
@UK PLC News Announcement

@UK PLC - Acquisition

RNS Number:2412C
@UK PLC
02 May 2006

Under embargo until 7:00am

2 May 2006

@UK PLC ('@UK')

Acquisition of Coding International Limited

@UK PLC, (AIM: ATUK.L) a leading provider of software solutions that facilitate eCommerce and eProcurement, today announces that it has agreed terms for the acquisition of Coding International Limited ('Coding') which provides coding services for use in procurement, including the coding of products which are purchased by its public sector clients. Coding, which is based in Southampton, has 6 employees and has developed the National Supply Vocabulary ('NSV') coding system used by a number of public sector bodies and agencies. Users include: Manchester City Council; The Inland Revenue; the London Borough of Barnet; Government Procurement Agency (N.I.); the States of Jersey and some Health Boards in the Republic of Ireland. NSV now includes codes and item descriptions for approximately 500,000 products and services.

For the year ended 30 September 2005, Coding had turnover of £148,000 and broke even. The net liabilities being acquired as part of the acquisition were £5,000 as at 30 September 2005. The consideration for the acquisition includes an initial payment of £50,000, of which £25,000 is payable in cash and £25,000 will be met by the issue of 42,015 shares at a valuation of 59.5p per share. Deferred payments of up to £25,000 per year, to be satisfied in @UK shares, will be payable, dependent on performance for the years ended 31 December 2006 and 31 December 2007.

The Board has become aware, increasingly, of the importance of coding to its public sector service offering and believes that the acquisition of a coding capability is a vital strategic step in the development of the business. Coding and @UK are already co-operating on a number of projects which, it is anticipated, will lead to a significant increase in Coding's revenues going forward. Consequently the Board anticipates that the acquisition will be earnings enhancing in its first full year.

Coding is owned (95%) currently by Mr Terry Ashmore and Mrs Christine Ashmore. Mr Ashmore is the Managing Director of the company and, post the acquisition, will continue to hold this position. Coding will be a wholly owned subsidiary of @UK Plc.

Lyn Duncan, Chief Executive of @UK Plc commented:

'We are very pleased that our first acquisition since coming to AIM in December 2005, is of such strategic importance. The coding of products is an essential tool in enabling our clients to demonstrate visibly the savings which are required by Government as outlined in the Gershon report. We are confident that not only will the acquisition be earnings enhancing but will also increase significantly the depth and breadth of the @UK service offering to the public sector.'

For further information please contact:

@UK PLC
Lyn Duncan Managing Director
John Aiken Finance Director

+44 (0) 118 963 7000

Shore Capital

+44 (0) 151 600 3700

Mike Sawbridge

Smithfield
Sara Musgrave
Tania Wild

+44 (0) 20 7360 4900

Notes to Editors:

eCommerce can be defined as the buying and selling of products and services over the internet. eProcurement is the particular process by which large organisations carry out their purchasing using eCommerce. @UK offers a unique solution within the field of eCommerce/eProcurement. Using its online network, public sector bodies such as local authorities, schools and hospitals and private sector enterprises can buy online from small to medium enterprises (SMEs), as well as larger suppliers. At the same time those suppliers generally set up a trading website on @UK which can be used to sell online to other businesses and even consumers worldwide. @UK is currently focused strongly on selling this approach to buyers throughout the public sector since this sector offers specific opportunities as a result of the UK Government's stated requirements for eProcurement.

Currently, there are over 1,000 public sector bodies spending over £100 billion annually on goods and services with around one million suppliers. These public sector bodies have now been given specific performance targets in connection with eProcurement, and substantial sums have been invested by the Government in eCommerce platforms in both central and local Government.

These projects form a core part of the 'Gershon' efficiency drive to save the public purse more than £20 billion annually by 2007/08. This drive followed the publication in July 2004 of Sir Peter Gershon's report, 'Releasing resources to the front line: Independent Review of Public Sector Efficiency'. In addition, the Government encourages public sector bodies to engage with local companies and stimulate their adoption of eCommerce.

The Directors believe that @UK is ideally positioned to experience significant growth as these public sector bodies put in place the necessary online links with their suppliers.

@UK listed on AIM in December 2005, raising £8 million before expenses at an issue price of 60p. @UK is included in the Software and Computer Services Sector (9530). For further information please visit www.ukplc.net.

This information is provided by RNS
The company news service from the London Stock Exchange

END
ACQP UUQUCUPQGRR