limited period to help transition the business into the Access Intelligence group. In the year ending August 2008, Ether-Ray generated a turnover of £888,000 and pre-tax profits of £380,000.

Ether-Ray's Newsflash product provides on-demand, hosted software for the corporate communications teams within the public sector. All facets of the communications function, including media and public relations, stakeholder management, internal comms, and marketing aim to increase productivity and efficiency by having easy access to the software that streamlines and simplifies the workload. Through Newsflash users are able to capture, create, distribute and analyse all communications, driving brand recognition in the communities they serve and upholding the reputation of their organisation.

Joanna Arnold, Development Director at Access Intelligence commented:

"Ether-Ray is an excellent addition to the Media and Public Relations division at Access Intelligence plc; the rapidly growing innovative SaaS solutions provider. The acquisition of Ether Ray provides a number of synergies and cross selling opportunities for Access, whilst continuing the focus on SaaS".

Michael Jackson, Executive Chairman at Access Intelligence added:

"Ether-Ray is one of the market leaders in this public sector niche, servicing around 25 per cent of local authorities as well as universities, NHS organisations, police authorities, charities and government agencies. Ether-Ray has a strong team with specialist knowledge in these sectors."

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About Access Intelligence:

Access Intelligence is based in London with subsidiaries in York, Stockport, Harefield, Chorley, Lancashire and Newcastle-upon-Tyne. With particular focus on Software as a Service (SaaS) delivery, Access Intelligence invest in businesses with defensible recurring revenues, high customer retention rates, strong presence in niche sectors, capable management teams and cross-selling opportunities.

The existing Access Intelligence investments fall into the following categories:

- Compliance (MS2M)
- Procurement and Contract Management (Due North)
- Media & Communications (Solcara / Wired-Gov)
- Information and Data Management (Willow Starcom)

In the year ending November 2008, Access Intelligence reported a turnover of £4 million.

For more information: www.accessintelligence.com