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***MANDATORY CASH OFFER UNDER RULE 9 OF THE CITY CODE TO ACQUIRE ORDINARY SHARES IN PSG SOLUTIONS PLC TO BE MADE BY SOUTHWIND LIMITED***

**1. Introduction**

On 30 April 2009 PSG announced that Southwind, Retro Grand Limited, Seraffina Holdings Limited, Groundlinks Limited and Jonathan Mervis (who are deemed to be acting in concert as defined in the City Code) now collectively hold 13,268,942 PSG Shares representing approximately 51.9 per cent. of the voting rights in PSG.

As required under Rule 9 of the City Code, Southwind will be making a mandatory offer for the PSG Shares not already held by Southwind or the other members of the Southwind Concert Party at a price of 17.125 pence per PSG Share in cash, being the highest price paid for PSG Shares by any member of the Southwind Concert Party in the 12 months prior to 29 April 2009.

The definitions used in this announcement are contained in Appendix II to this announcement.

**2. The Offer**

The Offer will be made on the terms set out below and in Appendix I of this announcement and will be further subject to the terms to be set out in the Offer Document and in the relevant form of acceptance, both of which will be posted to PSG shareholders (or made available electronically in accordance with the City Code) as soon as practicable, and in any event within 28 days of 29 April 2009.

The offer will be made on the following basis:

***for each PSG Share                      17.125 pence in cash***

The Offer will extend to all issued PSG Shares which are not held by members of the Southwind Concert Party and any further PSG Shares which are unconditionally allotted or issued and fully paid before the Offer closes (including pursuant to the exercise of any outstanding options over PSG Shares).

As the exercise prices of all of the outstanding options over PSG Shares are in excess of the Offer Price Southwind will not make an equivalent offer to the holders of such options.

The Offer will remain open for acceptance, subject to the provisions of Appendix I of this announcement and the terms of the Offer Document, until 1.00 pm on the 21st day after the date of publication of the Offer Document or (if that day is a Saturday, Sunday or a public holiday) on the next succeeding business day.

As the Southwind Concert Party holds PSG shares representing over 50 per cent. of the voting rights in PSG the Offer will be unconditional from the outset.

The Offer values the total current issued share capital of PSG (for the avoidance of doubt, excluding treasury shares) at approximately £4.38 million.

**3. Background to and reasons for the Offer**

Southwind is only making the Offer as a result of the acquisition of the further 4,500,000 PSG Shares purchased by members of the Southwind Concert Party on 29 April 2009, as required by Rule 9 of the City Code.

**4. Information on PSG**

PSG is a UK-based public company whose shares are admitted to trading on AIM. PSG's principal activity is the provision in the UK of Property Information Services, namely Home Information Packs,

Property Searches, and Energy Performance Certificates for residential and commercial properties. Its other major business is the design and manufacture of surveillance and counter surveillance equipment for government agencies.

## **5 Information on Southwind and the other members of the Southwind Concert Party**

### ***Southwind***

Southwind was incorporated on 14 April 1980 under the laws of the British Virgin Islands with registered number 567815 and has its Registered Office at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands.

The shares in Southwind are held by Fiduciary Partners Trust Company Limited of Thistle House, 4 Burnaby Street, Hamilton HM11, Bermuda, as Trustees of The Clayton Trust, being a trust for the benefit of Mr. Robert W. Morton.

Southwind is an investment company investing in a range of both quoted and unquoted companies.

### ***Retro Grand Limited***

Retro Grand Limited was incorporated on 8th March 2000 under the laws of the British Virgin Islands with registered number 373821 and has its registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The shares in Retro Grand Limited are held by Fiduciary Partners Trust Company Limited of Thistle House, 4 Burnaby Street, Hamilton HM11 Bermuda as Trustees of The Clayton Trust, being a trust for the benefit of Mr. Edward Morton.

Retro Grand Limited is an investment company investing in a range of both quoted and unquoted companies.

### ***Groundlinks Limited***

Groundlinks Limited was incorporated on 12th April 1999 under the laws of the British Virgin Islands with registered number 319999 and has its registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The shares in Groundlinks Limited are held by Fiduciary Partners Trust Company Limited of Thistle House, 4 Burnaby Street, Hamilton HM11 Bermuda as Trustees of The Clayton Trust, being a trust for the benefit of Mr. Andrew Morton.

Groundlinks Limited is an investment company investing in a range of both quoted and unquoted companies.

### ***Seraffina Holdings Limited***

Seraffina Holdings Limited was incorporated on 24th March 2003 under the laws of the British Virgin Islands with registered number 538758 and has its registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The shares in Seraffina Holdings Limited are held by Fiduciary Partners Trust Company Limited of Thistle House, 4 Burnaby Street, Hamilton HM11 Bermuda as Trustees of The Clayton Trust, being a trust for the benefit of Mr. Charles Morton.

Seraffina Holdings Limited is an investment company investing in a range of both quoted and unquoted companies.

### ***Jonathan Mervis***

Jonathan Mervis is Chairman of PSG and has a background in mergers and acquisitions and corporate restructuring both in the UK and internationally. He has led teams responsible for corporate expansion and enhancement of shareholder value in two listed companies. He was Chairman of Hansom Group plc and before that Chief Executive of Unigroup plc.

**6. Management and Employees**

Southwind's current intention is that the existing employment rights, including pension rights, of the management and employees of PSG will not be affected by the Offer.

**7. Financing of the Offer**

It is estimated that full acceptance of the Offer would require payment by Southwind, under the terms of the Offer, of an amount of approximately £2,104,445 in cash, which will be satisfied out of Southwind's existing cash resources. Vantis Corporate Finance Limited of 82 St John Street, London EC1M 4JN is satisfied that the necessary financial resources are available to Southwind to enable it to satisfy in full the consideration payable by Southwind under the terms of the Offer.

