

Neurosoft signs agreements to acquire Kestrel Information Systems SA

Neurosoft signs agreements to acquire Kestrel Information Systems SA to offer integrated solutions and expand its activities in IT&T business area

Neurosoft signs shareholder agreement with the other shareholders of Kestrel for the governance of the company

Neurosoft S.A. - a premier software house, listed on AIM Italia market (GRS802003004, Reuters NRST.MI, Bloomberg NRST:IM) for which Banca Akros is Nominated Adviser – announces the completion today of the acquisition of a 70 per cent stake of Kestrel Information Systems SA, an Information Technology and Telecommunications leading company.

The € 700,000 purchase price was funded from Neurosoft IPO proceeds in line with the company's expansion strategy. Kestrel will be consolidated with Neurosoft line-by-line. Such consolidation will be effective from December 1st, 2009.

Neurosoft's directors (excluding Mr. Paschalidis who is involved in the transaction as related party) consider that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Kestrel will provide Neurosoft with an integrated end-to-end product offering to better serve its expanding client base in the sports-betting and banking industries as well as to broaden its geographic coverage.

“We consider this acquisition as a strategy play as it will enhance Neurosoft's offering to its existing and future clients with a full portfolio of custom services, while increasing our geographic reach,” comments Nick Vasilonikolidakis, Neurosoft's CEO, adding “we are excited at the synergies that will accrue”.

Kestrel shareholders vendors are Mr. Alexandros Tsatsos, Mr. Epameinondas Paschalidis, Mrs Aimilia Komnopoulou, Mrs Aikaterini Komnopoulou, Mrs Maria Komnopoulou, Mrs Paraskevi Stavrou, Mr. Anastasios Stavrou, Mrs Asimina Stavrou, Mr. Sergios Georgiou, Mr. Panagiotis Petros Tsigourakos and Mr. Evangelos Averof.

The acquisition is a “related party transaction” within the meaning of the AIM Italia rules. Indeed, one of the Vendors, Mr. Epameinondas Paschalidis, is a related party to the Company since he holds (i) the position of Vice-Chairman of Neurosoft's Board of Directors and (ii) is a shareholder (holds 5% of the shares) and director of a Company's subsidiary, Neurosoft Romania SRL. Mr. Paschalidis is also CEO of Kestrel. Under the acquisition Mr. Paschalidis sold to Neurosoft a 10.43% stake in Kestrel, equal to 24,274 shares, for a total consideration of € 104,280; Mr. Paschalidis remains minority shareholder of Kestrel with a 25.06 per cent. stake along with Mr. Vassilios Ioannidis who holds a 4.94 per cent stake.

Moreover, a shareholders' agreement between Neurosoft, as major shareholder, and Mr. Epameinondas Paschalidis and Mr. Vassilios Ioannidis, as minority shareholders of Kestrel has been signed today. The shareholders' agreement provides, amongst other things, for the governance of Kestrel. In particular, the parties have agreed that Neurosoft will have 3 of the 5 representatives on the Board of Directors of Kestrel (Mr. Nikolaos Vasilonikolidakis as Chairman, Dr. Dimitrios Pazaitis as Deputy Chairman and Mr. John C. Pazartzis as director). The shareholders' agreement also provides for certain rights of first refusal among the shareholders.

#### About Kestrel

Headquartered in Athens, Kestrel Information Systems SA is a systems integrator for end to end fixed line telecommunications solutions, operating in several countries of South-Eastern Europe including Cyprus, Romania, Bulgaria, Serbia, Albania and Greece. Kestrel Information Systems SA partners with leading worldwide equipment and software vendors to offer high quality design, implementation and support services to the region's leading fixed and mobile telecommunications operators. In 2008 Kestrel Information Systems SA recorded a turnover of € 2.63 million with an EBIT of € 0.28 million, a pre-tax earnings of € 0.22 million and a net profit of € 0.15 million. The company's net financial position was € 0.68 million.

Neurosoft S.A., a Greek company listed on the AIM Italia market, organised and managed by the Italian Stock Exchange (ISIN GRS802003004, Reuters NRST.MI, Bloomberg NRST:IM), specialized in the design, development, customization and maintenance of integrated software solutions developed in-house, for the sectors of Sports Betting, Factoring and Business Intelligence.

Banca Akros is Neurosoft's Nominated Adviser for the AIM Italia market. Neurosoft was founded in 1994 and today is considered a Premier Hellenic Software House, specializing in the areas of Business Intelligence, Risk & Liability Management, Business Process Management, Middleware Transactional System, Core Factoring and the implementation of Mission Critical custom applications. Neurosoft develops its products in-house since it employs highly specialized professionals. The Company is committed to product/services Research and Development and closely monitors new technologies in order to provide its clients with customised optimal software solutions. (R&D investment: 2006 - 2.7%, in 2007 - 3.2%, in 2008 - 4.1% of its turnover).

In 2008 the Company established subsidiaries in Cyprus and Romania to service Eastern European region customers. Today Neurosoft is a Software house with a substantial portfolio of projects and global partners. Indicatively in 2008 Neurosoft recorded a turnover of €3.7 million (100%+ increase on 2007), with an EBITDA equal to €2.1 million (a fivefold increase on 2007) and net profit equal to €1.5 million (six fold+ increase on 2007).

*Nominated Adviser*

**Banca Akros**

Giovanni Reale 02.43.444.1

[giovanni.reale@bancaakros.it](mailto:giovanni.reale@bancaakros.it)

*On behalf of Neurosoft SA*

Weber Shandwick | Advisory

Giorgio Catalano 3346969275

[gcatalano@advisorywebershandwick.it](mailto:gcatalano@advisorywebershandwick.it)

Linda Carcione 3356111390

[ccarcione@advisorywebershandwick.it](mailto:ccarcione@advisorywebershandwick.it)