

**Embargoed until 7am 24 September 2007**

**Gresham Computing plc (“Gresham” or the “Company”)**

**Placing of new Ordinary Shares**

**Details of the Placing**

Gresham Computing plc is pleased to announce a placing of 2,500,000 million new Ordinary Shares (the 'Placing Shares') at a price of 110 pence per share (the 'Placing Price') with institutional and other investors in order to raise £2.75 million (before expenses). The funds raised will be used to strengthen the Company’s balance sheet, fund its ongoing capital requirements and to fund the expansion of its business.

The Placing Price of 110 pence per share is 6.38% below the previous day's closing share price of 117.5 pence per share.

The following Directors intend to subscribe for Placing Shares at the Placing Price under the terms of the Placing:

	No of shares subscribed under the Placing	Interest in the Company’s enlarged issued share capital	% Interest in the Company’s enlarged issued share capital
Andrew Walton-Green	11,818	677,513	1.28
Chris Errington	2,268	2,268	0.0
Alan Howarth	9,091	12,291	0.02

The placing is conditional on the Placing Shares being admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities ('Admission').

Application for Admission has been made to the UK Listing Authority and the London Stock Exchange and it is expected that Admission will become effective and dealings on the London Stock Exchange will commence on 27 September 2007. The Placing Shares are expected to be credited to CREST accounts by 27 September 2007.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares. The Placing Shares are to be allotted by the Company pursuant to the existing authorities approved at the last annual general meeting of the Company.

KBC Peel Hunt is acting as financial adviser and broker to Gresham in respect of the Placing.

**Background to and reasons for the Placing**

Gresham specializes in providing real time financial solutions and enterprise storage solutions to its target markets – the global banking industry, their corporate customers and the global Fortune 2000. The Company develops, integrates and implements its own software and, where appropriate, re-sells and supports third party software. Over 100 of the Fortune 500 companies use Gresham’s technology, including banks, government, healthcare, technology, outsourcing and other financial services organizations. The Company now has global reach

and, after opening an office in New York, now has seven offices in five key financial centres, including London, New York, Sydney, Kuala Lumpur and Toronto.

Following the significant investment in marketing resources and headcount made in late 2006 and the first half of 2007 the Company has a significant pipeline from sales and marketing activities (especially in real time financial solutions).

The funds raised in the Placing will be used to strengthen the Company's balance sheet, fund its ongoing capital requirements and to fund the expansion of its business.

***Clareti Cash Reporting Service ("CCRS")***

As announced on 3 September 2007 the use of Gresham's CCRS offering continues to grow through an increased number of users and an increase in their data demands. The Company recorded an average transaction throughput of US\$400 – 500 billion per day (and for June 2007 an average of in excess of US\$500 billion per day), representing an increase in volume of over 90%.

Gresham currently has twenty four provider banks providing data and the Company is working with a number of others in order to satisfy existing and new user demand.

The Directors believe that the relevance of CCRS in reducing foreign exchange settlement risks was demonstrated by a Bank for International Settlements Report (June 2007) which highlights the need for the wider banking community to now more rapidly adopt solutions and controls to mitigate large, and often unknown, financial risks associated with cash movements

In addition, the Directors believe that a new driver in this market is the corporate market and the demand for data from the end users.

***Clareti Payables Financing***

Further to the agreements to form a consortium with a major Asia Pacific telecommunications company to operate in the Australian market, as announced by the Company on 3 September 2007, the Company continues to invest in supply chain financing technology through the Clareti Payables Financing portal. This patent pending technology will allow Gresham to take advantage of what the Board believe is a growing financial services market.

The Company expects that this service will be rolled out to a number of other FTSE sized businesses in Australia over the next few years and the Company will continue to seek relationships with key partners in this market and to extend into the Asia Pacific market.

The Board believes that trade finance is now all pervasive and that supply chain financing constitutes an extensive and established market, with corporates using it to cover off their working capital requirements and to minimise their cash conversion cycle. Published market information states that there has been a 12% annual growth in factoring by companies. The Clareti Payables Financing portal provides an end to end hosted e-procurement solution in the supply chain financing and factoring markets. Existing portal companies have, between them, hundreds of billions of dollars of throughput.

For further information, please contact:

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Oliver Scott/Gordon Suggett

This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction. It has been issued by, and is the sole responsibility of, the Company. Neither KBC Peel Hunt nor any of its affiliated or associated entities or persons shall have any liability for any information contained in this announcement.

