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Maxima Holdings plc
('Maxima' or the 'Company')

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2008

Maxima Holdings plc (AIM: MXM), the integrated IT Solutions and managed services business, is pleased to announce its unaudited interim results for the six months ended 30 November 2008.

Financial Highlights:

- Revenues up 34% to £28.3 million (H1 2008: £21.1 million), with good like for like organic growth
- Recurring revenues represent 54% of total revenues
- Adjusted operating profit* up 8% to £4.3 million (H1 2008: £4.0 million)
- Profit before tax of £1.3 million (H1 2008: £2.0 million)
- Adjusted* profit before tax of £3.7 million (H1 2008: £3.6 million)
- Adjusted*, fully diluted earnings per share up 7% to 10.9p (H1 2008: 10.2p)
- Dividend of 2p per share (H1 2008: 2p)
- Net debt at 30 November 2008 of £17.3 million (30 November 2007 £9.3 million)
  (there was a £11.2 million net cash outflow on acquisitions between 30 November 2007 and 30 November 2008)

  *pre-amortisation of intangibles, share based payments and exceptional charges

Operational Highlights:

- 40 new clients won across our diverse range of sectors during the period (H1 2008: 35) and strong contract renewal rate
- 7 clients now live with Microsoft Dynamics AX solution for the construction and facilities management sector
- Acquisition in July 2008 of DXI Networks Ltd, Infrastructure Managed Services provider
- Opening in October 2008 of a new purpose-built 24x7 integrated network operations and customer support centre in Great Leighs, Essex
- Invested in strengthening management, having cut staff and property costs to realise efficiency savings

Commenting on the results, Kelvin Harrison, Chief Executive, said:

"The business has always exhibited seasonality, resulting in a stronger second half; this trend is expected to continue. We also expect net debt to fall in the second half. We have experienced an increased level of caution in our markets and given the macro-economic conditions, it is prudent to expect this to continue.

"We remain confident that the diversity and spread of our offerings and client base, together with our strong operational management and sales organisation, position us resiliently in a difficult market. Our high levels of recurring revenues and cash conversion give us the robust financial foundations from which to continue to deliver against our goals."

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Notes to editors:

Interim results for the six months ended 30 November 2008

Directors Report

Chairman's Statement

I am pleased to report good interim results. Maxima responded well as market conditions continued to toughen over the period. Revenues, adjusted operating profits* and adjusted fully diluted earnings per share* were ahead of the prior year. Cash collection was good with net debt in line with plans at 30 November 2008; debt is falling and this trend is expected to continue in the second half. The Company's principal loans are committed until 2013 and interest cover is strong.

Like-for-like organic growth continues as Maxima realises the benefits of integration of its carefully selected acquisitions. Early in the period we acquired DXI Networks Ltd, a specialist network managed services provider, which has been integrated with our existing infrastructure managed service business. We have refocused our value propositions to demonstrate to clients how we can bring a rapid return on investment, reduced operating costs and increased service levels. Whilst we have invested in strengthening management, we have cut other staff and property costs to realise efficiency savings across the group.

Maxima has a declared policy of returning a proportion of operating profits to shareholders as a dividend, whilst prudently conserving cash to finance acquisitions and investment. I am pleased to announce that in line with this policy an interim dividend of 2.0p per share (H1 2008: 2.0p) will be paid on 13 May 2009 to shareholders on the register on 14 April 2009.

The business has always exhibited seasonality, resulting in a stronger second half; this trend is expected to continue. As announced in the trading update issued on 15 December 2008, we have experienced an increased level of caution in our markets and given the macro-economic conditions, it is prudent to expect this to continue.

In summary, we remain confident that the diversity and spread of our offerings and client base, together with our strong operational management and sales organisation, position us resiliently in a difficult market. Our re-focused value propositions meet our clients' current needs, but also place us well for when conditions begin to recover. Our high levels of recurring revenues and cash conversion also give us the robust financial foundations from which to continue to deliver against our goals.

