

SYSTEMHOUSE

The monthly review of the financial performance of the UK software and IT services industry

THANK GOODNESS FOR OUTSOURCING

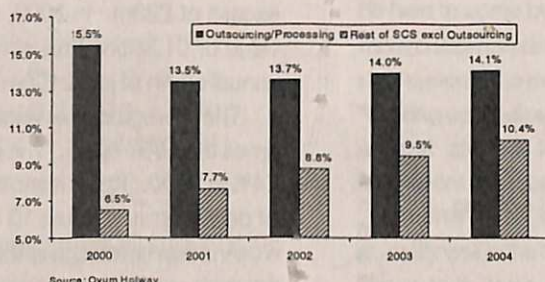
In last month's **SYSTEMHOUSE** we led with a look at the Top Ten Software and IT Services Companies to the UK market. **IBM** had finally taken over from long-time 'Top Dog' **EDS** to take the number one slot. But when it comes to outsourcing, **EDS** can still claim poll position - and by a pretty impressive margin. In fact, **EDS** has widened its gap over **IBM Global Services** - a gap that, after the company's relatively poor performance last year, had started to close. **EDS** grew its outsourcing revenue in 2000 from £950m to £1265m - an impressive increase of 33%. **IBM Global Services** reported lower growth in outsourcing of 21% but still remains in second place.

Outsourcing is a term widely used

(typically three years or more), the takeover by suppliers of the user's assets (infrastructure and in most

radically from its inception as the straightforward data centre/mainframe facilities management

Outsourcing Growth vs. Rest of UK SCS Market



One of the few engines of growth for the UK SCS market

to cover a multitude of sins, often by service suppliers wanting to be associated with this fashionable sector of the market. For example, **ICL** announced that its IT infrastructure services in the UK had grown by 37% to £106m in FYE 31st Mar. 01 "positioning **ICL** at #3 to **EDS** and **IBM**". Although we would question that claim, given the inclusion of both h/w and s/w maintenance/support in **ICL**'s total, the results support the outsourcing trend.

When we refer to outsourcing, we are talking about long-term contracts

cases - except for SMEs and desktop outsourcing - staff), and the adoption of responsibility for services delivery, in terms of performance, defined service level agreements etc. It does not include the straightforward subcontracting of a development project, or the undertaking of hardware maintenance on a desktop PC.

It is a market that has changed

contract common in the 1970s and 1980s. We now have selective and strategic outsourcing, where companies have chosen to outsource segments of their IT activities to several different organisations - each specialising in their chosen area - one supplier for desktop, another for application management etc.

The outsourcing and processing

[continued on page two]

WELCOME TO THE NEW LOOK SYSTEM HOUSE

This month sees the final piece of the jigsaw in the revamp of our research delivery to our subscribers since becoming part of Ovum in Nov. 2000. The **2001 Holway Report** is now available on the web as a continuous service. All the company profiles are now updated as corporate news unfolds. A few months back **Hotnews** became subscriber only too. Despite initial protests, we are pleased to report that hits on the site are back to previous levels...which certainly

provides powerful proof that everything on the internet shouldn't automatically be free! And this month, there is a complete revamp of the "look and feel" of both the printed and the much more "popular" electronic versions of **SYSTEMHOUSE**. Unchanged since its launch in Sept. 1989, we hope you like the new design. By popular demand, we have retained the distinctive pink - on the cover pages anyway!

[continued from page one]

market, as defined above, grew by almost 16% in 2000, to reach a value of £6.9bn – almost a third of the all-inclusive SCS market total.

Research from **ITNET** and Ovum Holway, studied in further detail in the 2001 Holway Report, reveals that in 2000 the annual value of outsourcing contracts awarded was £1,830m from a total of 205 such deals. Almost two-thirds of the contracts in 2000 were extensions or renewals, but they accounted for only a third of the annual contract value of contracts signed. The remainder came from

just 72 new contracts.

What is striking about these figures is that the value is an increase of over 157% over the 1999 figure (although more in line with the long-term trend since 1998), while the number of deals is down by 35% - a reversal of an even longer trend in increasing deal numbers. The net effect is that the average value of these new deals has almost quadrupled – from £2.3m to £8.9m.

These figures signal a return to the trend of increases in 'mega' contracts - defined by Ovum Holway as those with UK IT outsourcing annual value in excess of £20m. In 2000, we witnessed 13 such deals, with a total annual value of £1.36bn. This compared with just three deals in 1999 with a total annual worth of just £105m.

The average annual value of the 13 mega deals in 2000 was £105m – three times the 1997 figure. The percentage has jumped from just 15% in 1999 to 74% in 2000. To put it another way, almost three-quarters of the annual value of deals came from just 13 contracts in 2000.

Another difference is that these mega deals are spread across all market sectors, public and private, whereas in 1999 all three such contracts were in the public sector. In the Holway Report 2000, we said that we expected private industry to be the main market for mega deals in the long-term, and 2000 has proved the point.