**8. Further terms of the Offer**

As the Southwind Concert Party holds PSG shares representing over 50 per cent. of the voting rights in PSG the Offer will be unconditional from the outset.

Further terms of the Offer are set out in Appendix I of this announcement and the detailed terms of the Offer will be set out in the Offer Document.

**9. Disclosure of interests in PSG**

The interests of the Southwind Concert Party in relevant securities of PSG are as follows:

<i>Member of Southwind Concert Party</i>	<i>PSG Shares</i>	<i>Options over PSG Shares</i>
Southwind Limited	4,382,672	Nil
Retro Grand Limited	2,000,000	Nil
Seraffina Holdings Limited	1,973,770	Nil
Groundlinks Limited	2,075,000	Nil
Jonathan Mervis	2,837,500*	1,200,000**
<b>Total:</b>	<b>13,268,942</b>	<b>1,200,000</b>

\*1,087,500 of Jonathan Mervis's PSG Shares are held by his wife, Margaret Mervis

\*\*The options over PSG Shares held by Jonathan Mervis are exercisable at 50p per PSG Share at any time from 14 February 2008 until 14 February 2013.

Save for the interests of the Southwind Concert Party described above, neither Southwind nor any person acting in concert with Southwind has any interest in, or right to subscribe for, any relevant securities of PSG, or any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

Neither Southwind nor any of its associates has procured any irrevocable commitment or letter of intent in respect of any relevant securities of PSG.

Neither Southwind nor any person acting in concert with Southwind has borrowed or lent any relevant

securities of PSG (save for any borrowed shares which have been either on-lent or sold).

There are no arrangements of the kind referred to in Note 6(b) to Rule 8 of the City Code which exist between Southwind or any associate of Southwind and any other person in relation to any relevant securities of PSG.

For the purposes of this paragraph 9, the terms “acting in concert”, “associate”, “interest” and “relevant securities” have the same meanings as defined in the City Code.

#### **10. Further details**

The Offer Document, setting out full details of the Offer, and the related form of acceptance will be published as soon as practicable, and in any event within 28 days of 29 April 2009.

The Offer will not be made directly or indirectly in or into the United States, Canada, Japan or Australia. Accordingly, copies of this announcement are not being, and must not be, mailed or otherwise distributed or sent in or into or from the United States, Canada, Japan or Australia. The availability of the Offer to persons outside the United Kingdom may be affected by the laws of other jurisdictions. Such persons should inform themselves about and observe any applicable requirements of those jurisdictions.

This announcement does not constitute, or form part of, an offer or an invitation to purchase or sell PSG Shares or any other securities.

There are no agreements or arrangements to which Southwind is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

There are no inducement fees or similar arrangements between PSG and Southwind or any member of the Southwind Concert Party.

Vantis Corporate Finance Limited has given and not withdrawn its written consent to the inclusion in this document of the references to it in the form and context in which they appear.

This announcement has been made by Southwind.

#### **11. Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of PSG, all “dealings” in any “relevant securities” of PSG (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of PSG, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of PSG by Southwind or by any of its “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If

you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

***Appendix I***  
***Certain terms of the Offer***

- 1) The Offer will extend to all existing issued PSG Shares (other than the PSG Shares held by members of the Southwind Concert Party) and any further PSG Shares which are unconditionally allotted or issued and fully paid before the Offer closes (including pursuant to the exercise of any outstanding options over PSG Shares).
- 2) The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- 3) The PSG Shares which are the subject of the Offer will be acquired, fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights now or hereafter attaching thereto, including the right to receive and retain in full all dividends and other distributions, if any, declared, made or paid after the date hereof.
- 4) The Offer will comply with the rules of AIM and the provisions of the City Code. The Offer and any acceptances under it will be governed by English law and be subject to the jurisdiction of the courts of England.

***Appendix II***  
***Definitions***

The following definitions apply throughout this announcement unless the context requires otherwise:

“AIM”	the AIM Market of the London Stock Exchange;
“Canada”	Canada, its provinces, territories and all areas subject to its jurisdiction and any political sub-division thereof;
“City Code”	the City Code on Takeovers and Mergers;
“Concert Party” or “acting in concert”	has the same definition as in the City Code;
“Japan”	Japan, its cities, prefectures, territories and possessions;
“London Stock Exchange”	the London Stock Exchange Plc;
“PSG”	PSG Solutions Plc registered in England and Wales under registered number 03170812;
“PSG Shares”	the existing issued or unconditionally allotted and paid (or credited as fully paid) ordinary shares of 20 pence each in the capital of PSG and any further shares which are unconditionally allotted or issued fully paid (or credited as fully paid) on or prior to the date on which the Offer closes (excluding, for the avoidance of doubt, treasury shares);
“Offer”	the mandatory cash offer by Southwind to acquire the PSG Shares not held by the Southwind Concert Party on the terms to be set out in the Offer Document including, where the context requires, any subsequent revision, variation, extension or renewal of such offer;

“Offer Document”	the formal document to be sent to PSG shareholders setting out the full terms of the Offer;
“Offer Price”	17.125 pence per PSG Share;
“Panel”	the Panel on Takeovers and Mergers;
“Southwind”	Southwind Limited, a company incorporated in the British Virgin Islands with company number 567815;
“Southwind Concert Party”	Southwind, Retro Grand Limited, Seraffina Holdings Limited, Groundlinks Limited and Jonathan Mervis
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Island; and
“United States”	the United States of America, its territories or possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction.