

Nexus Management Plc
("Nexus Management" or "the Company")

Final Results for the 18 Months to 30 September 2006

Nexus Management Plc (LSE: NXS) a provider of specialist IT Managed Services announces today its final results for the 18 months to 30 September 2006.

Highlights:

- Turnover of £3.94 million for the 18 month period (£2.47 million for 12 months to 31 March 2005)
- Gross profits up to £1.6m for the 18 months, (up from £1.0m for the previous 12 months)
- Reduction in expenses to £1.5m for the 18 month period (as against £1.2m for the previous 12 months).
- Purchase of 24% of PD Financial provides rapid customer acquisition, marketing channel in US and substantial revenue and profits stream.
- Nexmail product successfully developed and delivered
- Range of new B2B products for the SME market ready to be launched in the USA for Q2 2007

Roger Richardson, Chief Executive, commented:

"The last 18 months have seen Nexus effect a merger with Nexus Inc in the US, an acquisition of FixIT in the UK and produce a profitable trading period. Since February 2006 we have been working towards the strategic purchase of a 24% stake in PD Financial in the USA., which is already providing returns far beyond expectations.

"The Group now has a firm foothold on both sides of the Atlantic with a much strengthened balance sheet and is well positioned for strong, solid growth in 2007."

The full Report and accounts can be found on our web site at http://www.nexusgmt.com/corporate_investor_information.asp

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Roger Richardson, Chief Executive Officer

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Imran Ahmad

Chairman's Statement

The 18 months to September 2006 have been very significant for Nexus Management Plc. The Company has increased turnover, continued positive trading profits growth and successfully completed the merger of Nexus Management, Inc. and the acquisition of FixIT Worldwide Ltd. Since Sept 2006, the further purchase of 24% of PD Financial ("PD") in the US has given Nexus the facility to make a substantial increase in revenues and profits in the year ahead.

18-month trading performance

The long reporting period somewhat obscures the progress Nexus has made in the six months that was reported to the market in November. In addition, the completed mergers and acquisitions, and the use of merger accounting rules, all obfuscate the comparisons with prior years. However, in brief, Nexus grew revenues to £3.9m for the period (up from £2.5m for the previous 12 months) boosted gross profits to £1.6m for the 18 months, (up from £1.0m for the previous 12 months) and kept expenses down to £1.5m for the 18 month period (as against £1.2m for the previous 12 months). Goodwill, merger costs and foreign exchange losses all mean that Nexus is able to take forward a £44.5k loss to offset against future profits as against a loss of £187k for the previous 12 months. Cash also increased by £692k compared to an increase of £36k for the previous 12 months. In addition, the placing carried out by HB Corporate during the year contributed to strengthening the Group's balance sheet to £2.5m in September 2006 from a negative position in March 2005

Products & Technology

During the period we successfully built and delivered our managed Email product (NexMail), as well as a voice over internet protocol (VOIP) system for H&K (part of the WPP Group). We also responded to our customers' demands and produced the NexVR digital voice recording product - software which targets the high growth market of compliance and best practice for call centres and many other businesses. Along with our existing portfolio of products and services such as automated desktop support, online back-up, remote server management, disaster recovery, data storage, help desk, hosting, wide area network management and monitoring, these ensured that we continued to deliver innovative products that meet the business needs of our clients world-wide.

Management

Our management has been drawn from within Nexus and both our UK and US operations are now managed by key employees who have been with the company for over five years. This demonstrates externally that we have the talent pool to draw upon to meet our growth objectives, and internally that we reward success and loyalty and already have a structure in place that offers employees a fulfilling long term career.

Outlook

The outlook for the company has never looked brighter. This is partly due to the fact that in October the management acquired a 24% stake for a total consideration of \$3.2m and a seat on the board of a US marketing company – PD Financial Corp, Inc.. At the same time the company signed a marketing agreement enabling Nexus to scale up sales of its products quickly and efficiently and thus transform ourselves into a significant player in the industry, within a much reduced timescale.

Investment rationale for PD Financial

A managed services provider such as Nexus, can offer customers reliable, cost effective services and this provides for steady on-going business. However, in order to grow the business to a substantial size within a reasonable time frame these services need to be marketed at a sufficiently high sales rate, which, undertaken directly by the Group would be prohibitively expensive.

Rapid customer acquisition is therefore the key to the successful growth of a quoted IT managed services company - and this is exactly what the relationship with PD Financial achieves. PD Financial has linked up with US financial firm GE MoneyBank ("GE") to offer financing to consumers and businesses that purchase PD's high-end electronic items. GE is a market leader in consumer and business financing with 118 million customers, and PD Financial is able to leverage off its expertise and scale up its activities throughout the US rapidly and efficiently.

Rather than spending money on an expensive marketing and advertising budget, we proceeded with the PD Financial investment. PD can achieve the same marketing potential at a fraction of the cost of expanding our sales force and committing to a sizeable advertising budget as it combines the cost of the sale of the Nexus product with that of the hardware itself. Also, more importantly, if management had simply spent funds on sales personnel or advertising it would not have recouped any costs beyond product sales. With our 24% stake in PD Financial and our seat on the board, we receive 24% of the company's profits on a residual basis, with minimal management overhead on our behalf, and we can consolidate this into our company.

