

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to be taken, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor duly authorised under the Financial Services and Markets Act 2000 as amended.

If you have sold or otherwise transferred all of your shares in PSG Solutions plc, please forward this document and the accompanying documents as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onwards delivery to the purchaser or transferee. Such documents should not, however, be forwarded or transmitted in or into the United States of America, Canada, Japan or Australia.

PSG Solutions plc

*(Incorporated in England and Wales under the Companies Act 1985
with registered number 3170812)*

Circular to Shareholders relating to a proposed Cancellation of the Share Premium Account, Share Buyback and adoption of New Articles of Association

and

Notice of General Meeting

Notice of a General Meeting of PSG Solutions plc (“the Company”) to be held at 133 Ebury Street, London, SW1W 9QU at 11.00 am on 24 June 2008 is set out at the end of this document. A form of proxy is enclosed for use by the Company’s Shareholders in connection with the meeting. To be valid, forms of proxy completed in accordance with the instructions thereon must be received at the Company’s Registrars, Capita Registrars (Proxy Department), The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, no later than forty-eight hours before the General Meeting.

The Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Your attention is drawn to the letter from the chairman of the Company which is set out on pages 3 to 4 (inclusive) of this document and which recommends you to vote in favour of the resolutions to be proposed at the General Meeting referred to above.

Contents

Letter from the Chairman of the Company	3
Summary of the principal changes to the Company's articles of association	5
Notice of General Meeting	7

Expected Timetable of Principal Events

Latest time and date for receipt of the forms of proxy for the General Meeting	11.00 am on 22 June 2008
General Meeting	11.00 am on 24 June 2008
Court hearing of Claim Form to confirm cancellation of the Share Premium Account	Around 23 July 2008
Effective Date of cancellation of the Share Premium Account (subject to approval of the Court)	Around 31 July 2008

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service. All events listed in the above timetable following the General Meeting are conditional on the passing of the resolutions contained in the Notice of General Meeting at the General Meeting.

PSG SOLUTIONS plc

(Incorporated and registered in England and Wales with No. 3170812)

Directors:

Jonathan P Mervis
John A Warwick FCA
Bernard C Connor
Tweedie M Brown CBE
John D G Holme FCA
William J Rae

Registered office:

133 Ebury Street
London
SW1W 9QU

To the holders of Ordinary Shares

30 May 2008

Dear Shareholder

Cancellation of the Share Premium Account

The Company currently has £8,529,769 standing to the credit of its Share Premium Account. The Share Premium Account has arisen as a result of the issue of shares in the capital of the Company at a premium during the course of the Company's history. After careful consideration the Board has concluded that it is in the interests of the Company to cancel the Share Premium Account to create distributable reserves which will be available to the Company for all purposes for which distributable reserves could normally be used, in particular for the on market purchase of Ordinary Shares in order to return capital to Shareholders. The Board believes that the Company should place itself in a position to buyback Ordinary Shares in the event that acquisition opportunities fail to be identified and/or materialise and cash resources become considerably in excess of its requirements.

To cancel the Share Premium Account the Shareholders in general meeting must pass the special resolution set out in the Notice of General Meeting on pages 7 and 8.

If the special resolution to cancel the Share Premium Account is passed by the Shareholders of the Company, the Company will seek the confirmation of the Court in accordance with the requirements of the Companies Act 1985. The Court will only confirm the cancellation if it is satisfied that this will not prejudice the interests of the creditors of the company in question. The precise form of protection is a matter for the Court, however, the Company will provide such protection as the Court requires and the Company's advisors recommend as appropriate.

Provided the Court confirms the cancellation of the Share Premium Account the Company must then arrange for the delivery of the relevant court order to Companies House for registration by the Registrar of Companies. The cancellation will take effect only upon registration of the court order by the Registrar of Companies.

