

24 November 2001

Murgitroyd Group PLC plc

**Placing of new ordinary shares by Noble & Company Limited at 121p a share;
market capitalisation of £10 million**

Admission to AIM on 30 November

Publication of Prospectus

The Prospectus for the flotation of Murgitroyd Group PLC, the holding company of Murgitroyd & Company ("Murgitroyd"), an established European Patent and Trade Mark Attorney practice, is published on Monday 26 November. The shares are expected to commence trading on Friday 30 November on the Alternative Investment Market (AIM).

Placing Statistics

£3 million (£2.67 million net of expenses) has been raised for the company

to provide funding for Murgitroyd's expansion into European markets through the recruitment and retention of quality Patent and Trade Mark Attorneys and the establishment of additional satellite offices in key mainland European locations;
to restructure the financial base of the Group.

The placing price is 121p a share, capitalising Murgitroyd at £10 million

The flotation is by way of a placing of 2,479,333 new shares and admission of 5,798,554 existing ordinary shares of 10p.

Noble & Company is acting as both Nominated Adviser and Broker to the flotation.

Ian Murgitroyd, founder and Chairman, commented:

“We are delighted that the flotation of the Group was so well received by investors and that the issue was oversubscribed. This clearly demonstrates confidence in our prospects. The listing on AIM will accelerate Murgitroyd’s expansion in Europe and enable us to take advantage of future opportunities.”

Hugh Nash, Director of Nobles, commented:

“The very positive reaction by investors to the Group demonstrates that, even at a time when market conditions are uncertain, investors will back a company which can show a profitable track record, a strong management team and an impressive growth profile. We are looking forward to working further with such an innovative company which we believe is the first Patent and Trade Mark Attorneys to become quoted in the UK.”

For further information please contact:-

Ian Murgitroyd, Chairman, Murgitroyd Group PLC, 0141 307 8400
Keith Young, Chief Executive, Murgitroyd Group PLC, 0141 307 8400
Hugh Nash, Noble & Company Ltd, 0131 225 9677
Richard Fallowfield, Cardew & Co., 020 7930 0777

Background

Murgitroyd is an established Patent and Trade Mark Attorney practice which carries out business across Europe. It was founded as a sole-trader in 1975, evolved into a partnership, and became a limited company in 1993. Murgitroyd has doubled its staff numbers in the last four years and now employs 110 people, of whom some 40 are qualified or part-qualified, Patent and/or Trade Mark Attorneys. The Company is based in Glasgow with further offices in Aberdeen and Belfast and office facilities in Dublin, London, Munich and Nice.

Murgitroyd specialises in the provision of Intellectual Property ("IP") services, including filing, prosecuting, litigating, licensing, assigning and renewing Patents, Trade Marks, Designs and advising on Copyright. Services span the major sectors of the global economy including technology, engineering, electronics, chemistry and biotechnology. Clients range from large multi-national corporations to individual inventors and both in-house and external Patent Attorneys.

Murgitroyd has placed high priority (as evidenced by its ISO9001 accreditation) on finding efficient and economical means of service delivery. To achieve this, the management has developed an infrastructure, based on an IT network, which extends throughout all its staffed offices and office facilities. The systems were selected, integrated and are supported by the Company's own IT team. Direct client access can be provided to case record information. A technical support group can provide assistance with searching, translation and patent illustration including 3D modelling services for inventors and evidence presentation for patent litigators.

Current trading and prospects

From an early stage the Company sought to differentiate its services from its competitors and to devise innovative client solutions. This strategy has resulted in the Company attaining an average compound turnover growth of 20% per annum since 1987. The Company has generated operating profits throughout this period. For the financial year ended 31 May 2001 turnover was £7.75m with an operating profit of £391,000. Historically the market for Patent and Trade Mark applications in both UK and Europe has risen steadily as have charges for IP protection work. Both these trends are forecast to continue.

The Company's current growth plans centre on the development of a pan-European expansion strategy. This strategy has at its core the recruitment of Patent and Trade Mark Attorneys qualified in other mainland European countries and the establishment of additional satellite offices. At present Murgitroyd can represent its clients' IP interests direct before the UK, Irish and French national Patent Offices as well as both the European Patent Office in Munich ("EPO") and the Community Trade Mark Office in Alicante. Murgitroyd plans to attain equivalent representation rights before the German, Italian and Swedish Patent Offices over the next four years where the Company currently outsources its work. This will include the recruitment of nationally qualified Patent and Trade Mark Attorneys in each of these countries and the establishment of a country "desk" for each. At present the Directors believe that there are no genuinely pan-European Patent and/or Trade Mark practices offering such a service.

There is already a shortage of qualified Patent and Trade Mark Attorneys in the UK and Europe. This shortage is expected to increase markedly in the years ahead. However, Murgitroyd is well-staffed and, following the reconstruction made possible by the proceeds of flotation, will be very well placed to attract and retain key staff.

Market

Murgitroyd's competitors are attorneys working principally in partnerships, as sole traders, or as part of in-house company Intellectual Property departments. The largest UK partnership has approximately 50 partners and is understood to have grown mainly through acquisition. Murgitroyd is one of very few private practices in the UK which have opted for a corporate, rather than a partnership, structure.

Despite initiatives designed to simplify and harmonise IP processes in different countries, the amount of worldwide IP work continues to grow. Murgitroyd has developed a dedicated Business Development team to identify opportunities and market the company services direct to target clients.