

## Trading Update

In the Circular dated 20 January convening the EGM to raise £4,000,000, the Board stated that it anticipated that trading in the underlying businesses in the second half to 31 March 2006 would be positive.

The Board is, therefore, pleased to highlight the following:

- \* Trading at PSG Franchising property search operation which is PSGS's largest business, has been buoyant;
- \* A major restructuring at Audiotel has been completed with the appointment on 28 March of Bernie Connor as Managing Director. Bernie comes directly from Computer Cab, where, as Operations Director over the past five years he presided over the growth of pre- tax profits in the company from £1.8million to in excess of £5million;
- \* Moore and Buckle, PSGS's smallest operation, continues to trade steadily;
- \* Consequently The Board now expects that underlying profitability for the Group, before exceptional items (referred to below) will be materially ahead of current market expectations;
- \* A provision of £2.5 million had been made for various anticipated write downs, management changes, costs associated with the purchase and cancellation of warrants and the Audiotel restructuring. In the event, the provision required is now expected to be in the region of £1,750,000, resulting in a considerable saving of approximately £750,000;
- \* A review of Head Office costs has resulted in a reduction in the running rate of 50%. The costs are, therefore, half those that were being incurred prior to the change in management.

As a consequence the overall cash flow of the company has been particularly strong.

The Board intends to continue to develop further its stated strategy of focusing on its core business and will keep the market and shareholders informed as its plans evolve.

The Board expects to announce the Preliminary Results for the year ended 31 March 2006 by the end of June.

For further information:

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