KBC Peel Hunt, which is regulated by the Financial Services Authority, is acting exclusively for the Company and for no one else solely in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of KBC Peel Hunt or for providing advice in relation to the Placing.

This announcement is not for release, publication or distribution in or into the United States, Australia, Canada or Japan or any jurisdiction where it would be unlawful to do so.

This release is not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The issuer of the shares has not registered, and does not intend to register, any portion of the offering in the United States and does not intend to conduct a public offering of its securities in the United States.

## **FORWARD LOOKING STATEMENTS**

This announcement may contain forward-looking statements, including, without limitation, statements containing the words “believes”, “anticipates”, “expects”, and similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in this announcement to reflect future events or developments.

The Placing Shares referred to in this announcement have not been and will not be registered under the US Securities Act and may not be offered or sold in the United States except pursuant to an exception from, or a transaction not subject to, the requirements of the US Securities Act. There will be no public offer of the Placing Shares in the United Kingdom, United States of America or elsewhere.

## APPENDIX 1

### TERMS AND CONDITIONS OF THE PLACING For Invited Placees only - Important Information

#### 1. Eligible Participants

This Appendix, including the terms and conditions of the Placing set out below, is directed only at (i) persons who are FSMA Qualified Investors; and (ii) certain other persons with whom KBC Peel Hunt has communicated previously in relation to the Placing.

In this Appendix “you” or “Placee” means any person who is or becomes committed to subscribe for Placing Shares under the Placing.

**Members of the public are not eligible to take part in the Placing.**

#### 2. Overseas jurisdictions

The distribution of this announcement and the Placing and/or issue of ordinary shares pursuant to the Placing in certain jurisdictions may be restricted by law. FSMA Qualified Investors who seek to participate in the Placing must inform themselves about and observe any such restrictions. In particular, this announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Ordinary Shares in the United States, Canada, Japan or Australia or in any other jurisdiction in which such offer or solicitation is or would be unlawful. The Placing Shares have not been and will not be registered under the US Securities Act or under the securities laws of any State or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold, resold or delivered, directly or indirectly in or into the United States, or to, or for the account or benefit of, any US persons (as defined in Regulation S under the US Securities Act). No public offering of the Placing Shares is being made in the United States. No money, securities or other consideration from any person inside the United States is being solicited pursuant to this announcement or the Placing.

#### 3. Placing

KBC Peel Hunt is arranging the Placing as agent for and on behalf of the Company. KBC Peel Hunt will determine in its absolute discretion the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee. No commissions will be paid to or by Placees in respect of their agreement to subscribe for any Placing Shares.

**Each Placee will be required to pay to KBC Peel Hunt, on the Company's behalf, the Placing Price as the subscription sum for each Placing Share agreed to be subscribed by it under the Placing in accordance with the terms set out in this Appendix. Each Placee's obligation to subscribe and pay for Placing Shares under the Placing will be owed to each of the Company and KBC Peel Hunt. Each Placee will be deemed to have read this announcement in its entirety.** To the fullest extent permitted by law and applicable FSA rules, neither KBC Peel Hunt nor any other KBC Person shall have any liability to Placees or to any person other than the Company in respect of the Placing.

The Company reserves the right to allow officers of the Company and/or employees of its Group companies to subscribe for some of the Placing Shares at the Placing Price, with KBC Peel Hunt's agreement, on substantially the same or similar terms as apply to those FSMA Qualified Investors subscribing shares under the Placing.

#### **4. Participation and settlement**

**Participation in the Placing is only available to persons who are invited to participate in it by KBC Peel Hunt.**

A Placee's commitment to subscribe for a fixed number of Placing Shares under the Placing will be agreed orally with KBC Peel Hunt. Such agreement will constitute a legally binding commitment on your part to subscribe for that number of Placing Shares at the Placing Price on the terms and conditions set out or referred to in this Appendix and subject to the Company's memorandum and articles of association. After such agreement is entered into a written confirmation will be dispatched to you by KBC Peel Hunt confirming the number of Placing Shares that you have agreed to subscribe, the aggregate amount you will be required to pay for those Placing Shares and settlement instructions. It is expected that such written confirmations will be despatched on the date of this announcement, that the "trade date" for settlement purposes will be 25 September 2007 and the "settlement date" will be 27 September 2007.

