

Nexus Management Plc
(“Nexus” or “the Company”)

Unaudited interim results for the six months ended 31 March 2009

Nexus Management Plc, the AIM quoted provider of specialist IT Managed Services, is pleased to announce its interim results for the six months ended 31 March 2009.

Highlights:

- Revenue up 30 per cent to £2.5 million (six months to 31 March 2008: £1.9 million)
- Gross profit up 34 per cent to £1.3 million (six months to 31 March 2008: £0.978 million)
- Profit before tax up 71 per cent to £87,000 (six months to 31 March 2008: £51,000)
- Cash at bank at the period end was in excess of £350,000
- Total assets increased from £5.2 million to £7.3 million
- Acquisition of business and assets of Scott Technology Corporation (“STC”) by newly formed wholly-owned subsidiary Resilience Technology Corporation (“RTC”)
- The Nerd Force® Franchise Company continues to expand, with franchise sales ahead of expectations
- Revenue and profit for the period under review in line with market expectations

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Chief Executive’s Statement:

The Company has performed well during the first six months of the fiscal year. Turnover in the period has increased by 30 per cent to £2.5 million (2008: £1.9 million) compared with the corresponding period last year. Profit before taxation for the period was £87,000 (2008: £51,000). The results for the period reflect two weeks of post acquisition trading of the RTC business.

I am pleased with the Company’s progress in spite of challenging economic conditions. Trading conditions remain tough in the UK, however there are recent signs the US economy is beginning to strengthen.

The Nexus management team continues to run the core businesses on a cost effective basis and during the period the Company has grown the number of services offered to customers and attracted new clients.

The Company’s core business in the US strengthened during the period, the result of which has seen an increase in the number of clients using the US data centre. Consequently, the data centre will be expanded later this year to meet the future expected demands of the core clients and the Nerd Force franchisees. I’m pleased to report that post the period end the US business has continued to secure new customers which is

testament to the US team and the quality of the data centre, which is considered to be a premier facility in the area north of Boston.

The UK business is somewhat smaller than the US business which, when coupled with the recessionary conditions that existed during the period under review and since the period end, has resulted in the rate of growth being slower than management's expectations. I am pleased with the efforts of the UK management team and believe that as the economy improves we remain well positioned for growth.

Nexus acquired the Nerd Force® Franchise Company ("Nerd Force®" or "NFFC") late last summer and the progress in franchise sales has been impressive during the early part of the fiscal year. The other areas of revenue generation for Nerd Force®, including sales of managed services, have been slower to develop in the period under review. However, the Board in recent months has taken steps to address this through the provision of extensive training and is encouraged by the recent results which bode well for the remainder of 2009. Nerd Force now has over 170 signed franchise territories globally, with 22 operational franchises, as at the end of March.

Our associate business in Los Angeles, PD Financial Corp ("PD Financial", which trades under the name "Venue"), in which we have a 15.5 per cent shareholding, has also suffered from the economic slowdown and tighter credit controls in the US. However, PD Financial has achieved encouraging levels of sales growth in the period under review and, in the last few months, sales of our service products through this channel have steadily increased. The future for PD Financial as the US economy recovers remains, in my view, extremely bright. During December 2008 Nexus converted part of the debt into equity and PD Financial continues to service its loan interest payments to Nexus in accordance with the terms announced previously.

On 17 March 2009, the Company acquired the businesses, assets and certain liabilities of Scott Technology Corporation (the "STC Business"). In order to effect the acquisition the Company established a new wholly-owned subsidiary company called Resilience Technology Corporation ("RTC"). The Board expects this recently formed subsidiary, the business of which develops security infrastructure products, to generate strategic and synergistic economies of scale across the Company's other trading activities and make a significant contribution in the second half of the fiscal year. The newly acquired business, through its distribution channels, has provided the Company with a new product offering for its clients as well as cross selling opportunities. The RTC business has already made a positive contribution to the Company's trading performance and it is also expected to be earnings enhancing in the year ending 30 September 2010. We are continuing to grow the RTC sales force, which is expected to positively impact the trading results of this business in the next six to nine months.

Nexus continues to invest in targeted marketing to identify new potential clients that are a good fit for our services. These companies are typically small multi-nationals or small multi office organisations where their staff travel extensively and their IT needs are more complex.

The Board remains cautiously optimistic for the second half of the financial year. The Company has a strong recurring revenue stream and is well positioned to take advantage of improving economic conditions. Although a number of markets and sectors are experiencing a challenging economic climate, the IT industry has an advantage that the provision and management of technology and related services remains crucial to all businesses, small and large.

