

12 January 2005

Murgitroyd Group PLC ("the Group")

Acquisition of David W.J. Castle & Co. Limited

Murgitroyd Group PLC ("Murgitroyd"), the European Patent and Trade Mark Attorney, is pleased to announce that further to the announcement made on 31 August 2004, the Group has completed the acquisition of the entire issued share capital of David W.J. Castle & Co. Limited ("Castles") a Patent and Trade Mark Attorney practice based in South London for a consideration of £3.3 million, plus the value of the net assets of approximately £700,000. The acquisition follows the completion of an extensive period of due diligence undertaken by Murgitroyd and its advisers.

Of the consideration £1.5 million will be paid in cash at completion, with the remainder being deferred over four years, payable in a combination of cash and guaranteed loan notes. The transaction will be funded through facilities arranged with Clydesdale Bank PLC which, following a formal tender process, has recently been appointed as bankers to Murgitroyd.

Castles

Castles, headquartered in South London, is one of the UK's leading providers of Trade Mark services. The company was founded by David Castle who has been the major shareholder and Managing Director of Castles since its inception in 1986. Castles has regularly been voted in the top ten UK Trade Mark practices involved in Trade Mark matters by industry publication *Managing Intellectual Property*. It has also featured amongst the leading practices in the Trade Mark field in the *Legal 500*.

For the year to 31 December 2003, Castles' turnover amounted to £3.5 million, with profit before tax totalling £221,000 and net assets amounting to £366,000. Current estimated net assets are £700,000. David Castle has been appointed a Director of Murgitroyd Group PLC with immediate effect and further details are contained in the appendix to this announcement. Mr Castle shared ownership of Castles with three co-directors. Two of the three other directors, who like Mr Castle are Trade Mark Attorneys, will also remain with the company following its acquisition by Murgitroyd.

Effects of the Transaction

The acquisition of Castles is expected to significantly enhance the scope of Murgitroyd's existing Trade Mark practice through the addition of four qualified Trade Mark Attorneys, a Trade Mark trainee and thirteen support staff. The integration of Castles into the core Murgitroyd business will further provide the Group with a number of notable corporate clients and a significant presence in London. The deal is further expected to yield significant opportunities for Murgitroyd to develop its existing client offering and benefit from considerable cross-selling opportunities. The acquisition is expected to be both earnings enhancing and cash flow positive immediately. Castles will trade under the Murgitroyd brand with immediate effect.

Ian Murgitroyd, Group Chairman, commented:

“We are delighted to have completed the acquisition of the business and assets of Castles and are pleased to welcome David Castle, his co-Directors and staff to Murgitroyd. We believe that Castles represents an excellent fit for Murgitroyd and will significantly strengthen our Trade Mark practice. It will also offer a broader platform to provide Castles’ clients with Patent expertise. The combination of the two companies will take Murgitroyd’s total staff to approximately 160 employees spread throughout eight European offices, representing a further step in our offering of a fully rounded pan-European Intellectual Property service.”

David Castle, Managing Director of Castles, said:

“The integration of Castles into the Murgitroyd Group is a significant milestone. Both the clients and employees of Castles will benefit from the resources of a larger, established International group which will further provide us with the expertise to develop the Castles Patent offering as well as continuing to consolidate the strength of an already well established Trade Mark practice. I am excited about Castles future with Murgitroyd and am very much looking forward to a more client facing role.”

For further information, please contact:

Keith Young, Murgitroyd Group PLC, 07802 951913
Alasdair Robinson, Noble & Company Limited, 0131 225 9677
Nadja Vetter, Cardew Group, 020 7930 0777

Appendix

In accordance with Schedule 2 (f) and Schedule 4 (g) of the AIM Rules, the following information in relation to the appointment of David Castle to the board of Murgitroyd is disclosed:

David William John Castle, 48, holds and has held within the five preceding years the following directorships and partnerships:

Current Directorships: David W.J. Castle & Co. Ltd.
 Found in France SARL

Previous Directorships: Rio Brand Limited

Previous Name: David William John Dunn

On 11 January 2005, Murgitroyd entered into a three-year Service Agreement with David Castle at a current annual salary of £75,000. The first two years of the agreement are on a full-time basis, while the third year of the agreement will be on a part-time basis. David is also entitled to health insurance.

Save as set out above, there is no further information to be disclosed in respect of David Castle under either Schedule 2 (f) or Schedule 4 (g) of the AIM Rules.

Notes to Editors

Murgitroyd Group PLC, the holding company of Murgitroyd & Company Limited, a European Patent and Trade Mark Attorney practice, was floated on the Alternative Investment Market of the London Stock Exchange ("AIM") on 30 November 2001. The Company is based in Glasgow with offices in Aberdeen, Belfast, Dublin, London, Muenster, Munich and Nice.

Murgitroyd Group PLC specialises in the provision of Intellectual Property services, including filing, prosecuting, litigating, licensing, assigning and renewing Patents, Trade Marks and 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 and Trade Mark Attorneys.