Share Buyback

In the event that acquisition opportunities fail to be identified and/or materialise and cash resources become considerably in excess of requirements, the Board believes that the buyback of Ordinary Shares by the Company would be an effective way of maintaining an efficient capital structure and would maximise shareholder value by increasing earnings per Ordinary Share. Accordingly the Board is proposing that the Company be authorised to make market purchases of Ordinary Shares. The authority would permit a maximum of 30% of the Company's issued share capital to be purchased, representing 8,154,972 Ordinary Shares. The minimum and maximum prices at which the Ordinary Shares could be purchased would be 20 pence and 5% above the average of the middle market quotations for the Ordinary Shares as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange plc for the 10 business days immediately preceding the date on which the contract to purchase the Ordinary Shares is made. The authority would expire 18 months following the date of the General Meeting. The Ordinary Shares purchased would be cancelled and the number of Ordinary Shares in issue reduced accordingly, or, subject to the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, retained as treasury shares. These regulations enable companies to hold repurchased shares which equate to up to 10% of the company's issued share capital as treasury shares with a view to possible re-sale at a future date (rather than having to cancel them). Currently the Company has 644,583 treasury shares (representing 2.37% of the Company's issued share capital).

The Board are aware of their obligations under the Takeover Code.

Adoption of New Articles of Association

Since the Company's Existing Articles of Association were last amended in February 2000, company law and practice has changed significantly, including the passing of the Companies Act 2006. As a result, the Existing Articles of Association are now out of date in a number of areas. The Board proposes therefore to update the Company's Existing Articles of Association. For simplicity this will be achieved by adopting New Articles of Association which are modelled on the Existing Articles of Association. A summary of the principal changes to be introduced by the adoption of the New Articles of Association is set out on pages 5 and 6 of this document. Copies of the Existing Articles of Association and the New Articles of Association will be available for inspection on Business Days during normal business hours at the registered office of the Company from the date of the notice of General Meeting set out on pages 7 to 8 (inclusive) up to the time of the General Meeting (and will also be available for inspection at the General Meeting).

General Meeting

A General Meeting has been convened for 11.00 am on 24 June 2008 at 133 Ebury Street, London, SW1W 9QU. The Notice of General Meeting is set out on pages 7 to 8 (inclusive).

Action to be Taken

You will find enclosed a form of proxy for use at the General Meeting.

Whether or not you intend to be present at the General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon so that it arrives at the Company's registrars, Capita Registrars, as soon as possible but in any event not later than 48 hours prior to the General Meeting.

Recommendation

The Board considers that the Proposals are in the best interests of the Company as a whole and are most likely to promote the success of the Company for the benefit of its Shareholders as a whole. The Board unanimously recommend you vote in favour of the Resolutions as the Directors of the Company intend to do so in respect of their own aggregate holdings of 1,759,000 Ordinary Shares, representing approximately 6.63% of the total voting rights of the Company.

Yours faithfully

Jonathan Mervis
Chairman

Summary of the principal changes to the Company's articles of association

Existing Articles of Association

Various references in the Existing Articles of Association (for instance to certain pieces of legislation) are now out of date.

The Existing Articles of Association include references to "extraordinary general meetings" and "extraordinary resolutions" and also provide that the notice period for general meetings at which a special resolution is to be proposed is 21 clear days.

The Existing Articles of Association provide that any two persons entitled to vote on the business to be transacted shall be quorum for a general meeting of the Shareholders.

The Existing Articles of Association seek to exclude Shareholders (other than corporations) who are present at a general meeting of the Shareholders by proxy, from voting on a show of hands (such proxies only being entitled to vote on a poll).

The Existing Articles enable Shareholders to give notice of the revocation of the proxy, transfer of the Shares to which it relates or the death or mental disorder of the principal up to an hour before the relevant general meeting.

The Existing Articles of Association give the chairman of a general meeting of the Shareholders a casting vote in the case of an equality of votes.

The Existing Articles of Association do not authorise the use of electronic communications with Shareholders.

The Existing Articles of Association provide that every Director is to retire at the first annual general meeting following his 70th birthday (but can be eligible for re-appointment to office for subsequent 1 year terms).

The Existing Articles of Association provide that directors' service contracts of 5 years or more must be approved by the Shareholders in general meeting.