Already last month, we reported on two large outsourcing contracts won

Rank	Company	Nationality	FYE	2000	1999	Change
1	EDS	US	31-Dec-00	1265	950	33.2%
2	IBM	US	31-Dec-00	850	700	21.4%
3	CSC	US	31-Mar-00	551	518	6.4%
4	Cap Gemini	F	31-Dec-00	485	368	31.8%
5	ICL	J	31-Mar-00	340	295	15.3%
6	Capita	UK	31-Dec-00	286	197	45.2%
7	Sema Group	F/UK	31-Dec-00	252	311	-19.0%
8	Siemens Business Services	DE	30-Sep-00	235	152	54.6%
9	Accenture	US	31-Dec-00	220	157	40.1%
10	Serco	UK	31-Dec-00	167	145	15.2%

INDEX

IN THIS ISSUE

AIT	4
Cap Gemini Ernst & Young	5
Cedar Group	6
Comino	8
Eidos	10
Highams System Services	10
iSoft	6
Merant	8
Northgate Information Solutions	7
Synstar	9
Telme.com	4
Touchstone	5
Vocalis	10
Xansa	14

E-consultancies - The End of an E-ra	12/13
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EVERY MONTH

Holway Comment	3
Results	16/17
SCS Index analysis	20
Share Prices	18/19
Mergers & Acquisitions	15
IPO table	15

INDICES (changes in Jun. 01)

Holway SCS	5616.68	-14.13%
Holway Internet	3342.43	-15%
FTSE IT (SCS)	1157.61	-16.31%
techMARK 100	1788.2	-11.31%
FTSE 100	5642.5	-2.65%
Nasdaq	2159.62	+3.6%



by IBM; Fiat for \$6bn over 7-10 years, and NTL for \$2bn over 11-years. But it's too early to tell whether IBM will push ahead of EDS in the outsourcing/processing supplier rankings.

And the mega deals didn't stop in May. June saw another mega deal roll in. This time, it was **CSC UK**, ranked at #3 in our 2000 **Holway Report** with growth of only 6.4%. We were beginning to get a bit worried about CSC, as they weren't signing as many new deals as arch rivals IBM and EDS. But it looks as if this drought may have been broken. It has announced the signing of a £168m/7 year outsourcing deal with Schroders (sold to Salomon Smith

[continued on page three]

HOLWAY COMMENT



In all our interviews with top CEOs in recent weeks, the message about the market comes through strongly and consistently. New project work, particularly for new customers and/or e-business related, is going through a very tough time. Hence redundancies at the management consultancies, actual revenue declines at the ITSAs and bankruptcies at the e-consultancies (see p12). The market has hit the application product suppliers too – see recent results from **Sage** and **Oracle** for evidence of the famine in new customers. The market has been hit by multiple whammies:

- US economic slowdown which is now affecting Europe too
- Acute problems in the telco sector which had been a major driver for SCS growth
- The bursting of the dot.com bubble with rattle through effects on the nascent e-consultancies
- The absence of any compelling new agent of change like Y2K, the internet or even a major new Microsoft operating system release
- Management inexperienced in dealing with a downturn and who, bluntly, have taken far too long to realise that such a downturn was even happening
- Investors who built technology stocks to crazy valuations and now seem hell bent on talking even the soundest companies down.

- In turn the absence of IPOs and general reduction in trading volumes has hit the huge financial services sector hard with knock on effects for its SCS suppliers

But it really is not all bad. At last year's CSSA presentation we played Nat King Cole's *"There may be troubles ahead..."* as our theme. Maybe this year it should be The Tremolos *"Even the Bad Times are Good"*.

Our lead article in the new look

2001 is a time to stand up and be proud to be Boring and Profitable

SYSTEMHOUSE shows how outsourcing is going through somewhat of a boom again. Outsourcing is counter-cyclical as companies affected by the economic downturn attempt to cap or even reduce IT spend. But remember that outsourcing does NOT represent an increase in IT spend – merely a shift from internal to external budgets. But, of course, our SCS sector can and has benefited hugely from such a shift.

But outsourcing is not the only area which will do well in the next period. The recent re-election of a Labour Government committed to increase expenditure on public

services – education, health, crime, transport

in particular – can provide some very rich pickings for those with established and appropriate IT service and product offerings.

So here we have two of the very largest sectors – outsourcing and public sector IT – which could do very well in the next year against the rest of the market where new business will be hard to come by. Additionally, the more customers delay implementing new systems the more they spend in "shoring up" their existing systems – almost always turning to their incumbent SCS supplier for help.

In other words, the players that will do really well in the next period will be those with long term customer relationships, established and well tested solutions, strong and experienced management and financial security. Sorry to repeat the theme but the immediate future belongs to the most Boring SCS companies. But *Boring* is now a major asset – used in much the same way as kids used to use *Wicked* or *Bad*. Our theme this year has been *"2001 is a time to stand up and be proud to be Boring and Profitable"*. We are gratified that so many company CEOs are now queuing to "come out" and be associated with our current theme.

