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## **Maxima Holdings plc**

### **Acquisition of Centric Networks Ltd**

Maxima Holdings plc, (AIM: MXM), the acquisitive IT solutions and managed services company, is pleased to announce the acquisition of Centric Networks Limited ("Centric") for a total consideration of up to £6.4m payable in cash and shares.

Centric provides managed services for infrastructure software to a broad range of clients in the mid-market. The acquisition is in line with Maxima's consolidation strategy within the fragmented IT services sector. The Board anticipates that it will be earnings enhancing in the current financial year ending 31 May 2008.

Centric's skills lie in operating systems, networking, security and remote access. These skills are packaged into a managed service conforming with ITIL (Information Technology Infrastructure Library) guidelines. The service generally embraces remote monitoring, for which a range of tools have been developed, and provision of helpdesk services. Centric frequently manages the hosting and maintenance of client's systems in third party datacentres. Centric is a Cisco Premier partner (network equipment), a Citrix Silver partner (remote access software), a Checkpoint Silver partner (security software) and a Microsoft Certified partner (infrastructure software).

For the year ended 30 June 2006, Centric had revenues of £2.00 million and profit before tax of £0.55 million. Net assets at 30 June 2006 were £0.72 million. Management accounts show a compound annual growth rate for revenues of approximately 100% over the last 2 years. At completion, Centric had cash balances of £1.47 million and no debt. Based near Stansted with 41 employees, Centric will be immediately integrated with Maxima's existing infrastructure managed service business. The management team, who own all the shares in Centric, have expressed commitment to remain with the business as part of the Maxima group, with the exception of Gerry Redman, part-time finance manager and company secretary, who plans to retire after supporting a short handover period.

The consideration of up to £6.4 million will be satisfied by a cash payment of £4.4 million and the issue of up to 646,831 new ordinary shares in Maxima ("Consideration Shares"). The issue of 25% of the Consideration Shares are subject to an earn-out dependent upon the performance of Centric in the 12 months to 31 May 2009 ("Earn Out"). Maxima will apply to AIM on completion for admission of the 485,123 Consideration Shares to be issued on completion and in July 2009 for the Consideration Shares linked to the Earn Out. On admission, the Consideration Shares will rank *pari passu* with the existing ordinary shares. Funding for the purchase is from debt under existing facilities with Barclays Bank plc.

Centric was advised by Westchester Technology Associates LLP.

#### **Commenting on the acquisition, Kelvin Harrison, Chief Executive said:**

"I am delighted to welcome the Centric Networks team into the Maxima Group. This transaction builds upon our existing infrastructure software skills which have been developed since the acquisition of Intertech in November 2006 and 3net in May 2007. It

greatly reinforces Maxima's total of IT solutions and managed services offering to the mid-market."

**Fraser Fisher, Managing Director of Centric, added:**

"Joining Maxima provides us with the ideal opportunity to increase the range of skills that we can offer to our clients and to continue our strong growth record."

***For further information, please contact:***

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**Notes to editors:**

Maxima Holdings plc floated on AIM in November 2004 at an issue price of 110p. It was established to acquire businesses supplying IT solutions and managed services, with the objective of building a focused IT services group. On flotation it immediately acquired Azur Holdings Ltd, bringing together a management team with the skill, experience and incentive to deliver significant shareholder value, through a combination of acquisitive and organic growth. The business implements and supports enterprise and infrastructure software solutions for mid-sized, UK-based manufacturing, distribution and service organisations. These solutions are based upon leading software suites as well as products developed in-house.

It has since made a further eight acquisitions:

- August 2005 – Ringwood Group plc, a specialist in content and document management solutions, based on Microsoft technologies;
- September 2005 – Hanston Technology Partners Ltd, a fast growing managed services business providing applications support and consultancy services to Oracle users;
- January 2006 – The MFG/PRO business of Seabrook Research Ltd, the sole Irish distributor of MFG/PRO, a manufacturing package for which Maxima was already the sole UK distributor;
- May 2006 – QED Business Systems Ltd, which provides managed services for critical mainframe and mid-range computer systems and applications software;
- October 2006 – Cognition Solutions Ltd, provider of enterprise software solutions to the construction and facilities management sector; and
- November 2006 – IIL (Intertech Solutions Ireland) Ltd, which provides IT infrastructure solutions and managed services based upon Citrix technologies; and
- March 2007 – SevenThree Ltd, supplier of customer relationship management software solutions to the construction sector
- May 2007 – 3net Limited, an IT Services business, providing consultancy, solutions delivery and managed services in networking and security infrastructure.

Maxima has grown to become an IT systems integration and managed services company with a proven track record of delivering innovative and flexible IT solutions and services. Maxima's in-depth knowledge of industry and business, coupled with its skills and understanding of leading software suites such as Oracle, Microsoft and SAP ensures its solutions and services deliver real business benefits. The group prides itself on the quality of its service, which leads to strong customer relationships and high retention rates.