

SQW GROUP LTD

PRESS RELEASE – 5 February 2007

Sir Michael Lyons and Sir Williams Wells join SQW Group

Appointments will aid Growth of new Business areas in Healthcare and the Environment

SQW Group Ltd today announced that it has strengthened its Board with the appointment of Sir Michael Lyons and Sir William Wells as non-executive directors. It is anticipated that the new Board members will assist the Group with plans to develop two new business areas focused on Healthcare and the Environment, as well as with the expansion of its existing services. Both directors will also take equity stakes in the Company.

SQW Group owns two brand operations, SQW Consulting and Oxford Innovation, market leaders in the fields of consultancy services and business support. SQW Consulting is one of the largest and best known UK providers of public policy consultancy services for economic development and regeneration. The company works with public sector clients in the UK and overseas, providing advice on issues such as urban and rural regeneration, neighbourhood renewal, innovation and business development, higher education and technology transfer, and skills development. Oxford Innovation is the UK's leading operator of innovation centres and investment networks that provide office premises and access to funding for over 400 high growth technology companies, a number of whom have floated on AIM.

Sir Michael Lyons is currently completing a high profile review on the future of local government and finance structures, and was responsible for the 2004 Lyons Review of Public Sector relocation for the Treasury. He is a former Chief Executive of Birmingham City Council, Nottinghamshire County Council and Wolverhampton Borough Council. Sir Michael is currently Chairman of the English Cities Fund and a non-executive director of Mouchel Parkman plc, the LSE listed support services company that has recently made three acquisitions valued at c£50 million.

Sir William Wells is the Chairman of the NHS Appointments Committee, which he established in 2001. He is also Chairman of the Health Service Commercial Advisory Board, which advises ministers on the effects of policy in the private sector, and previously spent 34 years with Chesterton chartered surveyors, where he became Managing Partner and then Chairman through their transition from a private

partnership to a listed company. Sir William is Chairman of ADL, an AIM-listed care home provider and a director of Urban Village, which is developing a mixed 'village' in Shoreditch to provide homes, support and training for over 300 homeless people.

Ian Laing, Chairman of SQW Group, said: "I am delighted that two such high calibre individuals as Sir Michael and Sir William have agreed to join our Board. They bring a wealth of expertise and have outstanding track records in local government, healthcare and the provision of support services to the public sector and regulated industries. Sir Michael and Sir William will play crucial roles in the strategic positioning and development of the Group."

Chris Green, Group Chief Executive Officer, said: "I would like to welcome Sir Michael and Sir William to the Group. They are valuable additions to our Board as we pursue a strategy to establish SQW Group as the leading UK business in our core markets - public policy for economic development and regeneration, and innovation centres and services for SMEs - and to develop new business activity.

"We plan to build on our experience in healthcare consulting, which currently focuses on the interface between health and economic and social policies, to develop a substantial new business in mainstream healthcare consultancy. We will also extend our activity in energy, environment and sustainable development with a range of new services – plans include an incubator for early stage energy and environment technology companies, advice on measuring and reducing carbon impacts at scales ranging from regions to individual businesses, and support to firms to improve their energy efficiency and minimise waste."

Sir Michael Lyons said: "I am pleased to be joining SQW Group at such an exciting time. The Group is well-placed to exploit a range of opportunities in both existing and interesting new business areas. I welcome the opportunity to make a real contribution to rapid growth of the Group, combining a traditional governance role, with an ability to use my expertise in national and local government to good effect."

Sir William Wells said: "The invitation to join SQW Group was a particularly attractive one, given the Company's commitment to develop a new healthcare division, and to rapid growth. The Group has started to establish itself as a player in

healthcare consultancy, in addition to providing practical support to early stage healthcare companies and innovators. This is a unique combination, and I look forward to direct involvement in the growth of this new business area.”

- ENDS -

Photos available on request

1. Sir Michael Lyons, who has joined SQW Group as a non-executive director.
2. Sir William Wells, who has joined SQW Group as a non-executive director.
3. The SQW Group Board

Editors Notes

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About SQW Group

SQW Group Board members are: Ian Laing, Chairman; Chris Green, Group CEO; Andrew Strivens, Group COO; Roger Quince, co-founder of SQW, and Sir Michael Lyons and Sir William Wells, non-executive directors. SQW Group has two main subsidiaries: SQW Consulting and Oxford Innovation.

About SQW Consulting

SQW Consulting is a leading economic development and management consultancy that is well-known for producing ‘The Cambridge Phenomenon’, a defining report that brought Cambridge’s high-tech industry to worldwide attention.

The company’s clients include government departments in the UK and overseas, devolved administrations, regional development agencies, funding bodies, local authorities, partnerships and international organisations.