* pre amortisation of intangibles, share-based payments and exceptional charges

Michael J Brooke
Chairman, 2 February 2009

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Interim results for the six months ended 30 November 2008

Directors Report

Chief Executive's Review

Introduction

Maxima has continued to drive its strategy of organic and acquisitive growth and despite difficult market conditions has once again delivered good results. It is more than two years since we completed our portfolio of offerings and we now enjoy the benefits of both breadth and scale. We offer IT solutions and managed services across the three main sectors of the software industry: Information Management, Business Applications and Systems Infrastructure. We continue to be alert to the evolving needs of our clients in each of the industry sectors in which we operate:

- Manufacturing & distribution (40%)
- Public sector & utilities (19%)
- Service industries/other (16%)
- Financial services & insurance (15%)
- Construction & facilities management (10%)

We now have almost 500 staff operating from eight offices across the UK, plus one in Ireland and one in India. We serve well over 1,000 clients, primarily medium-sized UK-based organisations with turnover of between £5m and £500m, with whom we have a cultural affinity. Critically, our support services are provided on a fully staffed 24x7 basis supporting client sites around the clock and around the globe, principally from our new purpose-built network operations and support centre in Great Leighs, Essex.

I am particularly pleased that senior appointments made over the course of the last two years have facilitated process improvements and tightened integration of our businesses across the sales, delivery and administrative functions. All the above factors, together with the benefits of scale that we now enjoy, have positioned us well to cope with the current recession.

Market Conditions

Surprisingly given that the UK economy has now entered a recession, industry analysts Ovum continue to forecast growth in the UK Software and IT Services markets in the UK in 2009. They are predicting a softening of growth in the £8 billion UK IT project services market in 2009 to 2.9% (2008: 3.8%) and in the £5.4 billion UK software market to 4% (2008: 4.9%). Within the software market, Information Management is predicted to grow at 5.5%, Business Applications at 3.5% and Systems Infrastructure at 4%. We believe that these forecasts may prove to be optimistic, as were their forecasts for 2008. (Source: Ovum Market Trends January 2009).

Merger and acquisition activity in the technology sector fell steeply in the final quarter of 2008. Valuations fell throughout 2008 reflecting stock market trends. 2009 activity levels are expected to be considerably lower than 2008 and characterised by increasing numbers of divestments by larger corporates. (Source: Regent Associates Annual Review of European Technology Acquisitions: January 2009).

Maxima's estimated market share remains at less than 1%, whilst financially weaker competitors are being undermined by the onset of recession, both of which factors provide a significant opportunity for us. Our total new client opportunities and gross pipeline value has increased substantially during the period but macro-economic conditions are leading to lengthening sales cycles, notably with some delays in decision making on some of the larger opportunities. Inevitably price competition has also heightened. We therefore remain wary about the negative impact of market conditions on our business.

Operating Review

Our objective is to foresee and direct our resources to match these market conditions. This being in terms of:
a) R & D investment: core development of an enterprise software solution for the construction and facilities management sector based upon Microsoft's flagship Dynamics AX technology was completed during the period and Microsoft accreditation was achieved. The solution was formally launched in June 2008 and seven clients are now running the system live, with excellent user feedback. In Information Management we continue to invest in and build our Microsoft Sharepoint business and have launched a Compliance Portal which combines Sharepoint technology with some of our established proprietary document management products; two sales of this solution have so far been achieved.
b) Marketing and Sales: we operate with a single fully integrated marketing and sales team. Efforts during the period have concentrated on focusing our value propositions on today's business issues which has resulted in increased cross-sales of our solutions and services into our large and diverse client base.
c) Efficiency of Delivery: we continue to build our skills base by a combination of cross-training and specialist recruitment. In particular we have been investing in extending our skills in enterprise resource planning (Microsoft Dynamics AX), collaboration and content management (Microsoft SharePoint) and virtualisation (VMware and Citrix Xen). At the same time we have proactively reduced costs by consolidating several of our smaller offices and managing out under-performing staff.
d) M & A: the number of acquisition opportunities available at realistic prices has begun to dwindle in recent months. However, we anticipate an increasing flow of divestments and distressed sales in the coming months and will engage where we find opportunities to create significant shareholder value with low levels of risk.