A settlement instruction form will accompany each written confirmation and, on receipt, should be completed and returned to Jamie Reynolds at KBC Peel Hunt by fax on 020 7972 0112 by 3.00 p.m. on 24 September 2007.

Settlement of transactions in the Placing Shares (ISIN: GB0008808825) will take place within the CREST system, subject to certain exceptions, on a "delivery versus payment" (or "DVP") basis. You should settle against CREST ID: 546. KBC Peel Hunt reserves the right to require settlement for and delivery of any Placing Shares to any Placees by such other means that it deems appropriate if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

If your Placing Shares are to be delivered to a custodian or settlement agent, you should ensure that the written confirmation is copied and delivered immediately to the appropriate person within that organisation.

#### **5. No Prospectus**

No prospectus has been or will be submitted for approval by the FSA in relation to the Placing or the Placing Shares. Placees' commitments in respect of Placing Shares will be made solely on the basis of the information contained in this announcement and on the terms contained in it.

#### **6. Placing Shares**

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued Ordinary Shares.

Application will be made for the admission of the Placing Shares to the Official List and to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will take place, and dealings in the Placing Shares will commence, on 27 September 2007.

#### **7. Placing Agreement**

KBC Peel Hunt has today entered into the Placing Agreement with the Company under which KBC Peel Hunt has, on the terms and subject to the conditions set out in the Placing Agreement, agreed to use its reasonable endeavours as agent of the Company to procure subscribers for Placing Shares at the Placing Price each.

## **8. Placing conditions**

The Placing is conditional on, *inter alia*, (a) the Placing Agreement not being terminated in accordance with its terms, (b) Admission taking place not later than 8.00 a.m. on 27 September 2007, and (c) the Placing Agreement becoming unconditional in all other respects.

KBC Peel Hunt reserves the right (with the agreement of the Company) to waive or extend the time and or date for the fulfilment of any of the conditions in the Placing Agreement to a time no later than 9.00a.m. on 11 October 2007 (“the Long Stop Date”).

If any condition in the Placing Agreement is not fulfilled or waived by KBC Peel Hunt by the relevant time, the Placing will lapse and your rights and obligations pursuant to the Placing shall cease and terminate at such time.

The Placing Agreement may be terminated by KBC Peel Hunt at any time prior to Admission in certain circumstances including, *inter alia*, following a material breach of the Placing Agreement by the Company or the occurrence of certain *force majeure* events. The exercise of any right of termination pursuant to the Placing Agreement, any waiver of any condition in the Placing Agreement and any decision by KBC Peel Hunt whether or not to extend the time for satisfaction of any condition in the Placing Agreement or otherwise in respect of the Placing shall be within KBC Peel Hunt’s absolute discretion. KBC Peel Hunt shall have no liability to you in the event of any such termination, waiver or extension or in respect of any decision whether to exercise any such right of termination, waiver or extension.

## **9. Payment default**

Your entitlement to receive any Placing Shares will be conditional on KBC Peel Hunt’s receipt of payment by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as KBC Peel Hunt may in its absolute discretion determine. KBC Peel Hunt may, in its absolute discretion, waive such condition, and shall not be liable to you in the event of it deciding whether to waive or not to waive such condition.

If you fail to make such payment by the required time for any Placing Shares (1) the Company may release itself (if it decides, at its absolute discretion, to do so) and will be released from all obligations it may have to allot and/or issue any such Placing Shares to you or at your direction which are then unallotted and/or unissued, (2) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the fullest extent permitted under its articles of association or otherwise by law and to the extent that you then have any interest in or rights in respect of any such shares, (3) the Company or, as applicable, KBC Peel Hunt may sell (and each of them is irrevocably authorised by you to do so) all or any of such shares on your behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, KBC Peel Hunt (i) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares, (ii) any amount required to cover any stamp duty or stamp duty reserve tax arising on the sale, and (iii) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale, and (4) you shall remain liable to the Company and to KBC Peel Hunt for the full amount of any losses and of any costs which it may suffer or incur as a result of it (i) not receiving payment in full for such Placing Shares by the required time, and/or (ii) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by KBC Peel Hunt for value by the required time referred to above at the rate of two percentage points above the base rate of Barclays Bank plc.

