

25 February 2008

Murgitroyd Group PLC
("Murgitroyd" or "the Group")

Acquisition of Kennedys Patent Agency Limited
("Kennedys" or "the Company")

Murgitroyd, the European Patent and Trade Mark Attorney practice, is pleased to announce that the Group has completed the acquisition of the entire issued share capital of Kennedys Patent Agency Limited for a consideration of approximately £3.4 million, including net liabilities to be confirmed by Completion Accounts, but estimated at around £200,000. The acquisition follows a period of extensive due diligence, and was completed on 22 February 2008.

Under the terms of the agreement, £2.4 million was paid in cash upon completion, with the remainder being paid over three years. The transaction has been funded through facilities arranged with Clydesdale Bank PLC.

Kennedys

Kennedys Patent Agency Limited, a European Patent and Trade Mark Attorney practice is headquartered in Glasgow, with additional offices in both Aberdeen and Newcastle. The practice, founded in 1997, was owned and managed by David Kennedy and Neil McKechnie.

For the year to 31 August 2007, Kennedys' turnover amounted to £3.3 million, with EBITA totalling £208,000 and net assets amounting to £41,000. Net liabilities at completion, to be confirmed by Completion Accounts, are estimated at around £200,000, principally as a result of the Company's share of a heritable property being excluded from the acquisition. With the exception of Mr Kennedy and Mr McKechnie, all of Kennedys' Patent and Trade Mark Attorneys are remaining with the Company following the acquisition. Mr Kennedy and Mr McKechnie left the Company upon completion. In addition to the six qualified Attorneys remaining with the Company, eight part-qualified Attorneys and five experienced support staff will join the Group as part of the transaction. In addition to Mr Kennedy's and Mr McKechnie's departures, twelve other former Kennedys support and administrative staff left at completion.

Effects of the Transaction

The acquisition of Kennedys will further enhance the scope of Murgitroyd's existing Patent and Trade Mark practices. The integration of Kennedys into the core Murgitroyd business will provide the Group with new corporate clients. The acquisition is expected to be both earnings enhancing, as a result of administrative economies of scale, and cash flow positive immediately. Kennedys will trade under the Murgitroyd brand with immediate effect. The enlarged Group's Glasgow operations will all be located in the Group's principal offices in Scotland Street, Kennedys' Aberdeen operations will transfer to Murgitroyd's Aberdeen Office, whilst Kennedys' Newcastle Office will become the Group's twelfth European office location. The departures of some support staff, combined with the relocations of others to existing Murgitroyd offices in Glasgow and Aberdeen, as well as the Group being released from, and indemnified against, all historic and future liabilities in connection with Kennedys' Glasgow and Aberdeen offices, will accrue immediate cost savings.

Ian Murgitroyd, Group Chairman, commented:

"We are delighted to announce that Kennedys has become part of the Murgitroyd Group. We believe that Kennedys represents an excellent fit and the coming together of the two practices will add strength and depth to the Group's service offerings. The provision of a level of service which exceeds expectations remains the cornerstone of the enlarged Group and the economies of scale will provide benefits to our clients, employees and investors alike. Welcoming Kennedys' staff to Murgitroyd takes our total staff to over 220 across twelve European offices."

David Kennedy, Managing Director of Kennedys Patent Agency Limited, said:

"The Board and shareholders of Kennedys have accepted the offer from Murgitroyd because they believe it delivers immediate benefits to the shareholders, staff and clients of both groups and I anticipate benefits and opportunities accruing from being part of a bigger group."

For further information, please contact:

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Notes to Editors

Murgitroyd Group PLC, the holding company of Murgitroyd & Company Limited ("Murgitroyd & Company"), a European Patent and Trade Mark Attorney practice, was floated on AIM on 30 November 2001. The practice has European offices in Aberdeen, Belfast, Dublin, Edinburgh, Glasgow, London, Milan, Muenster, Munich, Newcastle, Nice and York, and a US Sales Office in Raleigh, North Carolina.

Murgitroyd Group PLC specialises in the provision of Intellectual Property services, including filing, prosecuting, litigating, licensing, assigning and renewing Patents, Trade Marks and Designs, advising on Copyright and generally assisting clients with the management of their Intellectual Property. Patent services span the major sectors of the global economy including engineering, electronics, chemistry and biotechnology with clients ranging from large multi-national corporations to individual inventors and both in-house and external Patent Attorneys. The practice services major Trade Mark clients from the personal care, clothing, food and drinks, tobacco, pharmaceuticals, chemicals and oil industries together with service sector, sport and entertainment and retail industry clients. Trade Mark services are also provided to other private practice Trade Mark Attorneys.