[continued from page two]

Barney in May 00) to manage infrastructure and application services, including desktop computing, help desk, midrange and voice services, and certain applications development and support.

From 1995 to 1999, the gap between the growth of the Top Ten

outsourcing/processing companies and the market had been closing; indeed the growth of these companies matched the market in 1999. In 2000, the top companies have re-established higher-than-market growth and are likely to maintain or increase that gap as the number of mega-deals, the

preserve of only the largest companies, work their way through the system in 2001.

Outsourcing seems to be one of the few engines of growth for the UK SCSI market at present; contributing just under a third to the total SCS market.

[See Holway Comment above]



NO NEED TO RELY ON FASHION

AIT Group has announced preliminary results for the year ending 31st Mar. 01. Turnover was up 56% to £33.9m from £21.7m in 2000. PBT increased from £3.7m to £5.1m, and diluted EPS rose from 11.81p to 16.22p. Carl Rigby, Chairman and CE, commented, "The order book is healthy and the sales pipeline, now led by Portrait, is building well. CRM expenditure remains buoyant in the retail financial services sector, with the insurance market starting to embrace CRM technology".

Comment: This is a great set of results from the financial services e-CRM specialist and demonstrates the benefits of being a niche player. The company's strategy in recent years – a financial services focus, indirect sales and product rather than services revenue – is paying off. The new product (Portrait) was released in Feb. 01 (ahead of schedule) and gives the likes of Siebel a run for its money. The company now has partnerships with Compaq, KPMG, Experian and Xansa, among others. And license revenue is up 116%, with license fees and associated support now

accounting for a third of revenue, up from a quarter last year.

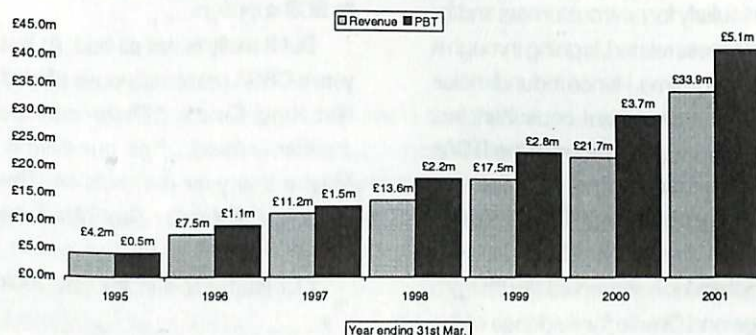
The crunch is in having sufficient prospects to continue this kind of growth. The expanded indirect channels are seen as a real benefit in this respect and the company is now focusing on developing sales in Europe and the US as well as expanding into the insurance market. Prospects look good with around a third of the order pipeline now non-UK – apparently stronger in the US than Europe, despite the general downturn – with expanded US presence including a new Office in Chicago. Insurance business is

also now up to 20%, compared with less than 10% last year. These areas will be the ones to watch in the future.

Even our concerns about Tim Crawford having two jobs (COO and CFO) have been addressed with Gareth Bailey taking on some of the load as Finance Director of the holding company.

Lastly, Chairman and CEO Carl Rigby was happy to point out that the e-label is likely to disappear from offering in the future. This is a company that now has no need to rely on fashion.

AIT Group plc
7 year Revenue and PBT Record
Relative to 1995



TEL-ING TIMES FOR...

TelMe.com announced its results for the year ended 31st Mar. 01. Revenue increased 29% to £18m from £14m in 2000, LBT decreased by just 1% to £2.1m and diluted loss per share improved slightly to 2.8p from 3.0p last year. Commenting on the results, Sir Gordon Brunton, Chairman, said, "Your company has been transformed over the past few years... Your directors are confident of continued progress during the

current year. A challenging budget has been set to achieve profitability and early indications are encouraging".

Comment - The company is now classified as three businesses:-

Formerly known as **phonelink**, TelMe.com has been a consistent poor performer over the years, although the company is confident that it can achieve profitability it has often disappointed in the past.