Post balance sheet events

On 12 May 2009 Nexus announced that it had secured additional funding to enable it to satisfy certain payments, together with interest and charges, due to the vendors of the STC Business under a loan note issued pursuant to the acquisition.

The Company also announced that Rivington Street Corporate Finance Limited had been appointed its sole broker.

Roger Richardson
Chief Executive

Consolidated Income Statement
For the six months ended 31 March 2009

	6 months to 31 March 2009 (unaudited) £'000	6 months to 31 March 2008 (unaudited) (Restated) £'000	Year to 30 September 2008 (audited) £'000
Revenue			
- Continuing	2,366	1,894	3,791
- Acquired	91	-	27
- Discontinued	-	7,208	7,208
- Less Share of Associates	-	(7,208)	(7,208)
	<u>2,457</u>	<u>1,894</u>	<u>3,818</u>
Cost of sales	(1,147)	(915)	(1,859)
Gross profit	<u>1,310</u>	<u>979</u>	<u>1,959</u>
Operating expenses	(1,213)	(913)	(1,699)
Share based payment expense	(21)	(10)	(10)
Operating profit	<u>76</u>	<u>56</u>	<u>250</u>
Finance income/(costs)	11	(5)	2
Impairment of goodwill	-	-	(54)
Profit before taxation	<u>87</u>	<u>51</u>	<u>198</u>
Taxation	-	-	-
Profit for the period from continuing/acquired operations	<u>87</u>	<u>51</u>	<u>198</u>
Discontinued operations			
Share of profit of associates	-	331	331
Profit on disposal of associates	-	569	569
Profit for the period	<u>87</u>	<u>951</u>	<u>1,098</u>
Earnings per share (pence)			
Basic	0.010p	0.113p	0.129p
Diluted	0.008p	0.087p	0.009p

Consolidated Balance sheet
As at 31 March 2009

	As at 31 March 2009 (unaudited) £'000	As at 31 March 2008 (unaudited) (Restated) £'000	As at 30 September 2008 (audited) £'000
Assets			
Non-current assets			
Tangible fixed assets	365	268	316
Intangible assets	427	-	22
Goodwill	636	312	463
Available for sale investments	2,524	1,364	1,364
	<u>3,952</u>	<u>1,944</u>	<u>2,165</u>
Current assets			
Trade and other receivables	2,121	2,674	2,684
Inventories	825	-	-
Cash and cash equivalents	373	377	375
	<u>3,319</u>	<u>3,051</u>	<u>3,059</u>
Total Assets	<u>7,271</u>	<u>4,995</u>	<u>5,224</u>
Equity and liabilities			

Equity			
Share capital	2,266	2,140	2,168
Share premium	4,301	4,008	4,082
Other reserves	1,135	1,204	1,170
Retained earnings	(2,894)	(3,128)	(2,981)
	<u>4,808</u>	<u>4,224</u>	<u>4,439</u>
Non current liabilities			
Deferred tax	178	178	178
Obligations under finance leases - due after one year	44	-	43
	<u>222</u>	<u>178</u>	<u>221</u>
Current liabilities			
Trade and other payables	2,086	504	512
Bank overdrafts and loans	58	4	3
Obligations under finance leases - due within one year	97	85	49
	<u>2,241</u>	<u>593</u>	<u>564</u>
Total equity and liabilities	<u>7,271</u>	<u>4,995</u>	<u>5,224</u>

**Consolidated Cash Flow Statement
For the six months ended 31 March 2009**

	6 months to 31 March 2009 (unaudited) £'000	6 months to 31 March 2008 (unaudited) (Restated) £'000	Year to 30 September 2008 (audited) £'000
Cash inflow from operating activities			
Profit from operations	87	51	198
Adjustments for:			
Interest paid	1	6	16
Interest received	(12)	-	(18)
Depreciation	71	40	86
Impairment	-	-	54
Currency exchange adjustment	(93)	27	(48)
	<u>54</u>	<u>124</u>	<u>288</u>
Share option costs	21	10	10
Increase in inventories	(825)	-	-
Increase in receivables	(396)	(17)	(187)
Decrease/(Increase) in liabilities	1,691	(206)	(219)
	<u>545</u>	<u>(89)</u>	<u>(108)</u>
Cash generated from/(used in) operations			
Interest paid	-	(5)	(16)
	<u>545</u>	<u>(94)</u>	<u>(124)</u>
Net cash generated from/(used in) operating activities			
Cash flows from investing activities			
Interest received	12	-	18
Acquisition of intangible	(406)	-	(21)
Acquisition of goodwill	(173)	-	(103)
Acquisition of investments	(202)	-	-
Purchase of shares in associate	-	(76)	(76)
Purchase of plant and equipment	(4)	(85)	(110)
	<u>(773)</u>	<u>(161)</u>	<u>(292)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issue of share capital	60	-	-
Premium on issue	140	-	-
Share issue cost	-	-	-
Repayment of borrowings	55	(2)	(4)
Finance lease principle payments	(29)	-	(1)
	<u>(29)</u>	<u>-</u>	<u>(1)</u>

