



PRESS RELEASE

Press Contacts:

Deborah Leah/Rebecca Dean
Insight Marketing and Communications
01625 500 800
dleah@insightmkt.com/rdean@insightmkt.com
<http://insight-marketing.blogspot.com>

Redstone acquires Comunica Holdings Limited

The acquisition will give Redstone increased capacity and scale in the converged market, with a more substantial presence in key vertical markets

8th February 2007 – Redstone, the national IT and communications solutions provider, today announces that the Group has agreed to acquire the business of Comunica for a total consideration of up to £22 million. This will be the fourth acquisition in eight months for the Group.

The acquisition complements Redstone's existing business, and will substantially increase the position of the company as a leading UK IT and communications solution provider.

Comunica will bring further specialist network and communications infrastructure solutions, providing design, implementation and project management services. It has a largely blue-chip client base across industries including financial and professional services, retail, energy, media, transport and the public sector.

Martin Balaam, Chief Executive of Redstone, commented: "The acquisition of Comunica is in line with Redstone's strategy of making select acquisitions while retaining a focus on improving the profitability and growth of the Group's existing activities. The Acquisition increases Redstone's reach in the Converged Solutions arena.

"Comunica's success in winning business from blue chip firms for large infrastructure projects sits ideally with Redstone's own successes in converged solutions with securing business from both the corporate and public sectors. Redstone is eager to work with Comunica's existing customer base, which brings further opportunities for cross-selling the Group's services."

Balaam and his team believe that the acquisition provides Redstone with the following principal strategic benefits:

- Removal of a significant competitor from the converged solutions market;
- Enhanced prospects due to its increased capacity and scale, with a more substantial presence in key vertical markets;
- Increased purchasing power with suppliers, which is expected to help achieve increased revenue growth and win new accounts;
- Significant opportunities to cross sell Redstone's other products and services to Comunica's customer base.

Redstone also gives notice of an EGM to be held on 5 March 2007 at the offices of Osborne Clarke, One London Wall, London EC2Y 5EB at 11.00 a.m., at which resolutions will be proposed for the purposes of implementing the Placing.

-ENDS-

ENQUIRIES

Redstone plc

Martin Balaam, Chief Executive Officer
Tim Perks, Chief Financial Officer

Tel. +44 (0)845 200 2200

ICIS Limited

Tom Moriarty
Paul Youens

**Tel. +44 (0)20 7651 8688
or +44 (0)7769 937 626**

About Redstone plc

Redstone is a national provider of IT and Communications solutions for businesses and organisations of all types and sizes. Redstone is uniquely positioned as the only IT and Communications provider within the UK and Ireland to be able to offer all core competencies in house. Each division is recognised as a market leader in its own right: Redstone Telecom offers fixed line telephony, Redstone Mobile offers mobile telephony, Redstone Converged Solutions offers Contact Centre solutions, IP Communications and IP Networks. Redstone Managed Solutions offers Microsoft applications, server/desktop and network integrity and Redstone Technology offers enterprise server and storage area networks. For information see www.redstone.co.uk.