Telme.com FYE: 31st March	Turnover £k			Operating Profit £k			Margin	
	2000	1999	Change	2000	1999	Change	2000	1999
CRM Division	11,081	9,181	20.7%	655	745	-12.1%	5.9%	8.1%
On-Line Services	2,133	1,306	63.3%	-2,115	-1,818	16.3%	-99.2%	-139.2%
Corporate Travel	4,875	3,487	39.8%	333	-246	-235.4%	6.8%	-7.1%
Central Costs				-958	-825			
TOTAL	18089.0	13974.0	29.4%	-1127.0	-1319.0	-14.6%	-6.2%	-9.4%

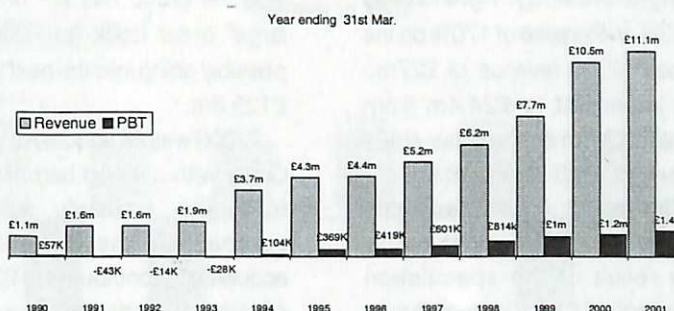


CONSISTENT GROWTH FOR TOUCHSTONE

Touchstone Group, resellers of CRM and financial management software, announced its results for the year ending 31st Mar. 01. Revenue increased 10% to £11.8m (£10.5m in 2000), PBT increased 23% to £1.5m from £1.2m and diluted EPS improved to 9.8p from 9.5p. Commenting on the results, Chairman, Philip Birch said, "The current year started with the Group enjoying improved trading compared with the same period last year. This, together with a healthy order book and an enlarged portfolio of products, leads to the Board to look forward to another good year of progress".

Comment – Touchstone is a relatively small but successful company, that has the potential to grow both organically and through

Touchstone Group plc
11 year Revenue and PBT Record
From 1990



acquisition. Whilst acknowledging this fact in 1999, the company undertook no further acquisitions until Jul. 00 when Touchstone acquired the exclusive worldwide distribution rights for **Kewill Systems'** Job Costing software for £700K. The software works in conjunction with Great Plains accounting software and this acquisition positioned Touchstone as one of the UK's largest Great Plains resellers. In Apr. 01, Touchstone acquired **Chartland Associates** which specialised in the supply of CRM solutions for £667K. Touchstone continues to deliver profitable results with the only potential black spot on its horizon being the presence of hungry predators.



OH DEAR, OH DEAR. CAP GEMINI ADDS TO FLOOD OF WARNINGS

First a trickle, now a flood. **Cap Gemini Ernst & Young (CGEY)** laid off some 250 staff in the UK earlier this month, but now another 2,700 staff (mainly US, UK, Nordic and in telco operations) are to go on the back of a 'revenue warning' and profits downgrade. CGEY has reduced 2001 revenue forecasts from euro 9.6bn down to euro 9bn (c6% growth over 2000) and is announcing actions "to protect profitability". Besides the layoffs, 700 support staff will be transferred to "client facing roles", they will delay "market development initiatives" and generally cut costs. They expect H1 margins to drop to 6% but recover to 8%-9% in H2 "provided there is no further significant deterioration in the economic environment".

Comment: Oh dear, oh dear. It's all gone horribly pear-shaped at CGEY, blamed mainly on the slowdown in financial services in US & Benelux, IT in US & Nordic, and manufacturing in the US. They are paying for the restructuring (expected cost euros 85m) partly from the sale of their UK BPO business to Vertex, which realised CGEY a net gain of some euros 30m. It looks like 2000 was a watershed year for Cap Gemini unfortunately for all the wrong reasons. The acquisition of E&Y has proved an incredible 'challenge'. Then 'to add insult to injury' they formed a joint venture with Cisco in Mar. 00 with Cap Gemini taking 95.1% of the equity at a cost of £510m. The JV was to provide e-business oriented network services to telecoms and large corporate customers and had nearly 5000 staff. At the same time Cisco also invested £700m in Cap Gemini shares. All

these obviously seemed like 'a good idea at the time' but now they must be regretting it. Anything to do with financial services and telecoms is a bad place to be for almost all the players - while outsourcing - the only 'safe haven' in the current storm - is the area CGEY seems to be retreating from! The cut backs are probably nowhere near as deep as they need be and will eventually be increased - and the concept of moving support staff to the front line is a well travelled path which generally leads to demotivated employees and frustrated customers. A sad decline for the once-great UK number one outsourcer, Hoskyns. We expect more bad news - and not just from them.



CEDAR PRUNING ITS RESULTS

Cedar Group announced its preliminary results for the year ending 31st Mar. 01. Revenue was £73.3m an increase of 170% on the restated 2000 revenue of £27m. LBT increased to £24.4m from restated £3.5m and loss per share deepened to 33.8p from 8.5p.

Comment - Cedar's results have been eagerly awaited, mainly as a result of the speculation surrounding Cedar's decision to adopt the principles of US GAAP for revenue recognition. Basically, the issue is if you sell, say, a one-year contract or product licence, you should apportion the revenues over the period of the contract not all at once! Pretty sensible really!

In the short term this has meant that revenues which would have been recognised in the year to 31st Mar. 01 will now be recognised in future period. However the costs associated with generating that revenue, (staff, R&D etc) have been incurred in this financial year, hence the dramatic increase in costs. Mike Harrison, Group MD, stated that he

expected to see a return to profits in next year's results. On the positive side the group has an "unusually large" order book for 2001 (and possibly going into the next year) of £122.8m.

