

NorthgateArinso boosts global presence as it acquires Human Resources Management division of Convergys

NorthgateArinso, the world's leading Human Resources (HR) software and services provider, is to strengthen its global position by intending to acquire the HR Management division from US provider Convergys.

The transaction is worth approximately \$85 million in cash at closing and \$15 million in cash over three years. It involves NorthgateArinso acquiring the assets, including the global HR service delivery network and entire customer portfolio, of Convergys' HR Management division.

Convergys' HR outsourcing customers will benefit from NorthgateArinso's clear focus on HR software and services and from its world-class HR delivery capabilities. NorthgateArinso is known for its innovation in the sector, including the creation of platform-based HR Business Process Outsourcing (BPO).

Speaking about the acquisition, Mike Ettling, CEO at NorthgateArinso, commented:

"We are delighted to be combining Convergys' US market leader position with our world-class focus on software and service. We'll be bringing together two great teams of people, with great HR solutions, and investing further around the world to innovate even more for our customers.

"We will be working very closely with Convergys' customers over the next few weeks to ensure they continue to receive the same quality of service and truly understand the benefits of being a customer of the NorthgateArinso family."

On completion of acquisition, NorthgateArinso will employ around 8,000 people globally, of which a third will be based in North America.

Chris Stone, CEO at Northgate Information Solutions, added:

"The US domestic market accounts for over a third of the global HR services market. As it is home to many multinational businesses, it is a critical marketplace for us as a specialist and we expect to strongly develop our position in the US over the coming years."

NorthgateArinso's American operations will continue to be led by Trey Campbell.



About Convergys

Convergys Corporation (NYSE: CVG) is a global leader in relationship management. We provide solutions that drive more value from the relationships our clients have with their customers and employees. Convergys turns these everyday interactions into a source of profit and strategic advantage for our clients.

For more than 30 years, our unique combination of domain expertise, operational excellence, and innovative technologies has delivered process improvement and actionable business insight to clients that now span many countries and languages.

Convergys has been voted a Fortune Most Admired Company for nine consecutive years. We have approximately 70,000 employees in 82 customer contact centers and other facilities in the United States, Canada, Latin America, Europe, the Middle East, and Asia, and our global headquarters in Cincinnati, Ohio. For more information, visit www.convergys.com

(Convergys and the Convergys logo are registered trademarks of Convergys Corporation.)

About NorthgateArinso

www.northgatearinso.co.uk

NorthgateArinso is a leading global Human Resources software & services provider offering innovative HR business solutions to employers of all sizes, including Global Fortune 500 companies and many Public Sector organisations. We help HR executives optimize their HR service delivery through smarter process and more efficient technology, supporting key HR areas like workforce administration, payroll, benefits, recruitment, learning, and talent management.

Our 4,500 employees are dedicated to HR excellence through strategic business consulting, outsourcing services, systems integration and best-of-breed software solutions. We are one of the 5 largest HR service providers world wide and have offices in 31 countries on 5 continents.

The Northgate Group is owned by private equity company Kohlberg Kravis Roberts (KKR) and currently employs over 6,500 staff and operates in 46 countries across 5 continents.