Acquisition

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ACAL plc

(Leading pan-European, value-added technology based distributor providing specialist design-in, sales and marketing services)

ACAL PLC ("ACAL") AGREES TO ACQUIRE MAJORITY SHAREHOLDING IN SERVICE SOURCE EUROPE LIMITED ("SSE") AND ESTABLISH AN EMPLOYEES' SHARE SCHEME

THE ACQUISITION

Acal plc is pleased to announce that it has agreed to acquire 75 per cent. of the issued ordinary share capital of SSE, a distributor of service parts for IT products (the "**Acquisition**"). The shares will be acquired from George Buchan, Mark Hesketh, James Bruce, Robert Hall, Jonathan King and The RMP Investment Partnership for a cash consideration of £1,850,000. In addition, Acal will subscribe for deferred shares in SSE with a total nominal value of £346,625 in cash to enable SSE's preference shares to be redeemed.

Acal's Parts Services businesses, together with SSE, will be operated and managed under a newly incorporated wholly owned subsidiary of Acal, Acal Supply Chain Limited ("**Acal Supply Chain**").

It is envisaged that the current SSE management team of George Buchan, James Bruce, Mark Hesketh, Robert Hall and Jonathan King, together with Glyn Dodd, who was previously a director within Acal's parts services business, will form the management team of Acal Supply Chain (the "**Management**").

In order to retain and incentivise the Management, Acal intends to establish an employees' share scheme (the "**B Share Scheme**") under which B ordinary shares in Acal Supply Chain will be issued to the Management. The value of the B ordinary shares issued under the B Share Scheme will be linked to the financial performance of Acal Supply Chain.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The acquisition of SSE provides Acal with a management team with a background in the implementation and management of large scale and complex supply chain solutions which the board of Acal believes will both stabilise and enhance the position of its existing Parts Services division. There is operational overlap between SSE's and Acal's operations through sharing a significant number of customers, albeit the two businesses focus, to a large extent, on different product groups. Consequently, the board of Acal believes that enlarged Parts Services division will be able to develop its position within the IT parts market for services to IT maintainers and service companies. The Board also anticipate that the amalgamation of SSE with its existing parts services businesses will generate operational and commercial synergies, and spare parts cost savings through the increased buying power of the enlarged business.

INFORMATION ON SSE

The business currently carried on by SSE was founded in 1987 as Delostar Electronics. The business was acquired in October 2007 by Flextronics Global Services (Manchester) Limited ("**Flextronics**"). On 21 March 2008, members of its management team acquired the business from Flextronics including over 100 members of staff, debtors, creditors, systems and inventory. The management team was strengthened subsequently by Robert Hall and Jonathan King, both former directors of Acal subsidiaries.

SSE's principal activities relate to the movement of service spares, and its main area in terms of product is the PC market, including related products such as laptops, servers, printers and more recently mid-range and high-end Unix services and storage systems.

During the seven months ended 31 October 2008, SSE generated revenue of £8.9 million and profit before taxation of £90,000 (£200,000 after the add-back of one-off set up costs). As at 31 October 2008, SSE had gross assets of £5.4 million.

SHAREHOLDER APPROVAL

Two of the shareholders of SSE, Robert Hall and Jonathan King, each owning 16.3 per cent. of the ordinary shares in SSE, were directors of subsidiaries of Acal until March

2008 and June 2008 respectively. Accordingly, the proposed acquisition is classified as a related party transaction for the purpose of the Listing Rules and will be conditional upon the approval of the shareholders of Acal. In addition, the B Share Scheme will be classified as an employee share scheme under the Listing Rules and, therefore, will also require the approval of its shareholders. A circular containing full details of these proposed transactions, including a notice of the general meeting, will be posted to Acal's shareholders in due course.

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This announcement contains a number of forward-looking statements relating to the Acal and SSE with respect to, amongst others, the following: financial condition; results of operations; economic conditions in which Acal and SSE operate; the business of the Acal and SSE; future benefits of the transaction and management plans and objectives. Acal considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of either Acal or SSE to differ materially from the information presented in the relevant forward-looking statement. When used in this document the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to Acal and/or SSE or their management, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither Acal nor any member of the Acal's group or SSE undertake any obligation publicly to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the Listing Rules, the Disclosure and Transparency Rules and other regulations.

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