**10. Placees' warranties and undertakings to the Company and KBC Peel Hunt**

By agreeing with KBC Peel Hunt to subscribe Placing Shares under the Placing you will irrevocably acknowledge and confirm and warrant and undertake to, and agree with, each of the Company and KBC Peel Hunt, in each case as a fundamental term of your application for Placing Shares and of the Company's obligation to allot and/or issue any Placing Shares to you or at your direction, that:

- (a) you agree to and accept all the terms set out in this announcement;
- (b) your rights and obligations in respect of the Placing will terminate only in the circumstances described in this announcement and will not be capable of rescission or termination by you in any circumstances;
- (c) this announcement, which has been issued by the Company, is the sole responsibility of the Company;
- (d) you have not been, and will not be, given any warranty or representation in relation to the Placing Shares or to the Company or to any other member of its Group in connection with the Placing, other than by the Company as included in this announcement or to the effect that the Company is not now in breach of its obligations under the UK Listing Rules and the UK Disclosure and Transparency Rules to disclose publicly in the correct manner all such information as is required to be so disclosed by the Company;
- (e) you have not relied on any representation or warranty in reaching your decision to subscribe Placing Shares under the Placing, save as given or made by the Company as referred to in the previous paragraph;
- (f) you are not a customer of KBC Peel Hunt in relation to the Placing and KBC Peel Hunt is not acting for you in connection with the Placing and will not be responsible to you in respect of the Placing for providing protections afforded to its customers;
- (g) you have not been, and will not be, given any warranty or representation by any KBC Person in relation to any Placing Shares or the Company or any other member of its Group;
- (h) you will pay the full subscription amount as and when required in respect of all Placing Shares allocated to you in accordance with such terms and will do all things necessary on your part to ensure that payment for such shares and their delivery to you or at your direction is completed in accordance with the standing CREST instructions (or, where applicable, standing certificated settlement instructions) that you have in place with KBC Peel Hunt or put in place with KBC Peel Hunt with its agreement;
- (i) you are entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to you and you have complied, and will fully comply, with all such laws (including where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002, and the Money Laundering Regulations 2003) and have obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such subscription, and you will provide promptly to KBC Peel Hunt such evidence, if any, as to the identity or location or legal status of any person which KBC Peel Hunt may request from you in connection with the Placing (for the purpose of its complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by KBC Peel Hunt on the basis that any failure by you to do so may result in the number of Placing Shares that are to be allotted and/or issued to you or at your direction pursuant to the Placing being reduced to such number, or to nil, as KBC Peel Hunt may decide at its sole discretion;
- (j) you have complied and will comply with all applicable provisions of the FSMA with respect to anything done or to be done by you in relation to any Placing Shares in, from or otherwise involving the United Kingdom and you have not made or communicated or caused to be made or communicated, and you will not make or

communicate or cause to be made or communicated, any “financial promotion” in relation to Placing Shares in contravention of section 21 of FSMA;

- (k) you are a FSMA Qualified Investor or you are otherwise a person at or to whom any private communication relating to the Company that is a “financial promotion” (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an “authorised person” as referred to in FSMA;
- (l) you are acting as principal only in respect of the Placing or, if you are acting for any other person in respect of the Placing (1) you are duly authorised to do so, (2) you are and will remain liable to the Company and/or KBC Peel Hunt for the performance of all your obligations as a Placee in respect of the Placing (regardless of the fact that you are acting for another person), (3) you are both an “authorised person” for the purposes of FSMA and a “qualified investor” as defined at Article 2.1(e)(i) of Directive 2003/71/EC (known as the Prospectus Directive) acting as agent for such person, and (4) such person is either (i) a FSMA Qualified Investor or (ii) a “client” (as defined in section 86(2) of FSMA) of yours that has engaged you to act as his agent on terms which enable you to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;
- (m) nothing has been done or will be done by you in relation to the Placing or to any Placing Shares that has resulted or will result in any person being required to publish a prospectus in relation to the Company or to any ordinary shares in accordance with FSMA or the UK Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
- (n) you are not, and are not acting in relation to the Placing as nominee or agent for, a person who is or may be liable to stamp duty or stamp duty reserve tax in respect of any agreement to acquire (or any acquisition of) shares or other securities at a rate in excess of 0.5% (including, without limitation, under sections 67, 70, 93 or 96 of the Finance Act 1986 concerning depositary receipts and clearance services), and the allocation, allotment, issue and/or delivery to you, or any person specified by you for registration as holder, of Placing Shares will not give rise to a liability under any such section;
- (o) you will not treat any Placing Shares in any manner that would contravene any legislation applicable in any territory or jurisdiction and no aspect of your participation in the Placing will contravene any legislation applicable in any territory or jurisdiction in any respect or cause the Company or KBC Peel Hunt to contravene any such legislation in any respect;
- (p) (applicable terms and expressions used in this paragraph have the meanings that they have in Regulation S made under the US Securities Act) (1) none of the Placing Shares has been or will be registered under the US Securities Act, (2) none of the Placing Shares may be offered, sold, taken up or delivered, directly or indirectly, into or within the United States except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act, (3) you are not within the United States and you are not a US person, (4) you have not offered, sold or delivered and will not offer sell or deliver any of the Placing Shares to persons within the United States, directly or indirectly, (5) neither you, your affiliates, nor any persons acting on your behalf, have engaged or will engage in any directed selling efforts with respect to the Placing Shares, (6) you will not be subscribing Placing Shares with a view to resale in or into the United States, and (7) you will not distribute any offering material relating to Placing Shares, directly or indirectly, in or into the United States or to any persons resident in the United States;
- (q) KBC Peel Hunt may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any other KBC Person or any person associated with any