In the three months from October to December 2006, PD's unaudited gross revenues were \$25.9m (£13.3m), 24% of which is £3.2m, not far short of Nexus's total revenues for the last 18 months. PD has exceeded forecasts by trading profitably, but the directors are understandably cautious in declaring this figure as PD is still at an early stage in its development. The benefit of the marketing agreement is that PD offers buyers of new computers the Nexus help desk service. The net result is that in the three months to December 06 we have over 2,500 new customers, each of them paying net to Nexus \$120 for 120 minutes of help desk service and we expect customer acquisition to continue at a similar rate in the near future.

2007

The coming year will see a significant financial transformation within the group. As well as the progress described above, towards the end of the 2nd quarter of 2007 we will launch a range of Business to Business products marketed through PD Financial to small and medium enterprises - Nexus's traditional area of expertise. In addition to being sold hardware in the form of PCs, laptops, servers, printers, etc, businesses will be offered the opportunity to buy many SME products, including NexMail (corporate email), server management, data storage and recovery, voice over internet protocol (VOIP) and NexVR (digital voice recording system). The financing package provided by GE will make this a compelling proposition for SME businesses, as has proved the case for retail consumers.

In Europe, we expect to see steady progress in the UK as a result of the integration of FixIT which we acquired in May 2006, and the launch of our consumer help desk which started in January 2007.

A special thanks to the directors, managers and staff, whose hard work and enthusiasm has made 2006 a year to remember, and of course to you, our shareholders, whose long term trust in the success of the business has made all this possible.

Boris Adlam
Chairman
January 2007

Nexus Management Plc
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the 18 Months ended 30 September 2006

	18 Months to Sept 2006 £	Pro forma 12 Months to Mar 2005 £
TURNOVER		
Continuing Operations	3,723,889	2,468,862
Acquisitions	220,333	-
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GROUP TURNOVER	3,944,222	2,468,862
Cost of sales	2,370,336	1,479,371
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GROSS PROFIT	1,573,886	989,491
Administrative expenses	1,552,918	1,155,942
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OPERATING PROFIT/(LOSS)		
Continuing Operations	10,312	(166,451)
Acquisitions	10,656	-
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GROUP OPERATING PROFIT/(LOSS)	20,968	(166,451)
Reorganisation Costs	(35,893)	-
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	(14,925)	(166,451)
Interest receivable	22,498	232
Interest payable and similar charges	(52,073)	(27,614)
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LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(44,500)	(193,833)
Tax on loss on ordinary activities	-	-
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PROFIT/(LOSS) FOR THE FINANCIAL YEAR	(44,500)	(193,833)
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Earnings per share (pence)	(0.0061)	(0.052)
Earnings per share – fully diluted (pence)	(0.0061)	(0.052)
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All of the activities of the group are classed as continuing.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account

	18 Mths to Sept 2006 £	Pro forma 12 Mths to Mar 2005 £
Loss for the financial year attributable to the shareholders of the parent company	(44,500)	(193,833)
Currency exchange adjustment	(5,357)	7,015
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Total gains and losses recognised since the last annual report	(49,857)	(186,818)
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Nexus Management Plc
CONSOLIDATED BALANCE SHEET

	30 September 2006		31 March 2005	
	£	£	£	£
FIXED ASSETS				
Intangible assets		925,016		-
Tangible assets		233,419		257,930
		<u>1,158,435</u>		<u>257,930</u>
CURRENT ASSETS				
Stock	3,642		-	
Debtors	1,026,224		211,879	
Cash at bank	891,099		26,721	
		<u>1,920,965</u>		<u>238,600</u>
CREDITORS: Amounts falling due within one year		<u>549,864</u>		<u>521,865</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>1,371,101</u>		<u>(283,265)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,529,536</u>		<u>(25,335)</u>
CREDITORS: Amounts falling due after one year		<u>(55,007)</u>		<u>(77,724)</u>
TOTAL NET ASSETS		<u>2,474,529</u>		<u>(103,059)</u>
CAPITAL AND RESERVES				
Called-up equity share capital		2,031,983		980,647
Share premium account		3,058,294		2,276,134
Other Reserves		793,949		-
Profit and loss account		<u>(3,409,697)</u>		<u>(3,359,840)</u>
SHAREHOLDERS' FUNDS/(DEFICIENCY)		<u>2,474,529</u>		<u>(103,059)</u>
FIXED ASSETS				
Investments		442,630		1
CURRENT ASSETS				
Debtors	2,315,397		564,860	
Cash at bank	-		-	
		<u>2,315,397</u>		<u>564,860</u>
CREDITORS: Amounts falling due within one year		<u>358,256</u>		<u>182,235</u>
NET CURRENT ASSETS		<u>1,957,141</u>		<u>382,625</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,399,771</u>		<u>382,626</u>
CAPITAL AND RESERVES				
Called-up equity share capital		2,031,983		747,281
Share premium account		3,058,294		2,276,134
Profit and loss account		<u>(2,690,506)</u>		<u>(2,640,789)</u>
SHAREHOLDERS' FUNDS		<u>2,399,771</u>		<u>382,626</u>

Nexus Management Plc
CONSOLIDATED CASH FLOW STATEMENT

	For the 18 Months ended		For the 12 Months ended	
	30 September 2006		31 March 2005	
	£	£	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(87,911)		(112,505)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(29,575)		(27,382)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(77,755)		(51,244)
ACQUISITIONS AND DISPOSALS				
Cash paid to acquire subsidiary	(23,428)		-	
Net cash acquired with subsidiary	60,803		-	
Loan to acquire associate stake	(789,445)		-	
		(752,070)		-
CASH OUTFLOW BEFORE FINANCING		(947,311)		(191,131)
FINANCING		1,638,998		227,363
INCREASE/(DECREASE) IN CASH		691,687		36,232