

For Immediate Release
8 May 2009

Charles Taylor Consulting plc (“CTC” or the “Company”)

Acquisition of Axiom Holdings Limited (“Axiom”)

and

Creation of new Insurance Support Services Division

The Company announces that it has acquired the entire issued share capital of Axiom, the holding company of a group that provides insurance support services to Lloyd's and London insurance market businesses, for a maximum payment of up to £7.85m (the “Acquisition”).

Highlights

- The Acquisition is expected to be earnings enhancing for CTC in the year ending 31 December 2009 (see note 2 below)
- CTC gains an immediate and strong presence in London Market insurance support services
- There are further opportunities for diversification and expansion beyond the current capabilities of CTC and Axiom
- CTC's existing run-off services operations (LCL) is to be integrated into CTC Axiom to form a new Insurance Support Services division
- Maximum payment for the acquisition is up to £7.85m made up of:
 - A payment of £6.0m in cash (of which £0.4m is held in escrow) to repay Axiom's existing bank debt
 - A payment of £0.25m in cash to acquire the shares in Axiom
 - Up to a further £1.6m in cash dependent upon Axiom's revenue for 2009

Background on Axiom

Axiom is the holding company of a group which employs 143 people in London and provides insurance support services to managing agents, brokers, insurers and reinsurers principally in the Lloyd's and London insurance markets including both clients who are actively underwriting and in run-off. Its principal activities are:

- Financial accounting
- Consulting and broker support
- Claims and commutations
- Run-off services

The business of Axiom was the subject of a £20m management buyout in July 2004.

At 31 December 2006, the date of Axiom's most recent published accounts, Axiom had gross assets of £21.5m (including goodwill of £15.0m) and for the year ending on that date it reported revenue of £19.8m, EBITDA of £4.0m and a loss before tax of £0.4m. (Amortisation of goodwill was £1.9m and interest payable was £1.9m.)

The business has experienced a decline in revenue from 2006 onwards, having lost a number of significant run-off contracts and this, combined with the high burden of interest, caused a significant decline in profits.

During 2007 the senior management team was restructured and the incoming management focused on repositioning the business and increasing the level of revenue from 'live' insurers. This, combined with a significant restructuring of the cost base, has positioned Axiom well and is expected to be reflected in improved financial results in 2009 and 2010.

Benefits of the Acquisition

Axiom's business complements CTC's existing operations all of which, in one way or another, provide support to the global insurance market. The Acquisition will immediately give CTC a stronger presence in the market for insurance support services where, in London in particular, demand is expected to grow and offer further attractive opportunities for diversification and expansion of the group's Insurance Support Services offering.

Despite the likelihood of some exceptional reorganisation costs, the Acquisition is expected to enhance earnings for CTC in 2009, and further enhance earnings in 2010 (see note 2 below).

Acquisition terms and funding

The Company has acquired Axiom on a debt-free basis and with substantial tax losses, from various institutional and individual investors, including members of Axiom's management.

£0.4m of the initial £6.25m payment is being held in escrow for up to 15 months to cover potential vendor liabilities. In addition, deferred payments of up to £1.6m will become payable, dependent upon the revenues achieved by Axiom in the year to 31 December 2009. The full £1.6m is payable if revenues in excess of £16m are achieved.

The initial payment has been, and any deferred payment will be, financed from existing CTC bank facilities. Following payment of the initial payment CTC remains well within its existing banking facilities.

Axiom's current management team is remaining with the business after completion of the Acquisition.

Creation of a new Insurance Support Services Division

CTC's existing run-off services operation will be integrated with the Axiom business to form a new Insurance Support Services Division to sit alongside the group's existing Management and Adjusting divisions. This division will be managed by Mike Peachey (Chief Executive) and Andrew Brannon (Chairman) and will combine the strengths of the two existing businesses and inter alia strengthen CTC's credentials as a potential acquirer of non-life run-off companies and portfolios.

Commenting on the Acquisition, John Rowe, Chief Executive, said: "CTC aspires to build its expertise both to meet the expanding needs of its clients and to broaden its capabilities. I am therefore delighted that we have been successful in acquiring Axiom which is complementary to our existing business. Its employees have an extensive knowledge of the workings of insurance markets in general and the Lloyd's market in particular and by acquiring their services we fulfil a long standing aspiration to increase our capabilities and extend our work within the important London market."

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NOTES TO EDITORS

1. CTC serves global insurance markets. It provides services to mutual and captive insurers, commercial insurers (including specialist claims adjusting services) - whether still underwriting or closed to new business - and insured shipowners, and also owns life and non-life insurance companies which are closed to new business. Further information on the group can be found at www.charlestaylorconsulting.com and www.axiomcc.com
2. This statement should not be taken to mean that the earnings per share of CTC will necessarily match or exceed the historic reported earnings per share of CTC and no forecast is intended or implied.
3. Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect the Group's current expectations concerning future events and actual results may differ materially from current expectations or historical results.