Maxima continues to have high visibility of future revenues with 54% recurring revenues from support and managed services in the period, high levels of repeat business and a good order book for project work. We have a broad spread of clients by both sector and scale of revenues, ensuring our risk profile is manageable with no significant individual exposures. We have a low dependence on hardware and software license revenues (18% of amounts invoiced in the period). Also, as a result of cross-training we are able to flex our labour force in response to evolving market opportunities in order to keep up utilisation levels and hence profitability.

Our two operating divisions, **Maxima Solutions** and **Maxima Managed Services**, have both grown organically on a like-for-like basis, winning significant new clients. They operate common processes, share central support functions and cooperate closely with each other in delivery. Our ability to offer integrated solutions and services across the technology spectrum is attractive to our clients as it reduces the burden on their in-house IT teams, who are often over-stretched.

Maxima Solutions embraces our Information Management and Business Solutions practices and won 14 new clients during the period:
In **Information Management** we have strengthened our partnership with Business Objects, the leading Business Intelligence software vendor now owned by SAP. We have had successful projects in both the public and private sectors, notably an information warehouse and dashboard project delivered to The Scottish Children's Reporter Administration providing visibility on youth offending in support of initiatives by the Scottish Government to reduce youth crime and re-offending.
In **Business Solutions** we supply solutions based upon technology from leading vendors such as QAD, SAP and Microsoft. We were once again honoured as QAD's "Partner of the Year" in recognition of having the highest sales of their software and have recently had major new implementations and upgrades with clients such as Ryvita/Jordans Cereals, Michell Instruments and Acheson Industries. We also continue to achieve substantial repeat business from the many clients who run their businesses using our "own brand" enterprise software products.

Maxima Managed Services won 26 new clients during the period across the private and public sectors in the UK and Ireland, as well as high levels of contract renewals, including some multi-year contracts. The Business Applications support team has had continued success with both Oracle and IBM mainframe technologies. The Systems Infrastructure project and support teams benefitted from the integration of the skilled staff and facilities of DXI Networks Ltd, which was acquired in July 2008. Major new projects include a 3-year contract to integrate and support the E-commerce trading platform of Towergate Insurance Ltd. We continue to augment our Software as a Service (SaaS) capabilities and a major supplier of alternative energy systems has extended the scope of their SaaS contract with Maxima.

Fundamental to Maxima's business strategy is to provide exemplary levels of customer service around market-leading solutions, leading to high customer retention. In both operating divisions, rates of client attrition continue to be very low and comparable with previous years. It is the skills, experience and flexibility of our staff that drive this and once again, we should like to thank them for their hard work and commitment.

Financial Results in Summary
The Group has continued to trade well, with revenues, profits and earnings per share all up on the first half of the prior year. Seasonality has historically resulted in a stronger second half-year and this trend is expected to continue.

- Revenues for the 6 month period have risen 34% to £28.3m (H1 2008: £21.1 m), with good like for like organic growth.
- Gross profit increased 27% to £19.6m (H1 2008: £15.4m) (This is driven by the mix of business)
- Adjusted operating profit increased by 8% to £4.3m* (H1 2008: £4.0m*). (The reduction in operating margin is attributable to three factors: the investment in senior management, the reduced margins historically achieved in the former DXI and the general tightening of margins caused by the recession)
- Utilisation amongst fee-earning staff remained strong at 81% (H1 2008: 76%).
- Profit before tax of £1.3m (H1 2008: £2.0m)
- Adjusted fully diluted earnings per share increased by 7% to 10.9p* (H1 2008: 10.2p*)
- Operating cash flow was £2.4m** (H1 2008: £2.1m)
- Operating cash conversion of 56% (H1 2008: 53%)
- The Group had net debt of £17.3m at the end of the period, having spent £8.4m net to finance the acquisition of DXI Networks Ltd in July 2008
- Net interest costs in the period totalled £0.6m, covered 6.7 times by operating profit*