New Articles of Association

The references in the New Articles of Association have been brought up to date. In particular amendments have been made to ensure the New Articles of Association are in line with the Companies Act 2006. Certain examples of such provisions, including provisions as to convening and notice of general meetings and proxies are detailed below.

(So as to take advantage of the provisions of the Companies Act 2006) the New Articles of Association do not use the term "extraordinary" and provide that the notice period for all general meetings (other than annual general meetings) is 14 clear days.

The New Articles of Association retain the principle that a quorum for a general meeting will be two, but in line with the Companies Act 2006 make it clear that there will be no double counting for "qualifying persons" who are representatives of the same corporation or proxies of the same Shareholder.

The New Articles of Association provide that all Shareholders who are present at a general meeting by proxy can vote on a show of hands.

The New Articles of Association provide that such notice must be received at least 48 hours before such meeting (or adjourned meeting or the taking of the poll at which the proxy is to be used).

The New Articles of Association expressly state that the chairman of a general meeting shall not be entitled to a casting vote in accordance with the provisions of the Companies Act 2006.

The New Articles of Association include provision for the use of electronic communications in prescribed circumstances.

In accordance with the Companies Act 2006 which does not contain an upper age limit for directors, this provision has been removed from the New Articles of Association.

In accordance with the Companies Act 2006 the New Articles of Association contain a provision that shareholder approval is required for directors' service contracts of more than 2 years.

Existing Articles of Association

The Existing Articles of Association do not provide for the payment of Scrip Dividends.

The indemnity provision in the Existing Articles of Association covers “every Director, Auditor, Secretary or other officer”.

New Articles of Association

The New Articles of Association include provision for the payment of Scrip Dividends.

The indemnity provision in the New Articles of Association has been extended to cover directors of the Company in their capacity as directors of a corporate trustee of any occupational pension scheme operated by the Company.

NOTICE OF GENERAL MEETING

PSG SOLUTIONS PLC

(Incorporated in England and Wales under the Companies Act 1985, with registered number 3170812)

NOTICE IS HEREBY GIVEN that a general meeting of PSG Solutions Plc (“the Company”) will be held at 11.00 am on 24 June 2008 at 133 Ebury Street, London, SW1W 9QU to consider and, if thought fit, pass the following resolutions as special resolutions.

SPECIAL RESOLUTIONS

1. That the share premium account of the Company be cancelled.
2. That subject to the passing of resolution 1 above, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985) of ordinary shares of 20 pence each in the capital of the Company (“Ordinary Shares”) on such terms and in such manner as the directors of the Company may from time to time determine provided that:
 - 2.1 The maximum number of Ordinary Shares hereby authorised to be purchased is 8,154,972 (representing 30% of the Company’s issued Ordinary Share capital at 24 June 2008);
 - 2.2 The amount paid for each such share shall be not more than 5% above the average of the middle market quotations for Ordinary Shares as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange plc for the 10 Business Days immediately preceeding the date on which the contract for purchase is made, and in any event not less than 20 pence per Ordinary Share;
 - 2.3 The authority herein contained shall expire 18 months following the date of this resolution provided that the Company may before such expiry make a contract for the purchase of Ordinary Shares under this authority which would or might be executed wholly or partly after the expiry of this authority and may make purchases of Ordinary Shares in pursuance of such contract as if the authority hereby conferred had not expired.
3. That the articles of association produced to the meeting and intalled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of, the existing articles of association of the Company.

By order of the Board

Company Secretary
John Warwick
30 May 2008

Registered Office:
133 Ebury Street
London
SW1W 9QU

Notes:

NOTES TO THE NOTICE OF GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company’s register of members at:
 - 11.00 am on 22 June 2008; or,
 - if this General Meeting is adjourned, 48 hours prior to the adjourned meeting,shall be entitled to attend and vote at the General Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Capita Registrars (Proxy Department) at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

Appointment of proxy

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
- completed and signed;
 - sent or delivered to Capita Registrars (Proxy Department) at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
 - received by Capita Registrars (Proxy Department) not less than 48 hours prior to the General Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply send a signed hard copy notice clearly stating your new instructions to the Company Secretary at 133 Ebury Street, London, SW1W 9QU at least one hour prior to the General Meeting. Any amendments to proxy appointments received after this time will be disregarded.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company Secretary at 133 Ebury Street, London, SW1W 9QU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Company Secretary at 133 Ebury Street, London, SW1W 9QU no later than one hour prior to the General Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at 30 May 2008, the Company's issued share capital comprised 27,183,240 ordinary shares of 20p each of which 644,583 are held in treasury. Each ordinary share (other than those held in treasury) carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 30 May 2008 is 26,538,657.

