

**FOR IMMEDIATE RELEASE**

**1 February 2008**

**NEXUS MANAGEMENT PLC  
(AIM: NXS)**

**TRADING UPDATE  
AND  
SALE OF PART INTEREST IN PD FINANCIAL CORP**

The Board of Nexus Management Plc ("Nexus" or "the Company"), the AIM quoted provider of specialist IT Managed Services, is pleased to announce a trading update for the year ended 30 September 2007 and the sale of a 16.3 percent interest in PD Financial Corp. ("PD Financial").

**HIGHLIGHTS**

- **Agreement to dispose of 16.3 percent interest in PD Financial for \$5 million (£2.5 million at current exchange rates);**
- **Perpetual marketing agreement with PD Financial secured;**
- **Revenue of £21 million, up on previous period (2006: £2.6 million) and ahead of management's expectations;**
- **Significant cash generation from operations compared with previous years;**
- **26 percent rise in customer numbers during the year; and**
- **Preliminary results now expected to be announced in March 2008.**

**Disposal of 16.3 percent interest in PD Financial Corp.**

The Board is pleased to announce that PD Financial Corp. has entered into a share re-purchase agreement with the Company to buy back 1,091,238 series A preferred shares and 75,000 common shares in the capital of PD Financial, for a cash consideration of \$5 million (approximately £2.5 million at current exchange rates). Following completion of the share sale and the cancellation by PD Financial of these shares, Nexus will have reduced its holding in PD Financial from a total of 1,616,238 common and series A preferred shares, representing 24.6 percent of the issued share capital of PD Financial, to 450,000 series A preferred shares, representing 8.3 percent of the then issued share capital of PD Financial.

The total cash consideration equates to \$4.29 per share which represents a substantial premium to the average cost of acquisition of \$2.1 per share.

Under the terms of the agreement the Company will receive \$300,000 (approximately £150,000) initially with a further payment of \$2.7 million (approximately £1.35 million at current exchange rates) by 30 June 2008 with the balance of \$2million (approximately £1 million at current exchange rates) together with accrued interest payable during the 12 months ended, but not later than, 30 June 2009.

In the event that PD Financial concludes an equity fundraising of in excess of \$65 million any amounts due to the Company under the re-purchase agreement will be paid in full on completion of that transaction.

With effect from 1 July 2008, interest at the rate of 8 per cent. per annum will be applied to any outstanding amounts due to the Company under the agreement.

Under the terms of the share re-purchase agreement the ownership of the shares will only pass to PD Financial once the proceeds of sale are received by the Company.

In addition, the Company has also granted PD Financial, or such parties duly authorised by PD Financial, an irrevocable perpetual voting proxy. The proxy will apply to all shares held by the Company in the capital of PD Financial.

The Company intends to use the proceeds of the sale of the shares, when received, to fund suitable acquisitions, of which a number are currently under consideration and for working capital generally.

In addition to the cash consideration, the Company has also been granted a perpetual marketing agreement with PD Financial to market the Company's products, including helpdesk and back-up support. This replaces the existing agreement, which was due to expire in October 2009. In the year ended 30 September 2007, the existing marketing agreement has generated cash of approximately £700,000.

#### **PD Financial update re: credit providers**

As announced on 12 November 2007, the financing arrangement between PD Financial and its credit provider has been terminated by mutual agreement effective from 1 April 2008. The Directors have been notified by the board of PD Financial that it is currently in advanced discussions with several alternative credit providers and remain confident it will be able to announce a complete replacement of the existing funding facility before 31 March 2008.

#### **Trading Update**

The Company has made significant progress in the year ended 30 September 2007. The Company expects to report that revenue, including the share of its associate company, PD Financial, in the year ended 30 September 2007 will be

in excess of £21 million (2006: £2.6 million) which is ahead of management's expectations.

Furthermore, the Company expects to report that during the year ended 30 September 2007, cash generated from operating activities was materially ahead of the previous year.

Following the decision to terminate the aforementioned financing agreement, first quarter sales of the help desk and back-up solution, derived from PD Financial, has been impacted. Until such time as PD Financial finds a replacement provider, the Board expects help desk and back-up solution sales to remain at the current lower levels, however, it believes that this depressed level will correct itself once a new agreement has been secured.

The first three months of trading in the core business in the US and the UK have been satisfactory and the Board believes this trend will continue in the second quarter.

The Board remains confident that the core businesses will perform in line with management expectations in the current year.

### **Customer growth**

Nexus remains committed to building its portfolio of business customers. As at 30 September 2007, the Company had 102 business customers which have increased from 81 at 30 September 2006. The Company has a broad client base and is not unduly reliant on any one customer.

### **Notice of Results**

The Company will publish its final results for the year ended 30 September 2007 in March 2008.

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### **About Nexus Management plc**

Nexus Management is a growing specialist IT Managed Services Provider. Nexus has two key markets: the UK and the US, where it can offer its customers 24 hour support. Nexus specialises in Remote Server Management, Disaster Recovery, Data Storage, Help-Desk, Desktop Support and Wide Area Network Management and Monitoring - providing Enterprise calibre technical support.

Nexus is quoted on AIM, a market of the London Stock Exchange. For further information on the Company, please visit [www.nexusmgmt.com](http://www.nexusmgmt.com)