2000 was an acquisitive year for Cedar with a mixed bag of results from the 4 newly acquired companies. As a whole the acquisitions contributed to £36.1m, 49.5% towards total revenue. Existing operations, grew by 37%.

- **ESG** was the most significant purchase for Cedar at £58.3m cash, generating £33.3m in services and consultancy revenue.

- **Applied Knowledge Solutions**, acquired for up to £7m, has secured initial pilot orders for its knowledge management solution.

- **Orbis**, which provides an Oracle-based Human Resources Rostering product, was acquired for up to £3.9m and contributed £2.5m to revenues.

- Canadian based **Cipher Systems**, acquired for £5.7m, has

been the least successful, generating just £0.5m. The directors conceded that Cipher has suffered from lack of management focus due to the integration of ESG, but this would be addressed in the coming year.

The company wants to move to a more equitable split of licence to services and will promote cross selling of its licences especially in its US operations.

The Cedar proposition is an incredibly diverse one, incorporating CRM, ERP, HR software, ASP solutions and consultancy. The group partners with, but also competes against, **Oracle**, **SAP** and **PeopleSoft**, as well as having additional partnerships with **Anite** and **Recognition Systems**. We would like to see where its core competency lies, as it stands in danger of being seen as a 'Jack of all trades'. Its recent re-branding exercise and announcement of a more targeted advertising campaign may help address this issue.



HEALTHY MAIDEN RESULTS FROM ISOFT

iSoft, a supplier of systems to the health sector, announced results for the year to 30th Apr. 01. Turnover was up 83% to £31.1m (58% organic growth), PBT almost doubled to £5.3m, and EPS rose from 1.95p to 3.06p. Commenting on the results, CEO Patrick Cryne said: "The momentum in each of our geographic markets for reform of healthcare services, through better information systems, gives us confidence that the current positive market conditions...will continue for the foreseeable future".

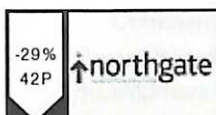
Comment iSoft's results reveal a combination of strong organic growth

boosted by careful acquisitions, chosen on the basis of "large, established customer bases and legacy product portfolios" into which iSoft's applications can be sold. To date, it has acquired **ACT Medisys** (Dec. 00) and **Eclipsys Ltd** and **Eclipsys Pty** from the NASDAQ-listed Eclipsys Corp. (May 01). The ACT Medisys business has since been integrated and has turned from a loss-making operation into profitability in the year to 30th Apr. 01.

iSoft has been expanding into new geographic markets in Ireland, Norway, Hong Kong, Australia and New

Zealand, although what proportion of the revenue is generated outside of the UK is not explicit. With investment in the both the public and private healthcare sectors set to continue, iSoft has good reason to be confident about the future.

iSoft took the opportunity to announce a placing of somewhere between 22.2m and 27.2m shares (of which 5.6m are new shares), to raise resources for further acquisitions. The share price fell on the day of the announcement (the placing by directors of between 7.6m and 9.6m shares, taking its toll).



"VASTLY TRANSFORMED SITUATION"

Northgate Information Solutions' CEO, Chris Stone has certainly made an impression since his appointment in 1999. Having led the company through a re-branding (Northgate was previously named MDIS) and a re-structuring exercise, Northgate's latest set of results show that the company is now in a "vastly transformed situation" and it looks as if things are set to stay that way.

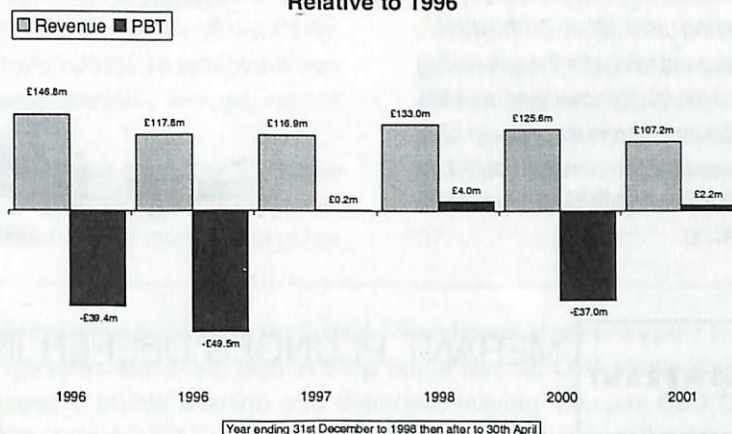
Turnover for the year to 30th Apr. 01 was down by 15% to £107.2m, compared to the proforma year ending 30th Apr. 00. However, a better comparison is of the revenue from continuing operations, which increased by over 10% from £96.3m to £106.4m – the figures for 2000 included £29.2m of turnover from the **Glovvia** business

"Last year it seemed that every figure apart from sales had brackets round it"

which was sold in Mar. 00. If turnover from Northgate's subsidiary, **PROIV**, is excluded (it is used as a cash cow by the Group), the growth in turnover looks even better at 15.4%.

