

Reverse Takeover is ‘Transformational’ Deal for eXpansys – July 6, 2010

eXpansys plc (the “Company”), the online consumer electronics retailer, announces the proposed acquisitions of DSNS and PJ Media. The Company has also undertaken a major restructuring of its affairs and board composition and now intends to build a global online technology superstore.

Highlights:

- Acquisition of DSNS and PJ Media, two businesses controlled by Peter Jones CBE, the enterprise entrepreneur and eXpansys’s major shareholder
- Total transaction value of £49 million
- Placing of further new shares with UK institutions, at 5.6p per share, to raise £30m
- Bob Wigley, chairman of Yell plc and formerly Chairman of Merrill Lynch EMEA, will join the board as non-executive Chairman
- Peter Jones CBE will join the Board as non-executive Deputy Chairman

As a result of the placing, Peter Jones’ stake in the Company will reduce to 43% (formerly 75%) creating a sensible free float whilst maintaining a material interest in the business. The transaction qualifies as a reverse takeover of eXpansys and will be subject to the approval of shareholders at an EGM on 23 July.

Data Select Network Solutions Limited (“DSNS”) is a privately owned profitable business with relationships with a large number of the UK’s major mobile telecommunication network operators and MVNOs, and focuses on the sale and distribution of SIM cards and retail solutions. PJ Media is another privately owned profitable business with the principal activities of web design, implementation and online marketing services to enterprises seeking to enhance their web-based offerings. Following the Acquisitions, the directors intend to capitalise upon the prospective opportunities available to the enlarged group and aim to develop eXpansys as a leading global online consumer technology retailer.

eXpansys Chief Executive Anthony Catterson, said: “This is a transformational moment for eXpansys. I am delighted that we have been able to attract such high calibre individuals onto the board, and have also received the support of blue-chip institutions who have joined the share register. This deal opens up a number of significant strategic opportunities for the Company that we fully intend to exploit.”

Bob Wigley, Chairman, said: “eXpansys represents a high growth opportunity built on a world class technology platform. eXpansys has the potential to be an international market leader. Anthony is putting together an excellent management team and, with the injection of DSNS and PJ Media, a coherent strategy for today’s fast growing online market.”

Peter Jones, Deputy Chairman, said: “I invested in the Company last year because I saw its potential. This deal is a major step in unlocking that potential. We expect to create over time a real powerhouse, both in terms of its investment potential and its ability to serve consumer technology products to customers right around the world.”

For further information:

Nick Miles/Ben Simons – M: Communications - 0207 920 2330

Notes to Editors

Board Appointments

In order to assist the board in implementing the benefits of the Acquisitions and in preparation for the next phase of the Group's development, Bob Wigley, currently Chairman of Yell Group and a former chairman of Merrill Lynch EMEA, has joined the board as non-executive Chairman. Peter Jones, CBE, the enterprise entrepreneur, will further strengthen the board following his appointment as non-executive Deputy Chairman.

About eXpansys

Since its incorporation in 1998, eXpansys has grown both organically and through acquisition to become an online retailer, specialising in handheld wireless devices on a mostly SIM free basis and other technology related products. The Company acquired 21Store.com, a UK competitor, in 2001 and expanded internationally through the acquisition of several businesses between 2002 and 2007. eXpansys was admitted to trading on AIM in April 2007.

eXpansys has established individual websites in 50 separate countries. Products are despatched from four logistics hubs in UK (Slough), USA (Bloomington, Greater Chicago), mainland Europe (Montpellier) and the Far East/Australia (Hong Kong) which facilitates delivery of products on a global basis, with the Group capable of executing "next day" delivery to the majority of its customers.

The Directors believe that the Enlarged Group will have the following attractive properties:

Strong relationships with network operators – DSNS is one of the UK's leading providers of mobile phone SIM cards and has contracts with the majority of the UK's mobile telecommunication network operators and six MVNOs. The directors intend to extend DSNS's existing relationships with the operators and to transition the eXpansys business into offering both SIM-only and connected handset propositions through its websites, initially in the UK;

Robust online platform – the online technology supporting the Enlarged Group will be the existing eXpansys online platform which eXpansys believes is secure, stable, scaleable and flexible. The directors believe this platform will be key to the Enlarged Group's success;

Ability to access a wider market – historically, the Group has been unable to supply connected handsets directly and its target customers have, therefore, been the more sophisticated "early adopters" of new equipment, who have acquired handsets on a SIM-free basis. The directors estimate that these customers represent less than five per cent of the UK mobile phone market place. Following the Acquisitions, the Enlarged Group will have relationships with a number of network operators and MVNOs and intends to use these relationships to service the wider market for the first time and the directors expect the Group to benefit as a result. In addition the directors believe that the Enlarged Group will have the platform and technical skills to launch products for OEMs on a global basis simultaneously. As the eXpansys brand develops, the directors expect this capability to be attractive to manufacturers and for this to be a focus for the Group;

Ability to expand its product offering – the directors intend to enhance the Enlarged Group's product offering organically or, where appropriate, through acquisition so as to develop credibility in additional product categories such as laptops, tablet computing and other wireless technologies, which are complementary to eXpansys's existing strengths and provide a more complete solution for customers;

Broadening of its website offering – the directors believe that the integration of PJ Media will enable the Enlarged Group to further develop its website and enhance the eXpansys proposition for the mass consumer retail market and drive more web-traffic to eXpansys.com. By improving the

website offering, the directors also believe that there is an opportunity to extend DSNS's relationships and create further revenue streams through business to business and online retailing from partner websites;

Operating in a market place with favourable characteristics – the directors believe that (i) the trend for consumers to buy wireless technology online will increase (ii) consumers should increasingly pursue improved value through separating the purchase of handsets from better value SIM cards, and (iii) the penetration of smartphones will increase;

Experienced board of directors to lead growth – the new Board of eXpansys is to be chaired by Bob Wigley, currently Chairman of Yell Group and a former chairman of Merrill Lynch EMEA. Anthony Catterson, CEO, joined in January 2010 and is the former managing director of the UK retail business of Carphone Warehouse and prior to that was managing director at Phones 4U. Peter Jones, a well known and respected entrepreneur, has owned, invested in and managed a number of successful businesses. The Directors believe that the Enlarged Group will be well placed to benefit from each of these characteristics.

Advisors

The Company's legal advisor was Eversheds LLP

The £30 million was raised for the Company by its Nomad and Broker Cenkos Securities