(*before amortisation of intangibles, share-based payments and exceptional charges)
(** net cash flow from operating activities before tax, after capital expenditure)

Kelvin Harrison
Chief Executive Officer , 2 February 2009

Independent Review Report to Maxima Holdings plc

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 30 November 2008 which comprises the consolidated interim income statement, consolidated interim statement of recognised income and expenditure, consolidated interim balance sheet, consolidated interim cash flow statement and notes 1 to 8 to the interim financial statement. We have read the other information contained in the half-yearly financial report which comprises only the highlights and the Directors Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 1.

Our responsibility

Our responsibility is to express to the company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30 November 2008 is not prepared, in all material respects, in accordance with the basis of preparation described in Note 1.

GRANT THORNTON UK LLP

CHARTERED ACCOUNTANTS

GLASGOW
2 February 2009

The maintenance and integrity of the Maxima Holdings plc website is the responsibility of the Directors: the interim review does not involve consideration of these matters and, accordingly, the company's reporting accountants accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the interim report differ from legislation in other jurisdictions.

Maxima Holdings plc
Consolidated Interim Income Statement

	Note	*(Unaudited) Six months to 30 November 2008*	*(Unaudited) Six months to 30 November 2007*	*(Audited) Year to 31 May 2008*
		£'000	*£'000*	*£'000*
Revenue	2	28,283	21,075	46,657
Cost of sales		(8,688)	(5,672)	(13,240)
Gross profit		19,595	15,403	33,417
Administration expenses		(15,277)	(11,414)	(23,739)
Earnings before interest, tax, amortisation, share based payments and exceptional		4,318	3,989	9,678
Amortisation of intangibles		(1,979)	(1,597)	(3,410)
Share based payments		(31)	(64)	(137)
Exceptional items		(322)	-	(143)
Operating profit		1,986	2,328	5,988
Finance income		23	70	126
Finance costs		(665)	(439)	(906)
Profit before income tax		1,344	1,959	5,208
Tax expense, net		(379)	(498)	(1,463)
Profit for the period		965	1,461	3,745
Earnings per share	3			
Basic earnings per share (pence)		3.9p	5.9p	15.1p
Diluted earnings per share (pence)		3.8p	5.8p	14.8p

Consolidated Interim Statement of Recognised Income & Expense
for the six months ended 30 November 2008

	(Unaudited) Six months to 30 November 2008 £'000	*(Unaudited) Six months to 30 November 2007 £'000*	*(Audited) Year to 31 May 2008 £'000*
Profit for the period	965	1,461	3,745
Foreign translation gain (loss)	174	(4)	152
Total recognised income and expense attributable to equity holders of the parent	1,139	1,457	3,897