Communication

11. Except as provided above, members who have general queries about the General Meeting should call Jonathan Mervis or John Warwick on 020 7881 0800.

Appendix

Definitions

The following definitions apply throughout this document unless the context otherwise requires:

“Board”	the Directors of the Company
“Business Day”	a day (excluding Saturday and Sunday and public holidays in England and Wales) on which the banks are generally open for business in London for the transaction of normal banking business
“Cancellation of the Share Premium Account”	the proposed cancellation of the Share Premium Account as set out in resolution 1 of the Notice of General Meeting set out in this document
“the Court”	the High Court of Justice Chancery Division
“Company” or “PSG”	PSG Solutions plc
“Directors”	those persons whose names appear on page 3 of this document
“Effective Date”	the date that the court order confirming the Cancellation of Share Premium Account is registered with the Registrar of Companies
“Existing Articles of Association”	the articles of association of the Company as at the date of this document
“General Meeting”	the general meeting of the Company convened for 11.00 am on 24 June 2008 by the notice set out in this document, or any adjournment of such meeting
“New Articles of Association”	the articles of association proposed to be adopted by the Company as produced at the General Meeting
“Notice of General Meeting”	the notice of the General Meeting set out on pages 7 and 8 of this document
“Ordinary Shares”	the ordinary shares of 20p each in the Company
“Proposals”	the Cancellation of the Share Premium Account, Share Buyback and adoption of the New Articles of Association by the Company
“Resolutions”	the resolutions contained in the Notice of General Meeting set out in this document
“Scrip Dividend”	a dividend which the Shareholders of the Company have the option to receive in the form of additional shares in the capital of the Company instead of cash
“Share Buyback”	the proposed share buyback as set out in resolution 2 of the Notice of General Meeting set out in this document
“Shareholders”	the shareholders of the Company
“Share Premium Amount”	the amount standing to the credit of the Company’s share premium account
“Takeover Code”	the City Code on Takeovers and Mergers administered by the Panel on Takeovers and Mergers

PSG Solutions plc

form of proxy

Before completing this form, please read the explanatory notes below

I/We
 (PLEASE INSERT FULL NAME IN BLOCK CAPITALS)

of

being (a) member(s) of the Company appoint the Chairman of the meeting or (see note 3)

as my/our proxy to attend, speak and vote on my/our behalf at the General Meeting of the Company to be held on 24 June 2008 at 11.00 am and at any adjournment of the meeting.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote or abstain from voting as he or she thinks fit in relation to any other matter which is put before the meeting.

	Resolutions	For	Against	Vote withheld
Resolution 1 (Special)	To cancel the Share Premium Account of the Company			
Resolution 2 (Special)	To approve the Share Buyback			
Resolution 3 (Special)	To approve the adoption of New Articles of Association			

Signature

Date

Notes to the proxy form

- As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
- Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Capita Registrars (Proxy Department) at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
- To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote or abstain from voting as he or she thinks fit in relation to any other matter which is put before the meeting.
- To appoint a proxy using this form, the form must be:
 - completed and signed;
 - sent or delivered to Capita Registrars (Proxy Department) at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
 - received by Capita Registrars (Proxy Department) no later than 48 hours before the time appointed for holding the meeting.

In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.



second fold

BUSINESS REPLY SERVICE
Licence No. MB 122



**Capita Registrars
(Proxies)
PO Box 25
Beckenham
Kent BR3 4BR**

first fold

third fold (tuck in)