

17th May 2006



NEXUS MANAGEMENT PLC
("Nexus Management" or "the Company")
RESULTS ANNOUNCEMENT

Nexus Management plc (LSE: NXS) a provider of specialist IT Managed Services is today announcing unaudited results for the 12 months ended 31st March 2006.

Highlights:

- Revenue up over 100% to £2,473,830 (FY2005: £1,157,597)
- Operating profit increased to £93,108 (FY2005: loss of £89,775)
- Continued investment in the development of the product set – launch of two new products: NexPhone and NexVR
- Acquisition of FixIT in the UK completed and integration progressing ahead of schedule

As described in **Note 1** of the financial statements attached, the Company's accounts have been restated for previous years under the rules of merger accounting. The above highlights are compared to the Company's results last year.

Commenting on the Results, Boris Adlam, Chairman of Nexus Management said, "2005 was a great year for Nexus, with 2006 proving even more so. Revenues and profits have continued to increase according to our expectations in the current year. We have created a solid base for growth, successfully integrating FixIT in the UK and broadened our product set.

The scalable quality of our products means that we not only expect to see a continued increase in customer numbers but also means that we are well positioned to increase sales into our existing customer base. As stated in our recent trading update, we are positive about the future prospects of Nexus and believe the Company can deliver significant profits growth and shareholder value."

The Company will be announcing audited results for the 18 months ended 30th September 2006 in January following the change of reporting date.

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About Nexus Management plc

Nexus Management is a growing specialist IT Managed Services Provider focusing on the SME market. Nexus has two key markets: the UK and the US, where it can offer to its customers 24 hour support. Nexus specialises in Remote Server Management, Disaster Recovery, Data Storage, customer facing help desk services and Wide Area Network Management and monitoring - providing Enterprise calibre technical support to SMEs. Through its world class data centre in Maine, Nexus's customers have access to highly secure and robust IT infrastructure.

Nexus Management plc is listed on AIM, a market of the London Stock Exchange. For further information on the company, please visit www.nexusmgmt.com

Chairman and CEO Statement

Financial Results

Our Company's results for the year ended March 2006 shows a continued steady improvement in business performance leading to profits and revenue growth. In the year ended March 2004 the company reported an operating loss of £294,845, in the period to March 2005 we reported a loss of £89,775 and for the most recent period up to March 2006 we are reporting a profit of £93,108. In each of the past three years the management has improved profitability by around £200,000 a year, a trend which we hope to see at least continuing.

This continued significant improvement reflects the commitment and drive of the management and staff, a focus on control of costs, the Company's scalable business model and continued strong demand for our products and services.

Acquisition of FixIT

In the past two months we have completed the acquisition of FixIT a London based IT services company and we are pleased to announce that we are integrating the two companies quickly and efficiently which will allow us to accelerate the planned investment in sales and marketing and to drive greater profits in the near future.

Products

Our latest product NexVR a digital voice recording appliance has met with great enthusiasm and we are already in potentially lucrative talks with three resellers and two customers only a few weeks after the product went into production with its first customer.

Our engineers have also found innovative ways to deliver VOIP technology to customers without the crippling 2 year return on investment but leveraging their existing telephone infrastructure. The product, NexPhone gives our clients significant savings on their phone bills almost from day one.

Sales and Marketing

As mentioned above we will be accelerating our investments into sales and marketing in the UK and we are looking at new ways in which to reach a far larger audience in the US, which could significantly enhance sales.

Expansion

The future for Nexus definitely includes further acquisitions in both the UK and the US and a more rapid rate of organic growth across the Company. Our engineers continue to solve customers IT problems with innovative solutions delivered at a price point that our clients can afford.

Outlook

2005 was a great year for Nexus, with 2006 proving even more so. Revenues and profits have continued to increase according to our expectations in the current year. We have created a solid base for growth, successfully integrating FixIT in the UK and broadened our product set.

The scalable quality of our products means that we not only expect to see a continued increase in customer numbers but also means that we are well positioned to increase sales into our existing customer base. As stated in our recent trading update, we are positive about the future prospects of Nexus and believe the Company can deliver significant profits growth and shareholder value.