KBC Person to do so or by allowing officers of the Company and/or employees of Group companies to subscribe Placing Shares under the Placing at the Placing Price ;

- (r) time is of essence as regards your obligations under this Appendix;
- (s) this Appendix and any contract which may be entered into between you and KBC Peel Hunt and/or the Company pursuant to it or the Placing shall be governed by and construed in accordance with the laws of England, for which purpose you submit to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute, or matter arising out of or relating to this Appendix or such contract, except that each of the Company and KBC Peel Hunt shall have the right to bring enforcement proceedings in respect of any judgement obtained against you in the courts of England and Wales in the courts of any other relevant jurisdiction;
- (t) each right or remedy of the Company or KBC Peel Hunt provided for in this Appendix is in addition to any other right or remedy which is available to such person and the exercise of any such right or remedy in whole or in part shall not preclude the subsequent exercise of any such right or remedy;
- (u) any document that is to be sent to you in connection with the Placing will be sent at your risk and may be sent to you at any address provided by you to KBC Peel Hunt;
- (v) nothing in this Appendix shall exclude any liability of any person for fraud on its part, and all times and dates in this announcement are subject to amendment at the discretion of KBC Peel Hunt, except that in no circumstances will the date scheduled for Admission be later than the Long Stop Date; and
- (w) none of your rights or obligations in respect of the Placing is conditional on any other person agreeing to subscribe any Placing Shares under the Placing and no failure by any other Placee to meet any of its obligations in respect of the Placing shall effect any of your obligations in respect of the Placing.

## **APPENDIX 2 DEFINITIONS**

“Admission”	the admission of the Placing Shares to the Official List and to trading on the London Stock Exchange’s market for listed securities
“Board”	the Company’s board of directors
“Company” or “Gresham”	Gresham Computing plc
“Directors”	the directors of the Company
“Existing Ordinary Shares”	Ordinary Shares in issue on the date of this announcement
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000
“FSMA Qualified Investor”	a person who is a “qualified investor” as referred to at section 86(7) of FSMA and at or to whom any private communication relating to the Company that is a “financial promotion” (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an “authorised person” as referred to in FSMA
“Group”	the group of which the Company is the parent and its subsidiary undertakings are members
“KBC Peel Hunt”	KBC Peel Hunt Ltd
“KBC Person”	any person being (i) KBC Peel Hunt, (ii) an undertaking which is a subsidiary undertaking of KBC Peel Hunt, (iii) a parent undertaking of KBC Peel Hunt or (other than KBC Peel Hunt) a subsidiary undertaking of any such parent undertaking, or (iv) a director, officer, agent or employee of any such person
“Ordinary Shares”	ordinary shares of 5 pence each in the Company
“Placees”	persons who agree to subscribe Placing Shares pursuant to the Placing
“Placing”	the proposed conditional placing the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement relating to the Placing between the Company and KBC Peel Hunt dated the same date as this announcement
“Placing Price”	110 pence per Placing Share
“Placing Shares”	2,500,000 new Ordinary Shares to be made available for subscription under the Placing
“Shareholders”	holders of Ordinary Shares

“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“US Securities Act”	the US Securities Act of 1933