



KEWILL ACQUIRES BENELUX CUSTOMS BUSINESS

14th June, 2010 – Guildford, UK – Kewill plc (LSE: KWL) (“Kewill” or the “Group”), a leading provider of solutions that simplify global trade and logistics, announces the acquisition of Minihouse¹, a Benelux-based software group specialising in the provision of IT software that helps businesses automate customs compliance across Europe. Minihouse was one of the first European software providers to adopt a Software as a Service (“SaaS”) delivery model for customs solutions. This has resulted in Minihouse developing a strong recurring revenue base and consistent growth since its foundation in 1998. Minihouse has offices in Heerenveen (The Netherlands) and Antwerp (Belgium) and 550 customers including Cargill, Lyondell, Corus Staal BV, Wärtsila, DB Schenker, CEVA Logistics, Philip Morris and DSV. Minihouse’s founder, Ronald de Vries, will remain as its Managing Director.

The initial consideration for the acquisition will be €6.0m (£5.0m) in cash and additional cash consideration is expected to be between €3.0m and €6.0m (£2.5m and £5.0m) dependent upon growth in revenues until 30 June 2013. The total potential consideration is capped at €20m (£16.7m) which would require annualised revenues of €13.0 (£10.8m), equivalent to over 500% growth versus 2009. Minihouse’s revenue is generated largely on a recurring basis (over 80%) with some additional services for implementations of solutions. This high proportion of recurring revenues and growing customer demand as a result of the ever increasing customs legislation in Europe has resulted in strong growth in the last year. As at 31 March 2010 annualised recurring revenues were €2.7m (£2.2m) compared to the year to 31 December 2009 where Minihouse generated €2.5m (£2.1m) in total revenues and €0.4m (£0.3m) in profit before tax. As a result of this rapid growth and improvement in margins through the SaaS model, the acquisition is expected to be earnings enhancing within the first twelve months. Minihouse had gross assets of €4.8m (£4.0m) as at 31 March 2010.

The automation of customs compliance has rapidly become a mission critical consideration for corporations as global trading becomes increasingly important and as regulation and compliance procedures become ever more complex and onerous. It is an area where Kewill has made significant investment in the past, both in terms of R&D and acquisitions such as TradePoint in the US in 2003, CSF in Germany in 2006 and IPACS in Asia in 2007.

Looking forward, Kewill sees continued and significant growth opportunities in customs compliance, both on a stand-alone basis and as part of the broader Kewill global trade and

logistics offering. This acquisition will position Kewill to better service the needs of its European and global customers as Europe rolls out new customs legislation, including the Excise Movement Control System (EMCS) and the Import Control System (ICS)

In the global trade area Kewill's strategy is to provide solutions for the highest volume import and export markets using its own customs applications. With today's acquisition of Minihouse, Kewill's systems now cover the US, Germany, Switzerland, Singapore, the Netherlands, Belgium and Luxembourg. Kewill's partners provide systems covering Spain, Ireland, Slovenia, Norway, Sweden and Denmark giving Kewill the most comprehensive global coverage of any software supplier. This capability, in conjunction with the Kewill CustomsXchange offering, provides global customers with a 'one-stop-shop' for interaction with customs bodies in multiple countries. CustomsXchange provides a messaging hub allowing existing and a growing collection of new customers to have a single partner and single point of connectivity covering multiple countries. This facility significantly reduces the complexity of doing business globally.

In addition to enhancing Kewill's customs software offerings and domain expertise in Europe, the Minihouse acquisition also provides a strong cross-selling opportunity for the wider Kewill global trade and logistics suite into the Minihouse customer base in the Benelux region.

Paul Nichols, CEO of Kewill, commented:

"I am delighted to announce the Minihouse acquisition, which strengthens our European customs proposition and further expands our international global trade coverage in line with our vision and strategy. Minihouse has taken a lead in its home market of the Benelux region and through Kewill's international coverage we will be able to attract more global companies that require a full Benelux customs offering as part of a total solution."

Nichols continued: "Minihouse offers its products in a fully hosted environment and their Software as a Service (SaaS) business model is consistent with Kewill's desire to offer its customers more flexible payment options including monthly subscriptions and transaction based pricing. The acquisition thereby reinforces Kewill's business strategy to continue the strong growth we have achieved over the last five years through building recurring revenues. Minihouse is our first acquisition following our fund raising in November and we continue to actively look for quality software businesses within the global trade and logistics sector that will expand our solution footprint and geographical coverage. We welcome the Minihouse customers, partners and employees into the Kewill group."

- 1) *The Group of companies made up of Araneae B.V., Your Result ICT Services Friesland B.V., Minihouse B.V. and C & S N.V. (Belgium).*
- 2) *£ equivalents calculated at an exchange rate of £1.00 / €1.20*

- Ends -

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About Kewill plc:

Kewill delivers solutions that simplify global trade and logistics.

Global businesses face ever increasing complexity across their supply chains including decisions on sourcing, customs, compliance, transportation, storage, finance, visibility and connectivity. Inefficiency in any of these areas will lead to supply chain delays and result in increased costs. Kewill has a suite of software solutions that significantly simplify the management of the most complex global supply chains for enterprises and logistics service providers.

With over 37 years experience in global trade management and logistics, and over 600 employees worldwide, Kewill is a long-time innovator of solutions for manufacturers, distributors, retailers, freight forwarders, transport companies, customs brokers, 3PL's and 4PL's, as well as other related institutions involved in financing and underwriting global trade such as banks and insurance providers.

Kewill's solutions are in daily use by more than 40,000 users worldwide and our global customer base which entrusts us with the management of their supply networks includes divisions of 3M, Bayer, Caterpillar, DHL, FedEx, Ford, General Electric, General Motors, Heineken UK, H.J. Heinz, Kimberley-Clark, Kraft, Levi Strauss, Mazda, Nestlé, Nike, Palm, Procter & Gamble, Smith & Nephew, Sony, TNT, Unilever, UPS, Vodafone, Yamaha, Xerox.

www.kewill.com

About Minhouse:

Minihouse The Customs Company develops and supplies software for exporting and importing businesses and delivered the first SaaS solution for customs in Europe. As a result of its continuous build-up of knowledge on Customs authorities' affairs and the use of the

latest technology, Minihouse is the most authoritative and progressive organisation in the field of export documentation and electronic customs declarations.

On behalf of more than 550 customers which include Cargill, Lyondell, Corus Staal BV, Wärtsila, DB Schenker, CEVA Logistics, Philip Morris and DSV, Minihouse processes more than 2.2 million declarations and more than 6 million customs related messages per year.

www.minihouse.eu