

PRESS RELEASE

News release

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Threshers tops up its IT with £8 million Xansa deal ~ contract covers IT support and core applications management ~

Threshers has signed a five-year deal with outsourcing and technology company, Xansa, to support its central IT systems.

Xansa will provide applications management, IT operations and hosting for Threshers' core SAP, Websphere and Business Object applications. In addition, Xansa will host Threshers' JDA merchandising applications, which support the company's strategic planning activities.

The deal will include support for over 300 staff at Thresher Group head office in Welwyn Garden City and will save the independent drinks retailer over £1 million a year.

Under the contract, which starts in May 2007, Xansa will work with hosting company, BSG and the IT support services provider, Phoenix to deliver the service. First line IT support for all Threshers Head Office staff will be delivered from Noida in India.

"The retail sector is probably one of the most competitive sectors to be in. This contract will allow us to drastically reduce the total cost of ownership of our IT infrastructure with provision for a flexible pricing model based on our business metrics," said Harvey Ainley, CFO of Threshers. "We chose Xansa over the other outsourcing providers we spoke to because of the quality of its offshore capabilities and its ability to offer a complete support model. We felt Xansa really understood our business and the sector in general."

"As technology continues to automate many business services, retailers are increasingly seeing the benefits of moving parts of their infrastructure offshore," said David Leigh, strategy director, Xansa. "This contract extends our portfolio of retail clients, which include Boots, B&Q and Kingfisher, and demonstrates our growing expertise in this sector."

About Xansa

Xansa is a UK-based outsourcing and technology company with over 8000 people in the UK and India.

With a 45-year history of sustaining long-term relationships and pioneering better ways of working, Xansa drives real and long-term cost reductions and performance improvements. Committed to delivering guaranteed business outcomes through a combination of technology and process expertise, Xansa gives clients across the private and public sectors the freedom to do more.

Xansa is listed on the London Stock Exchange (XAN.L) with revenues for 2006 of £357.3 million. Further information on Xansa can be found at: www.xansa.com

About Thresher Group

Thresher Group is the UK's leading independent specialist drinks retailer. The Group owns around 2,000 shops and employs over 11,000 people across the country. More than half the UK's population live within 10 minutes walk of a Thresher Group store.

Thresher Group is backed by private equity firm Terra Firma Capital Partners Limited.

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