But the really good news was the fact that, as Finance Director, Geoff Bicknell put it, "Last year it seemed that every figure apart from sales had brackets round it – this year I am pleased to be able to say that is not the case". Group operating profit was £3.7m compared to a loss in 2000 of £32.1m, and PBT was £2.2m compared to LBT of £37.0m for the

**Northgate Information Systems plc
6 year Revenue and PBT Record
Relative to 1996**



comparative period. The restructuring and cost reduction programme has been successful resulting in operating costs falling by 5.2% and the achievement of a planned £10m in cost reductions.

£38.5m, or 40% of turnover, came from the public sector division. Although, at 10% growth, this division did not grow as much as the corporate division, at 16%, and the HRS (human resources) division at 32%, it is, not surprisingly, looking as if it will be the best source of growth for Northgate over the current financial year. The division has customers in healthcare, government and the police on its books. Managed Services, which grew by 15% in the company as a whole, are in particular demand. There is £250m of orders in the pipeline for the public sector division and £75m worth of contracts have already been signed. It is companies, which could increase Northgate's capabilities in sectors such as police and healthcare (as well as in e-CRM), that may well be acquisition targets for the company in the future according to Chris Stone. And there is £8.1m cash in the bank to make potential

acquisitions possible.

It is good to see that Northgate's 30 years of experience, long-term customer relationships, and its tightened financial controls, which Geoff Bicknell has put in place over the past year, have now paid off. The Board has every right to appear confident, as indeed they did, about the outlook for the Group.

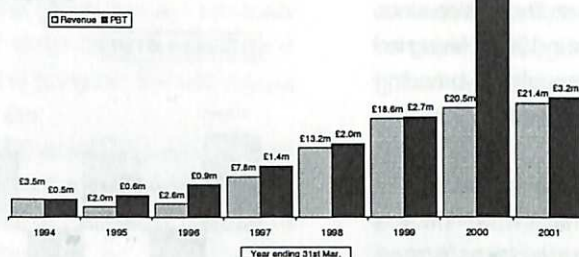
As an aside, it was interesting to see how much demand Northgate had experienced for the ASP model. The answer is not much. Apart from the £1.5m of turnover from ASP in its HRS division, which came from 4 customers, it seems that, as we have said before, this model is not really catching on. Northgate put it down to the fact that for the ASP model to be effective, it must not just deliver a change in the way technology is delivered, it must also allow at least one business process to be run more efficiently. This involves a big change in a company's way of working and in some cases a completely new mindset – something that is much more difficult to implement than a new technology.



COMINO TO BENEFIT FROM PUBLIC SECTOR INVESTMENT

Comino Group, "the provider of software-based business solutions for occupational pensions, social housing and local authorities", announced results for the year ending 31st Mar. 01: turnover was up 4.8% to £21.4m (continuing ops up 5%), however, PBT almost halved to £3.2m. Diluted EPS fell from 29.9p to 16.3p.

Comino Group plc
8 Year Revenue and PBT Record
Relative to 1994

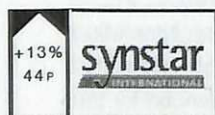


MERANT PLUNGES DEEPER INTO LOSS

Merant has plunged deeper into loss over the past year, with total revenue for the year ending 30th Apr. 01 down 5.2% to £215.4m and pre-tax losses plummeting 30% to £50.0m. Revenue from continuing operations was up slightly to £209m. Merant exited its loss-making Internet Professional Services business at a cost of £11m - another victim of the dot.com collapse. Most significantly, Merant is to dispose of its legacy Cobol (i.e. Micro Focus) business to Golden Gate Capital and Parallax Capital Partners for £45m and CEO Gary Greenfield is to stand down. Micro Focus rev. was £84m with c£7.5m pre-tax profits (exc. goodwill). The

disposal is expected to result in a small pre-tax gain. Merant is "confident about the long-term opportunities of its software solutions focus ... (but) plans on comparatively modest revenue growth".

Comment: Well, what goes around comes around, and Micro



THREE YEAR STRATEGIC PROGRAMME TO REBOOT SYNSTAR

Synstar - the pan-European business continuity and IT services company - announced interim results for the six months to 31st Mar. 01. Inline with expectations, revenue was down 1% to £120.2m, and cont. ops also declined 1% to £108.5m. From a restated PBT of £5.2m for the six months to 31st Mar. 00 (taking in to account the start up costs incurred when contracts are taken over from customers, now written off upfront rather than over the life of the contract), a LBT of £18.8m was reported. EPS of 1.7p has become a Loss Per Share of 11.8p. The LBT is a result of three things: the write-off of the remaining £12m of goodwill from the acquisitions of Lancare (£10.5m),

CT Consulting (£1m) and Tecsys (£0.5m); a £4.5m provision for loss on the sale of Synstar's Italian subsidiaries; and exceptional charges of £1.9m from restructuring.