Maxima Holdings plc
Consolidated Interim Balance Sheet

	Notes	*(Unaudited)* *30 November 2008*	*(Unaudited)* *30 November 2007*	*(Audited)* *31 May 2008*
		£'000	*£'000*	*£'000*
Assets				
Non- current assets				
Property, plant and equipment		1,531	948	1,024
Goodwill		49,419	38,696	41,434
Intangible assets		10,742	11,469	10,513
Total intangibles		60,161	50,165	51,947
Total non-current assets		61,692	51,113	52,971
Current assets				
Inventory		383	376	312
Trade and other receivables		15,625	11,846	12,997
Cash and cash equivalents		967	3,033	4,202
Total current assets		16,975	15,255	17,511
Total assets		78,667	66,368	70,482
Liabilities				
Current liabilities				
Trade and other payables		(4,228)	(2,162)	(3,809)
Deferred Income		(11,341)	(10,195)	(10,379)
Tax liabilities		(906)	(1,396)	(1,122)
Bank loans and short term borrowings		(1,089)	(751)	(754)
Accruals		(4,867)	(2,902)	(3,234)
Total current liabilities		(22,431)	(17,406)	(19,298)
Non-current liabilities				
Long term borrowings		(17,338)	(11,680)	(12,063)
Deferred tax		(3,210)	(3,220)	(3,115)
Deferred consideration		-	(500)	(500)
Total non-current liabilities		(20,548)	(15,400)	(15,678)
Total liabilities		(42,979)	(32,806)	(34,976)
Net assets		35,688	33,562	35,506
Equity				
Share capital		251	245	250
Reverse acquisition reserve		(9,180)	(9,180)	(9,180)
Share premium account		28,722	28,524	28,624
Capital redemption reserve		50	50	50
Merger reserve		11,022	11,026	11,022
Foreign translation reserve		174	38	152
Retained earnings		4,649	2,859	4,588
Total equity	5	35,688	33,562	35,506

The comparative figures for the financial year ended 31 May 2008 are an extract of the company's statutory financial statements for that financial year under IFRS. Those financial statements have been reported on by the company's auditors and delivered to the Registrar of Companies. The report of the independent auditors was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

Maxima Holdings plc
Consolidated Interim Cash Flow Statement

	(Unaudited) Six months to 30 November 2008	*(Unaudited) Six months to 30 November 2007*	*(Audited) Year to 31 May 2008*
	£'000	*£'000*	*£'000*
Operating activities			
Profit before tax	1,344	1,959	5,208
Adjustments for:			
Interest paid	665	439	906
Interest received	(23)	(70)	(126)
Depreciation charge	329	230	477
Share based payment expense	31	64	113
Amortisation of intangibles	1,979	1,597	3,410
Operating cash flows before movements in working capital	**4,325**	**4,219**	**9,988**
Movement in inventories	(75)	(270)	(206)
Movement in receivables	(505)	(34)	(770)
Movement in payables	(966)	(1,778)	(210)
Taxation paid	(1,096)	(215)	(1,861)
Net cash from operating activities	**1,683**	**1,922**	**6,941**
Cash flows from investing activities			
Interest received	43	70	105
Purchase of property, plant & equipment	(442)	(83)	(404)
Proceeds from sale of property, plant & equipment	17	12	20
Acquisition of subsidiaries (net of cash acquired)	(8,485)	(3,309)	(6,131)
Expenditure on research & development activities capitalised	(201)	(131)	(432)
Net cash used in investing activities	**(9,068)**	**(3,441)**	**(6,842)**
Cash flows from financing activities			
Interest paid	(480)	(329)	(749)
Proceeds from long term borrowings	6,000	4,000	4,750
Repayment of long term borrowings	(500)	(1,100)	(1,450)
Repayment of finance leases	(69)	(35)	(66)
Dividends paid	(900)	(847)	(1,347)
Proceeds from issue of shares	99	2	104
Net cash from financing activities	**4,150**	**1,691**	**1,242**
Net (decrease)/increase in cash & cash equivalents	(3,235)	172	1,341
Cash and cash equivalents at beginning of period	4,202	2,861	2,861
Cash and cash equivalents at end of period	967	3,033	4,202

Maxima Holdings plc
Notes to the interim financial statements

1. Basis of preparation

The interim financial information does not constitute statutory financial statements for the purpose of section 240 of the Companies Act 1985. The figures for the year ended 31 May 2008 have been extracted from the Group Financial Statements for that year. Those financial statements have been delivered to the Registrar of Companies and included an independent auditors' report, which was unqualified.

