

MICROEQUITIES ASSET MANAGEMENT REJECTS SCHEME OF ARRANGEMENT PROPOSAL FOR ISS GROUP (ASX ISS)

Sydney May 5th, 2013- ISS Group's (ASX ISS) second largest shareholder *Microequities Asset Management* has rejected the scheme of arrangement proposal from P2ES Holdings Inc. announced yesterday.

Chief Investment Officer of the Deep Value Microcap Fund Carlos Gil said "we deem the offer fails to provide adequate premium for ISS' industry leading intellectual property and the significant commercial opportunities the business faces as recognised by recent company updates".

The CIO believes ISS Group's strong balance sheet provides the company with a number of strategic pathways for augmenting shareholder value including possible acquisitions and share buy backs. "ISS' balance sheet is overtly conservative and from a capital management perspective the company has a number of avenues available that would provide significant shareholder value enhancement", he noted. Microequities Asset Management wrote to the ISS board in May proposing that the company instigate a significant share buyback.

The scheme of arrangement requires that shareholders representing at least 75% of all shares issued vote in favor of the scheme. Microequities Asset Management is ISS' second largest shareholder with 9.3% of the company.

ISS' recent 3rd quarter financial update denoted a healthy sales pipeline and the year to date total sales are up by 36% versus the previous corresponding period, leaving the company well placed for a record sales result.

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