Vaughan has, quite correctly in our opinion, identified Synstar's weaknesses

Comment: Presenting Synstar's interim results was 'new' CEO Steve Vaughan (appointed Jan. 01), who has embarked on a three-year

strategic programme to enable the company to better exploit its "assets and abilities". Vaughan has, quite correctly in our opinion, identified Synstar's weaknesses and has implemented a number of changes to drive the business forward. Firstly, Synstar has been guilty for too long of selling just one of its services, in one location to each customer. From now on, the focus will be on selling more to its customer base - a good thing, as the Business Continuity activity generates only 9% of total revenue but c20% of the profits. Vaughan also conceded, that, in the past, Synstar was not easy to do business with, hence the creation of Relationship Managers to penetrate the existing customer base, as well

Comment - Comino's results were affected by a number of changes during the year including the disposal of a non-core activity and £110K investment in the development of a new product (and subsidiary) called Comino Techflow. Management are not saying much about Techflow except that it is "*an important new product for the group*" in another "*growth sector*". The venture is being led by Philip Hunter, a former divisional director of a Misys subsidiary.

Comino acquired **Saffron Computer Services** (formerly **Rebus LG**), which provides solutions for the local authority sector, in Jul. 00, and this added £3.4m to total revenue. To be fair, FY00's PBT figure included a £2.5m exceptional item from the disposal of Comino's fashion software operation, Prologic, without which "true" PBT declined 7%.

The company claims to have succeeded in growing its three core businesses and Chairman, David Quysner, commented, "*The year-end order book closed in a healthy state and a £1m contract from London & Quadrant Housing has*

further improved the situation". Comino has £8.1m cash, which could prove useful if it decides to make further acquisitions.

With government pledges to further increase public sector spending, and in particular the initiatives to enhance local government IT, Comino is in a good position to benefit. Comino's share price ended the month down 12% at 390p – still a healthy premium to the float price of 130p back in Apr. 97.

Focus is once again 'free'. Aged Holway readers will know that "UK Coboler" **Micro Focus** was one of the first UK SCSI companies to carry both an LSE and a NASDAQ listing. They had been rolling along quite nicely until the mid-1990's but suffered a couple of disastrous years of losses in 1996/7. They 'fixed' the problem in 1998 by acquiring their long term US partner **Intersolv** (rev. c\$200m but only c\$8m in

earnings) in a \$500m+ all stock deal. Micro Focus' share price prior to the acquisition was riding high at 553p but in Nov. 98 CEO Martin Walters issued a profits warning and departed, leaving Intersolv CEO Gary Greenfield and FD Ken Sexton to run the show (and change the name to Merant). It was downhill all the way after that, with Merant posting pre-tax losses of nearly £12m in FY99 and over £35m in FY00 on the back of the Y2K drop-off in the legacy Cobol tools business. Although they have spent the past couple of years building up their non-legacy activities, they have not been able to dig themselves out of the hole. So it's been a woeful few years for the company, and especially for investors - and management must take the blame. Merant's shares ended the month at 87p, about 10% down since the beginning of the year.

as to take responsibility for contract renewals and service delivery. A separate sales force will target new business.

Also coming under scrutiny were Synstar's European subsidiaries, which collectively made operating losses of £450K in 2000. Going forward, each subsidiary is targeted to be profitable in its own right in the next financial year. Long-term underperformance will no longer be tolerated – witness the disposal of the troublesome Italian subsidiary in May. Vaughan predicts a "*high probability*" of a turnaround in the French operation, but is more cautious about the prospects for business in Switzerland. In his words, there will be "*no dogs*". Likewise, underperforming contracts (low margin or just too time-consuming to be worthwhile) will be fixed or exited. This is unlikely to affect more

than 5% of revenue. These measures will lead to better quality business, with an emphasis on profit growth and improved margins, rather than revenue growth. Synstar's aim is to secure "*higher, larger, more joined-up deals*".

Restructuring during the period has resulted in a net reduction in

Synstar's aim is to secure "higher, larger, more joined-up deals"

headcount of 125, and an exceptional charge of £1.9m. The total costs of restructuring will be £8.5m in the full year, with £6m of savings in FY02.

Interestingly, Synstar has made 20 strategic hires in areas like sales (esp. in continental Europe) and in its newly created Centres of Excellence.