The interim financial information has been prepared using the same accounting policies and estimation techniques as will be adopted in the Group financial statements for the year ending 31 May 2009. The Group financial statements for the year ended 31 May 2008 were prepared under International Financial Reporting Standards. These interim financial statements have been prepared on a consistent basis and format; however IAS 34 'Interim Financial Reporting' has not been applied in full, since as an AIM listed company we are not required to do so.

2. Segmental Analysis

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structures.

Segment results and assets and liabilities include items directly attributable to a segment. Unallocated items comprise mainly tax and financing related items.

Six months ended 30 November 2008	Maxima Solutions	Maxima Managed Services	Total
	£000	£000	£000
Revenue	11,890	16,393	28,283
Operating profit before amortisation	1,867	2,098	3,965
Amortisation of intangibles	(433)	(1,546)	(1,979)
Operating profit	1,434	552	1,986
Net financial expense			(642)
Profit before income tax			1,344
Income tax expense, net			(379)
Profit for the period			965
Balance Sheet			
Assets			
Segment assets	23,704	53,502	77,206
Unallocated assets			1,461
Consolidated total assets			78,667
Liabilities			
Segment liabilities	10,499	9,024	19,523
Unallocated liabilities			23,466
Consolidated total liabilities			42,989
Capital expenditure	361	2,288	2,649
Depreciation	132	197	329

Six months ended 30 November 2007	Maxima Solutions	Maxima Managed Services	Total
	£000	£000	£000
Revenue	9,798	11,277	21,075
Operating profit before amortisation	2,119	1,806	3,925
Amortisation of intangibles	(320)	(1,277)	(1,597)
Operating profit	1,799	529	2,328
Net financial expense			(369)
Profit before income tax			1,959
Income tax expense, net			(498)
Profit for the period			1,461
Balance Sheet			
Assets			
Segment assets	18,833	44,457	63,290
Unallocated assets			3,078
Consolidated total assets			66,368
Liabilities			
Segment liabilities	9,500	6,006	15,506
Unallocated liabilities			17,300
Consolidated total liabilities			32,806
Capital expenditure	202	2,641	2,843
Depreciation	133	97	230

Year ended 31 May 2008	Maxima Solutions	Maxima Managed Services	Total
	£000	£000	£000
Revenue	22,715	23,942	46,657
Operating profit before amortisation	4,707	4,691	9,398
Amortisation of intangibles	(798)	(2,612)	(3,410)
Operating profit	3,909	2,079	5,988
Net financial expense			(780)
Profit before income tax			5,208
Income tax expense, net			(1,463)
Profit for the period			3,745
Balance Sheet			
Assets			
Segment assets	23,582	42,665	66,247
Unallocated assets			4,235
Consolidated total assets			70,482
Liabilities			
Segment liabilities	10,785	6,201	16,986
Unallocated liabilities			17,990
Consolidated total liabilities			34,976
Capital expenditure	1,185	2,780	3,965
Depreciation	274	203	477

3. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the period. Diluted earnings per share takes into account the dilutive effect of the share options outstanding under the Company's employee option schemes and acquisition related earn outs payable in shares.

Adjusted earnings per share is based on earnings before amortisation, share based payments and exceptional items, and is presented in order to assist in the understanding of the underlying performance of the Group's businesses.