Boris Adlam
Chairman
17th May 2006

Roger Richardson
Chief Executive
17th May 2006

**NEXUS MANAGEMENT PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006**

| | | Total Year ended 31 March 2006 £ | Total Year ended 31 March 2005 (As Adjusted) £ |
|---|---|---|---|
| Turnover | | 2,473,830 | 2,468,862 |
| Cost of sales | | (1,384,052) | (1,433,751) |
| Gross profit | | <u>1,089,778</u> | <u>1,035,111</u> |
| Administration expenses | | (955,734) | (1,193,987) |
| Profit/(loss) on ordinary activities | | <u>134,044</u> | <u>(158,876)</u> |
| Interest receivable and similar income | | - | 22 |
| Interest payable and similar charges | | (40,936) | (28,091) |
| Profit/(loss) on ordinary activities before taxation | | <u>93,108</u> | <u>(186,945)</u> |
| Taxation on loss on ordinary activities | 2 | - | - |
| Profit/(loss) for the financial period | | <u>93,108</u> | <u>(186,945)</u> |
| Basic profit/(loss) per share | 3 | <u>0.00024p</u> | <u>(0.00067p)</u> |
| Fully diluted profit/(loss) per share | 3 | <u>0.00024p</u> | <u>(0.00063p)</u> |

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| | | Total Year ended 31 March 2006 £ | Total Year ended 31 March 2005 £ |
|--|--|---|---|
| Profit/(loss) for the year | | 93,108 | (186,945) |
| Currency exchange adjustment | | (46,640) | 7,015 |
| Total recognised gains/(losses) | | <u>46,468</u> | <u>(179,930)</u> |

NEXUS MANAGEMENT PLC
CONSOLIDATED BALANCE SHEET
31 MARCH 2006

| | 31 March 2006 Unaudited | 31 March 2005 Audited (As Adjusted) |
|--|--|--|
| | £ | £ |
| Fixed assets | | |
| Intangible | 22,881 | 22,881 |
| Tangible | 257,657 | 257,930 |
| | <u>280,538</u> | <u>280,811</u> |
| Current assets | | |
| Debtors | 199,943 | 211,878 |
| Cash at bank and in hand | 31,594 | 26,721 |
| | <u>231,537</u> | <u>238,599</u> |
| Creditors: Amounts falling due within one year | (634,767) | (699,327) |
| Net current liabilities | <u>(403,230)</u> | <u>(474,162)</u> |
| Total assets less current liabilities | <u>(122,692)</u> | <u>(179,917)</u> |
| Capital and reserves | | |
| Called up share capital | 980,647 | 980,647 |
| Share premium account | 2,240,251 | 2,276,134 |
| Other reserves | 61,954 | 61,954 |
| Profit and loss account | (3,405,544) | (3,498,652) |
| Equity shareholders' funds | <u>(122,692)</u> | <u>(179,917)</u> |

**NEXUS MANAGEMENT PLC
CONSOLIDATED CASH FLOW
YEAR ENDED 31 MARCH 2006**

| | Note | 31 March 2006 Unaudited | | 31 March 2005 Audited (As Adjusted) | |
|---|----------|----------------------------|-----------|---|-----------|
| | | £ | £ | £ | £ |
| Net cash outflow from operating activities | 6 | | (28,045) | | (25,712) |
| Return on investments and Servicing of finance | | | | | |
| Interest received | | - | | 22 | |
| Interest paid | | (40,936) | | (27,644) | |
| Interest element of finance lease payments | | - | | (477) | |
| Net cash outflow from returns on investment and servicing of Finance | | | (40,936) | | (28,069) |
| Capital expenditure and financial investment | | | | | |
| Purchase of tangible fixed assets, net | | (73,394) | | (75,817) | |
| Sale of tangible fixed assets | | - | | - | |
| Net cash (outflow)/inflow for capital expenditure and financial investment | | | (73,394) | | (75,817) |
| Cash outflow before use of liquid resources and Financing | | | | | |
| | | | (142,375) | | (129,598) |
| Financing | | | | | |
| Issue of equity share capital | | | | 85,842 | |
| Premium on issue of share capital | | | | 151,554 | |
| Expenses adjustment in connection with share issue | | (40,883) | | - | |
| Loan repayment | | (9,828) | | | |
| Capital element of finance lease rental payments | | - | | (10,033) | |
| Net cash inflow from Financing | | | (64,308) | | 227,363 |
| Increase/(decrease) in cash | 5 | | (206,683) | | 97,765 |

