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News Release

FOR IMMEDIATE RELEASE

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Thomas Group Announces Warrant Repurchase

Irving, Texas, October 3, 2005 Thomas Group, Inc. (TGIS.OB), an international, publicly traded business consulting firm, today announced that it has repurchased a warrant issued to Comerica Bank-Texas, the Company's former senior lender, for \$1.25 million in cash. The warrant gave Comerica Bank the right to purchase 397,443 shares of common stock, and would have been equivalent to a 3.6% equity position in the Company had it been exercised. The warrant was repurchased on September 27, 2005 for \$3.145 per share, while Thomas Group stock closed at \$5.00 per share on that day. This repurchase will increase fully diluted net income per common share by reducing the common stock equivalents used in the diluted earnings per share calculation.

"This transaction demonstrates our firm belief in Thomas Group as an investment opportunity and reflects our confidence in the growth potential of our Company," said Jim Taylor, President and Chief Executive Officer of Thomas Group. "We believe that it was in the best long-term interest of our shareholders to repurchase the warrants and eliminate potential dilution of ownership to existing shareholders."

Taylor continued, "Strong cash flows allowed us to use cash reserves to repurchase this warrant and also to eliminate our bank and subordinated debt earlier this year, and still maintain a strong balance sheet."

Thomas Group, Inc. is an international, publicly traded business consulting firm (TGIS.OB). Thomas Group's unique brand of process improvement and performance management services enable businesses to enhance operations, improve productivity and quality, reduce costs, generate cash and drive higher profitability. Known as *The Results Company*SM, Thomas Group creates and implements customized improvement strategies for sustained performance improvements in all facets of the business enterprise. Thomas Group has offices in Dallas, Detroit, Zug, and Hong Kong. For additional information on Thomas Group, Inc., please go to www.thomasgroup.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act:

Statements in this release that are not strictly historical are "forward looking" statements, which should be considered as subject to the many uncertainties that exist in the Company's operations and business environment. These uncertainties, which include economic and business conditions that may impact clients and the Company's performance-oriented fees, timing of contracts and revenue recognition, competitive and cost factors, and the like, are set forth in the Company's Form 10-K for the year ended December 31, 2004 filed with the Securities and Exchange Commission.

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