	(Unaudited) Six months to 30 November 2008	*(Unaudited) Six months to 30 November 2007*	*(Audited) Year ended 31 May 2008*
Earnings	£000	£000	£000
Net profit after tax attributable to equity holders	965	1,461	3,745
	No. 000's	No.000's	No.000's
Weighted average number of shares			
For basic earnings per share	25,019	24,787	24,867
Dilutive share options	170	478	392
For diluted earnings per share	25,189	25,265	25,259
Basic earnings per share	3.9	5.9	15.1
Diluted earnings per share	3.8	5.8	14.8
Operating profit	1,986	2,328	5,988
Add back			
Amortisation of share based payments	31	64	137
Amortisation of other intangible assets	1,979	1,534	3,410
Redundancy and re-organisation costs	322	-	143
Adjusted operating profit	4,318	3,926	9,678
Net interest	(642)	(369)	(780)
Adjusted profit on ordinary activities before tax	3,676	3,557	8,898
Tax on ordinary activities	(379)	(498)	(1,463)
Tax on share based payments, amortisation and re-organisation costs	(557)	(479)	(896)
Adjusted profit after tax	2,740	2,580	6,539
Adjusted basic earnings per share	11.0p	10.4p	26.3p
Adjusted diluted earnings per share	10.9p	10.2p	25.9p

4. Acquisitions

The company acquired 100% of the share capital of DXI Networks Limited during the period. Due to the recent completion of this large acquisition, the fair values of the significant assets and liabilities assumed are provisional and pending finalisation of valuations.

	Book Value	Fair Value Adj.	Provisional Fair value
	£000	£000	£000
Intangible Assets	3,625	(1,568)	2,057
Tangible Fixed Assets	388	-	388
Receivables	1,944	(79)	1,865
Cash & Cash equivalents	768	-	768
Payables	(3,154)	(262)	(3,416)
Deferred Tax	-	(346)	(346)
Bank Debt	(1,977)	-	(1,977)
Net Assets (Deficit)	1,594	(2,255)	(661)
Goodwill			7,837
Cost of acquisition			7,176
Net outflow arising on acquisition:			
Cash			9,110
Costs			143
Cash and cash equivalents acquired			(768)
Gross consideration			8,485
Settlement of acquired companies debt			(1,977)
Net cash outflow			6,508
Date of acquisition			02/07/08

The directors have reviewed the carrying values of the assets for the acquisition of DXI Networks Limited and identified adjustments for the compliance with IFRS 3 (Business Combinations) relating to the valuation of intangibles and for bad debt provisioning in line with Maxima's policies as well as a number of accruals that had not been made prior to acquisition.

The fair value of the intangibles is based on the order backlog for contracts with over 12 months remaining and the value of relationships with customers.

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5. Statement of changes in equity

	Share Capital £000	Reverse acquisition reserve £000	Merger reserve £000	Share premium account £000	Capital redemption reserve £000	Foreign translation reserve £000	Retained earnings £000	Total £000
At 1 June 2007	244	(9,180)	9,559	28,521	50	42	2,166	31,402
Profit for the year	-	-	-	-	-	-	3,745	3,745
Dividends paid	-	-	-	-	-	-	(1,347)	(1,347)
Share based payments	-	-	-	-	-	-	24	24
Foreign exchange on consolidation	-	-	-	-	-	110	-	110
Issue of shares (net of expenses)	6	-	1,463	103	-	-	-	1,572
At 31 May 2008	250	(9,180)	11,022	28,624	50	152	4,588	35,506
Profit for the period	-	-	-	-	-	-	965	965
Dividends paid	-	-	-	-	-	-	(900)	(900)
Share based payments	-	-	-	-	-	-	(4)	(4)
Foreign exchange on consolidation	-	-	-	-	-	22	-	22
Issue of shares (net of expenses)	1	-	-	98	-	-	-	99
At 30 November 2008	251	(9,180)	11,022	28,722	50	174	4,649	35,688

6. Dividends

An interim dividend of 2.0 pence per share for the year to 31 May 2009 will be paid on 13 May 2009 to shareholders on the register at 14 April 2009. In accordance with IAS 10 this has not been accrued for in the accounts.

7. Availability of Interim Report

Copies of these results are being sent to shareholders and will also be available from the Company's registered office at Cotswold Court, Lansdown Road, Cheltenham, GL50 2JA.

8. Statutory Accounts

These financial statements do not constitute statutory accounts. Although the information has been reviewed by the auditors, it is unaudited.