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**FOR IMMEDIATE RELEASE**

**3 MARCH 2006**

**NETSERVICES plc**  
(‘NETSERVICES’ or ‘the Company’)

**SUCCESSFUL £11 MILLION FUNDRAISING AND ADMISSION TO AIM**

**AIM symbol: NSV**

***Distributing complex technologies simply***

**NetServices, “the people behind the people”** which specialises in providing infrastructure capable of supporting converged voice, data and video via white labelled customer solutions, is pleased to announce a successful fundraising and confirmation of its proposed Admission to AIM. Dealings are expected to commence in the Ordinary Shares on 8 March 2006.

**HIGHLIGHTS**

- Since the mid 1990s Manchester based NetServices has built up a strong position in networking solutions, primarily broadband and dial up connections and also hosts networks for businesses
- Its offering comprises:
  - Wholesale DSL
  - Wide Area Networking (WAN)
  - Voice4IP, its business quality VoIP solution
  - Mission critical hosting
  - Bespoke programming and solution development
- NetServices’ blue chip partners and customers include:
  - Partners : BT, Computerland, Kingston Communications
  - Customers: Kingston Communications, Tyco and Caffyns
- NetServices has enjoyed approximately 100% compound growth since 1999 and for the year ended 31<sup>st</sup> August 2005 reported revenues of £11 million and already has secured more than £16 million of contracted revenues for the year ending 31<sup>st</sup> August 2006
- The Company has grown both organically and through acquisition of network assets and businesses including in May 2005 the purchase of Telefonica UK Ltd which added approximately £5 million of annualised revenue, £10 million of additional network assets

## Details of the Placing

- NetServices has raised in total £11 million
  - £5 million through the issue of New Ordinary Shares
  - £6 million through the sale of shares on behalf of NetServices' founder
- Market capitalisation at the Placing Price following Admission will be £20.5 million
- Net proceeds of the Placing will primarily be used for:
  - Working capital
  - Voice4IP expansion
  - Developing infrastructure
- Arbuthnot Securities Limited is acting as Nominated Advisor and Broker to the Company.

### **Commenting on the planned Admission, Mark Vickers, Chief Executive, commented:**

*"We are delighted to have received strong investor support for this fundraising and flotation. The funds raised will allow us to expand our white label broadband customer base, further build our network infrastructure and take advantage of the growing demand for converged WAN and voice solutions.*

*"In addition, the Directors believe that the status of being quoted on AIM may provide additional flexibility or opportunities in NetServices' commercial activities, access to capital markets and provide corporate and market endorsement as well as incentivisation of our key staff, whom we consider important to NetServices development."*

### **For further information, please contact:**

#### **NetServices**

Mark Vickers, Chief Executive  
Steve Hartley, Finance Director

**Today on Tel No: 020 7466 5000**

**Thereafter on Tel No: 0870 753 0900**

#### **Buchanan Communications**

Lisa Baderoon/James Strong

**Tel No: 020 7466 5000**

#### **Arbuthnot Securities**

Tom Griffiths/Richard Dunn

**Tel No: 020 7012 2000**

## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Admission and commencement of dealings in the Ordinary Shares on AIM	8.00 a.m. on 8 March 2006
CREST accounts credited	8 March 2006
Despatch of definitive share certificates in respect of the Placing Shares (where appropriate)	by 15 March 2006

## **PLACING STATISTICS**

Placing Price	71p
Number of New Ordinary Shares being placed on behalf of the Company	7,042,254
Number of Sale Shares being placed on behalf of the Founder	8,450,704
Number of Consideration Shares being issued by the Company	635,052
Number of Ordinary Shares in issue immediately following the Placing	28,845,694
Gross proceeds of the Placing receivable by the Company	£5.0 million
Gross proceeds of the Placing of the Sale Shares	£6.0 million
Estimated net proceeds of the Placing receivable by the Company	£4.1 million
Percentage of Enlarged Share Capital being placed pursuant to the Placing	53.7 per cent.
Market capitalisation of the Company at the Placing Price following Admission	£20.5 million
AIM symbol	NSV
ISIN code	GB00B0YMTT32