NEXUS MANAGEMENT PLC
CASH FLOW
TWELVE MONTH ENDED 31 MARCH 2006

| | Note | 31 March 2006 £ | 31 March 2005 £ (As adjusted) |
|---|----------|-------------------------|--|
| Reconciliation of net cash flow to | | | |
| Movement in net (debt)/funds | | | |
| Increase/(decrease) in cash in the period | | (206,683) | 97,765 |
| Cash outflow from increase in debt | | - | - |
| Movements in funds in the period | | <u>(206,683)</u> | <u>97,765</u> |
| Opening net debt | | (79,668) | (177,433) |
| Closing net debt | 7 | <u><u>(286,351)</u></u> | <u><u>(79,668)</u></u> |

NEXUS MANAGEMENT PLC
NOTES TO THE FINANCIAL INFORMATION
TWELVE MONTHS ENDED 31 MARCH 2006

1. Basis of preparation

The interim financial information has been prepared on the basis of the accounting policies adopted for the audited accounts for the year ended 31 March 2005.

On the 1 April 2005 PC Medics Group plc merged with Nexus. The new group has been included in these accounts on the merger accounting principles and as such comparative figures have been restated to include the new merged group.

The financial information has been drawn up on the going concern basis, which the directors consider appropriate given their continued support and the continued support of the Group's bankers.

2. Taxation

There is no taxation charge for the period.

3. Profit per share

The basic profit per share for the year is based on the profit after taxation of £93,108 and the weighted average number of ordinary shares of 25p each in issue of 392,258,921 (31/03/05: 277,145,177)

The calculation of the diluted profit per share is based on the profit for the period after tax of £ 93,108 and the weighted average number of ordinary shares of 25p of 394,133,831 (31/03/05: 297,264,649).

4. Group loan

During the period it was identified that an amount due to a liquidated subsidiary of £64,523 had been incorrectly included within share premium of Nexus Management Inc. This amount has been amended in the comparative figures by increasing creditors and adjusted in the current period by crediting to the profit and loss.

5. Reconciliation of operating loss to net cash outflow from operating activities

| | 31 March 2006 £ | 31 March 2005 £ |
|--|--------------------------------|--------------------------------|
| Operating Profit/(Loss) | 134,044 | (186,945) |
| Depreciation of tangible fixed assets | 73,121 | 106,856 |
| (Increase)/decrease in debtors | 11,935 | 144,114 |
| (Decrease)/increase in creditors | (210,723) | (130,640) |
| Currency exchange adjustment | (36,422) | 13,449 |
| Net cash outflow from operating activities | <u>(28,045)</u> | <u>(53,166)</u> |

NEXUS MANAGEMENT PLC
NOTES TO THE FINANCIAL INFORMATION
TWELVE MONTHS ENDED 31 MARCH 2006

6. **Analysis of net debt**

| | At 31 March 2005 £ | Cash flow £ | non-cash movement £ | At 31 March 2006 £ |
|--------------------------|---------------------------------------|----------------------------|------------------------------------|---------------------------------------|
| Cash at bank and in hand | 26,721 | 4,873 | - | 31,594 |
| Bank overdraft | <u>(106,389)</u> | <u>(211,556)</u> | <u>-</u> | <u>(317,945)</u> |
| Total | <u>(79,668)</u> | <u>(206,683)</u> | <u>-</u> | <u>(286,351)</u> |

7. There are no recognised gains or losses other than those recorded in the profit and loss account.
8. The interim financial information is unaudited and was approved by the directors on 17 May 2006. The interim financial information does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985.
9. The restated figures in respect of the year ended 31 March 2005 have been taken from the full accounts of the merged group for the year ended on that date on which the auditors reported without qualification and which contained no statement under Section 237(2) or (3) of the Companies Act 1985 (as amended) and which have been delivered to the Registrar of Companies.
10. The Directors do not recommend the payment of a dividend.
11. A copy of this statement is being posted to all shareholders and will be available from the Company's registered office at Heathrow Business Centre, 65 High Street, Egham, Surrey TW20 9EY for a period of 14 days from today.