

Pinnacle Staffing Group Plc - Trading Update

Pinnacle Staffing Group plc ("Pinnacle") is one of the UK's leading suppliers of temporary and permanent healthcare staff. The Board of Pinnacle is pleased to provide an update on current trading ahead of its final results for the period from 5 September 2006 to 31 December 2006, which are expected to be released on 27 March 2007.

Highlights

- Pinnacle was successfully demerged from Nestor Healthcare Group plc ("Nestor")
- Shares admitted to trading on AIM on 5 September 2006
- The Board is confident that the operating result for the period ended 31 December 2006 will be in line with the current trading and prospects statement set out in the AIM admission document
- Cash generation has been strong and consequently the Group has already repaid a significant amount of the £5 million indebtedness assumed from Nestor on demerger
- A major new contract win to supply Allied Health Professionals ("AHPs") to the North Central London purchasing consortium was successfully implemented in September. This contract is worth up to an additional £4 million of sales per annum
- All of the Group's brands are included within the new Multi-regional Framework Agreement to supply nurses to the NHS.

Julie Greenwood, Chief Executive, said:

"I am delighted with the progress Pinnacle has made since demerger. The increased management focus means that we have been able to take a highly disciplined approach to reducing our overhead costs and manage these within the context of an independent business. In so doing, we not only have an appropriate cost base to support current operational activity but one which provides an excellent platform to capitalise on our position on the NHS Framework agreements for Nursing and AHP's."

Pinnacle was successfully demerged from Nestor and admitted to trading on AIM on 5 September 2006. The new business consists of the former Nursing and Allied Health Professionals temporary staffing businesses of Nestor.

The Board is confident that the operating result for the period to 31 December 2006 will be in line with the current trading and prospects section of the AIM Admission Document. While market conditions remain challenging, being a separate listed entity has allowed for a much greater level of management focus on the business. This focus and the development of improved contractual positions are positively affecting operating performance.

On demerger, £5 million debt was assumed from Nestor. A combination of cash benefits arising on demerger and strong subsequent cash collection mean a significant proportion of this debt has been repaid.

Pinnacle was successful in securing the Master Vendor contract for the supply of AHPs to the North Central London NHS Purchasing Consortium and this contract went live in September. The contract is worth around an additional £4 million of sales per annum. Pinnacle was also successful in obtaining a place for all of its Nursing Brands on the new Multi-regional Framework for Nursing, which has reduced the number of suppliers of nurses to the NHS from 121 to 51. Pinnacle is well placed on this agreement and we are confident that there will be considerable opportunities for new business in 2007.

NHS purchasing favours the larger operators who are able to meet the considerable compliance demands placed on agencies supplying staff. The Board is continuing to review market opportunities and believes that there is opportunity for expansion through the ability to capitalise on our compliance expertise and the scalability of our back office function.

For further information contact:

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About Pinnacle Staffing Group plc:

Pinnacle, one of the UK's leading suppliers of temporary and permanent healthcare staff was formed in September 2006 following the demerger of the healthcare staffing business of Nestor. It provides nurses, doctors, carers and other medical personnel to both the NHS and the independent markets.

The Pinnacle was floated on AIM on 5 September 2006. Each existing Nestor shareholder received one Pinnacle share for each Nestor share held at the point of demerger.

Pinnacle has a national presence operating through a network of UK offices and one in Australia and is one of the few staffing businesses to be solely dedicated to the supply of healthcare professionals. Pinnacle has six key brands including the British Nursing Association (BNA), which was formed following the establishment of the NHS in 1948.