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PS&C acquires IT governance and risk services company Certitude Pty Ltd

PS&C Ltd (ASX:PSZ) is pleased to announce it has acquired Melbourne-based governance and risk company Certitude Pty Ltd (Certitude). PS&C will acquire Certitude over three staged payments, with the initial payment of \$2.1m, 50% in cash and 50% in PS&C shares, representing 4.5 times FY15 EBIT. In FY16 PS&C will pay 5 times FY16 EBIT growth minus the initial acquisition payment, while in FY17 PS&C will pay 3 times FY16/17 EBIT growth.

Certitude is a company providing services in:

- Technology risk assessments (risk assessment of any current or future intended use of IT or IT services such as Cloud solutions)
- IT governance and compliance frameworks development and implementation
- IT related policy, standards and process development
- IT audits, reviews, assessments and related assurance and compliance services
- IT security assessment, testing, evaluation, strategy development, project management and advisory
- Business continuity and IT disaster recovery planning assessment, strategy development, implementation, testing, project management and advisory

Based in Melbourne and with a presence in Sydney, Certitude assists senior business management in identifying and controlling risks associated with people, processes and technology. The addition of Certitude to the PS&C security group will enhance its ability to engage at higher levels of customer management as well as with customers earlier in the process of planning governance, risk and compliance strategies. The acquisition directly adds to PS&C's growing governance offering, enabling security and risk program management and execution across the entire group.

For more information on Certitude: www.certitude.com

PS&C Managing Director Kevin McLaine commented:

"We are delighted to have Certitude as part of PS&C. Certitude is a quality business with strong leadership. We are confident of the growth of the cyber security industry and see this acquisition as expanding our capability and enabling us to increase our offering of services to accommodate larger

customers. The business allows us to interact with senior levels inside customers and to widen our offering.”

It is PS&C’s intention to pay 50% in cash and 50% in scrip for all future payments but have retained the right to complete payments entirely in scrip. The amount of scrip is calculated at a volume weighted average price (VWAP) of PSZ 30 days prior to completion.

The company remains focused on attractive acquisition opportunities in the cyber security space.

PS&C believes the cyber security services sector is attractive due to it being high growth and high margin. With spend on cyber-security tipped to grow strongly, there is opportunity to create a high franchise value business. Owning more cyber-security services providers will allow PS&C to benefit from economies of scale and have more traction with larger customers.

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