Net cash generated from/(used in) financing activities	226	(2)	(5)
Net cash used in continuing operations	(2)	(257)	(421)
Discontinued Operations			
Net cash from investing activities	-	150	312
Net decrease in cash and cash equivalents	(2)	(107)	(109)
Cash and cash equivalents at beginning of period	375	484	484
Cash and cash equivalents at end of period	373	377	375

**Consolidated Statement of changes in equity
For the six months ended 31 March 2009**

	Share capital £'000	Share premium £'000	Available for sale investment reserve £'000	Foreign exchange reserve £'000	Share options reserve £'000	Retained earnings £'000	Total £'000
6 months ended 31 March 2008 (Restated)							
As at 1 October 2007	2,127	3,956	-	3	802	(4,079)	2,809
Profit for the period	-	-	-	-	-	951	951
Shares issued	13	52	-	-	-	-	65
Share based payment charge	-	-	-	-	10	-	10
Movement in the year	-	-	415	-	-	-	415
Exchange differences arising on translation of foreign operations	-	-	-	(26)	-	-	(26)
As at 31 March 2008	2,140	4,008	415	(23)	812	(3,128)	4,224
12 months ended 30 September 2008							
As at 1 October 2007	2,127	3,956	-	3	802	(4,079)	2,809
Profit for the period	-	-	-	-	-	1,098	1,098
Movement in the year	-	-	417	(62)	-	-	355
Shares issued	41	126	-	-	-	-	167
Share based payment charge	-	-	-	-	10	-	10
As at 30 September 2008	2,168	4,082	417	(59)	812	(2,981)	4,439
6 months ended 31 March 2009							
As at 1 October 2008	2,168	4,082	417	(59)	812	(2,981)	4,439
Profit for the period	-	-	-	-	-	87	87
Movement in the period	-	-	-	(56)	-	-	(56)
Shares issued	98	218	-	-	-	-	316
Share based payment charge	-	-	-	-	21	-	21
As at 31 March 2009	2,266	4,300	417	(115)	833	(2,894)	4,807

Notes to the Interim Results

1. Basis of preparation

The Interim Results for the six months ended 31 March 2009 are unaudited and do not constitute statutory accounts in accordance with section 240 of the Companies Act 1985.

Full accounts for the year ended 30 September 2008, on which the auditors gave an unqualified report and contained no statement under Section 237 (2) or (3) of the Companies Act 1985, have been delivered to the Registrar of Companies.

2. Adoption of International Financial Reporting Standards (IFRS)

The AIM Rules require that the annual consolidated financial statements of Nexus Management plc for the year ended 30 September 2008 be prepared in accordance with International Financial Reporting Standards (IFRS).

The information presented within these interim financial statements is in compliance with IAS 34 'Interim Financial Reporting'.

3. Segmental information

The services the group provides are in regard to one activity. Accordingly the primary segmental disclosure is based on geographical location and excludes revenue in regard to the group's associate.

	UK £'000	US £'000	Eliminations £'000	Total £'000
6 months ended 31 March 2009				
Segmental revenue - continuing	813	1,761	(117)	2,457
Segmental result	39	37	-	76
6 months ended 31 March 2008 restated				
Segmental revenue - continuing	677	1,217	-	1,894
Segmental result	(66)	122	-	56
12 months ended 30 September 2008				
Segmental revenue - continuing	1,788	2,345	(315)	3,818
Segmental result	47	203	-	250

4. Earnings per share

The basic earnings per share has been calculated by dividing the retained profit for the period of £86,670 (2008: £951,000) by the weighted average number of ordinary shares of 876,107,063 (2008: 841,576,236) in issue during the period. The diluted earnings per share is calculated by using the diluted weighted average number of ordinary shares of 1,132,607,678 (2008: 1,095,142,704).

5. Dividends

No dividend is proposed for the six months ended 31 March 2009.

6. Copies of Interim Results

Copies of the Interim Results will be available on the Nexus website, Investor Section - www.nexusmgmt.com