

Knowledge Technology Solutions Plc (“KTS”, “the Company”, “the Group”)**Acquisition of Arcotech Limited (“Arcotech”)**

KTS, a provider of professional market information services in the finance sector, announces that it has exchanged a conditional contract for the acquisition of the entire issued share capital of Arcotech Limited for a maximum consideration of approximately £1.5 million.

The acquisition of Arcotech is in line with KTS’ stated strategy to complement organic growth with selective acquisitions. It will provide KTS with a product set which is entirely complementary to its existing display application technology and the combined group will benefit from a substantially enlarged customer base.

The initial consideration will be satisfied with net cash of £700,000 and the issue of 45 million ordinary shares in KTS. In addition, deferred consideration capped at £300,000 is payable in cash or shares if Arcotech achieves turnover over £1.2 million and up to £2.2 million in the 12 month period immediately following the completion of the acquisition.

Completion of the acquisition is conditional on the Company completing an EIS/VCT qualifying placing of new ordinary shares, the proceeds of which will enable the Company to provide working capital for the enlarged group.

Arcotech is an award winning specialist software company, founded in 1979, specialising in middleware solutions for real time publishing, distribution and aggregation of financial data, which can be integrated into any software platform. It has strong and contractual relationships with a broad base of blue chip customers including major investment banks, data vendors and leading spread betting and Contracts For Difference (CFD) brokerages. In its last audited accounts to 31 July 2006 Arcotech generated profits before tax of approximately £181,000 on turnover of £982,000 and as at 31 July 2006 it had net assets of £114,000.

It is intended that Arcotech will be fully integrated into KTS’ London offices, which will provide some annualised cost savings. Mr Andrew Miller, who is currently a director of Arcotech, will join the board of directors of KTS on completion as an Executive Director.

KTS Chief Executive Dr Marc Pinter-Krainer, commenting on the acquisition, said:

“In an increasingly sophisticated market which has strong drivers, not least The MiFiD regulatory changes, the combination of the two businesses will provide a compelling offering and opportunities to cross sell our combined product sets to an enlarged customer base.”

For further enquiries:

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