SQW’s consultants bring extensive experience to their assignments, with backgrounds in academia, national and local government, industry, and development agencies. At any one time, they are working on over 100 projects in the areas of economic and social development and regeneration. Examples of projects include: an evaluation of the Neighbourhood Management Pathfinder Programme; support for the NW Regional Economic Forecasting Panel and the design of an Evaluation Framework for the Comprehensive Spending Review.

SQW employs 70 staff and is headquartered in Cambridge with regional offices in Edinburgh, Leeds, London, Oxford and Manchester. For further information: www.sqw.co.uk

About Oxford Innovation

Oxford Innovation provides services to innovative start-up companies, and to government bodies that promote enterprise. The company operates 13 Innovation Centres, including new Centres at Silverstone, Portsmouth and Sheffield, that provide flexible office and laboratory space to over 400 technology, knowledge-based and creative companies, a number of whom have floated on AIM.

The firm is recognised as a specialist in helping early stage technology businesses to raise finance through its four Business Angel Investment Networks, including Oxford Investment Opportunity Network (www.oion.co.uk), Europe’s most successful technology investment network. Oxford Innovation also delivers innovation services for government, such as the Innovation Advisory Service South East, a new regional initiative to encourage innovation in SMEs funded by SEEDA.

Oxford Innovation employs 90 staff and is headquartered at Oxford Centre for Innovation, with additional Innovation Centres in Berkshire, Gloucestershire, Northamptonshire, Portsmouth and South Yorkshire. For further information: www.oxin.co.uk

Sir Michael Lyons - summary biographical details

Sir Michael is currently completing a review of local government and finance structures. He is also a member of the Treasury's Public Services Productivity Panel and works closely with the Society of Local Authority Chief Executives.

Sir Michael completed a Review of Public Sector relocation on behalf of the Chancellor and Deputy Prime Minister ("Well Placed to Deliver" - The Lyons Review March 2004). He was also chair of the Cardiff City Council's 'Corporate Governance Commission' which completed its work in 2004. He was lead advisor for the House of Commons Select Committees Review of the Local Government Act 2000 and pre-legislative scrutiny of the Local Government Bill 2002.

Other public sector activities include membership of the Independent Fire Service Review, which produced The Bain Report in December 2002. Together with Sir Ian Byatt, he was responsible for the publication in the autumn of 2001 of 'The Role of External Review in Improving Performance', and has been actively involved in the dissemination of the results from the ESRC programme 'Cities: Competition and Cohesiveness', for which he has chaired the Advisory Board.

Sir Michael joined a predecessor firm of the support services group Mouchel Parkman, the product of a two-way merger which floated on the London Stock Exchange in 2002. Appointed to the board of Parkman Group in 1991, he became a non-executive director of Mouchel Parkman in 1993, following the merger with Mouchel. The Group is now capitalized at around £430m.

Sir Michael is a non executive director of Wragge & Co solicitors and previously was a non-executive director of Central Independent Television, and was Deputy Chairman of the Audit Commission for two years until October 2006, serving for a while as Acting Chairman.

Sir Michael is Chairman of the City of Birmingham Symphony Orchestra and a Governor of the Royal Shakespeare Company. He is currently a member of the Boards of City Pride, Birmingham Marketing Partnership, and Millennium Point Property Trust Company. He is also Chairman of the English Cities Fund, which aims to bring together public and private sector to promote sustainable urban regeneration.

Sir William Wells - summary biographical details

Sir William Wells' career has encompassed senior positions in public health, commercial property, insurance and small business. Trained as a Chartered Surveyor, he spent 34 years with the property agency Chesterton & Sons, where he became Managing Partner and Chairman.

His first role was with Pearl Group, as a non-executive director. After guiding this company through an array of mergers, acquisitions and takeovers, the group was sold to the Australian financial services company AMP. Sir William became Director of UK Enterprise for the new business, and was integral in the decision to run the business from the UK. £1.5 billion was designated to recapitalise the business, and it re-emerged as the successful fund management group Henderson.

Sir William has held various non-executive positions in the NHS. This began in 1968 when he became a Governor of the Royal Free Hospital in Grays Inn Road. Since 1994 he has been Regional Director of the South Thames Region. He established and is the current Chairman of the NHS Appointments Commission and is Chairman of the Commercial Advisory Board, which advises Ministers on the effects of policy in the private sector. He is also a Board Director of Urban Village, which is developing a large scale mixed 'village' in Shoreditch to provide homes, support and training for more than 300 homeless people.

Sir William was also a NED of Norwich & Peterborough Building Society and the National Freight Corporation, and Chairman of plastic surgery group Covenant. He is a NED with Arc, a small fund management company and Chairman of another AIM-listed company, the care-home company ADL, which has a market cap of £90m.