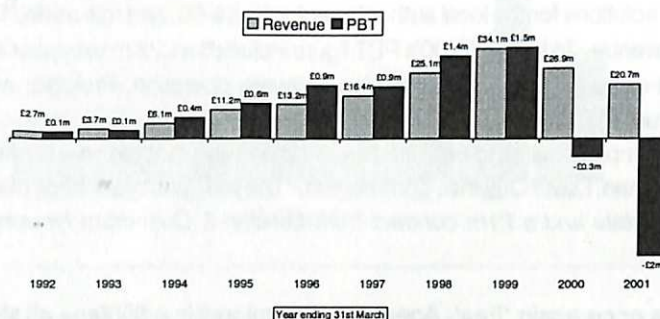
Going forward, Synstar is in far better shape to capitalise on its customer base, cross sell its service lines (indeed there is already some evidence of success here), and push for pan-European deals. Organic growth is the focus, with acquisitions to expand the service offering or to give critical mass in a particular country a possibility in a year or so. Vaughan spoke of a willingness to embrace change within the company – just as well as there is more to come! But there is also a lot of stability to the re-focused Synstar with c70% of revenue coming from long-term contracts, and an enviable client list that includes many of the leading European IT outsourcers and banks.



ALL TIME LOW FOR HIGH-AMS

Highams, an ITSA with a small consultancy division and factoring software business, announced results for the year to 31st Mar. 01. Turnover is down 23% to £20.7m, LBT has deepened considerably from £302K to £2m, and Loss Per Share has slipped from 1.58p to 10.43p. Commenting on the results, Chairman Graham Maw said: "We have experienced slow but steady growth in our market since July. We are expecting that similar conditions will prevail throughout the current

Highams Systems Services Group plc
10 year Revenue and PBT Record
Relative to 1991



SOUND PROPOSITION - BUT WHERE'S THE BUSINESS?

Vocalis Group, developer of speech technology, call processing applications, and internet telephony solutions, which was created via an MBO from Logica, has announced preliminary results for the year ending 31st Mar. 01. Turnover for the year was up, but only slightly, from £2.69m to £2.70m (excluding discontinued operations, the figure would have been a decrease of 26% to £2m). LBT deepened from £4.9m to £7.4m and loss per share was 15.82p compared to 10.57p in

FY00.

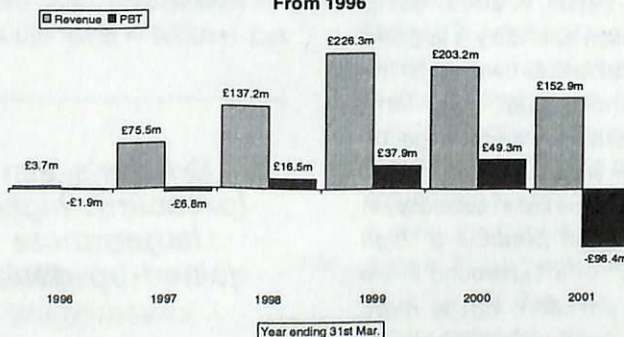
The company suffered as a result of the general economic slowdown - an environment in which selling new technologies becomes increasingly difficult. In addition, many of Vocalis'



WHO WANTS TO BE A MILLIONAIRE?

Eidos - the games software developer - has announced results for the year to 31st Mar. 01. Turnover (incl. share of JV and before exceptional items) was down 16% to £169.8m, last year's PBT of £49.3m was converted to a LBT of £96.4m (or £42.2m before exceptional items), and EPS of 25.9p is now a Loss Per Share of 93.9p (or 41.7p before exceptional items). Commenting on the outlook and announcing a 1 for 3 rights issue (raising £51.7m net), Michael McGarvey, CEO, said: "We believe that the Group, following the successful completion of the Rights Issue, will be correctly positioned

Eidos Plc
6 year Revenue & PBT Record
From 1996



both in terms of its financial resources, origination and publishing profile to take advantage of the improved market conditions which we and many other industry participants expect.... the Directors are confident of the Group's prospects for the year ahead".

Comment: The reasons given for the large losses incurred for the financial

year, enabling us to maintain our steady improvement in performance".

Comment: It certainly was a difficult year for Highams. Back in Oct. 00 it decided to withdraw from the IT training arena, closing **Trainers Ltd** "in order to limit losses". Trainers only contributed £1.5m to 2000's turnover, and made losses of £618K. The original provision of £1.2m for the closure of the business actually turned out to be £1.4m in the annual accounts, as a result of "increased closure costs not fully provided for when the interims were prepared". Continuing ops experienced "a moderate improvement in performance in later months, with steadily increasing turnover". H2 losses from cont. ops reduced from £90K to £14K.

Cont. ops now comprises Highams Recruitment, Highams Consulting and Highams Business Solutions - each of which has its own board and budget. Revenue from the ITSA business, by far the largest division, fell 22% to £17.7m (but remained profitable), with revenue in H2 up 13% - much like many of its rivals. Solutions had a disappointing year, with revenue down 11% to £1.6m, and again H2 shows improved performance with rev. up 20%. The Consultancy division fared worse, with turnover falling 36% to £450K and losses deepening.

Highams quotes from the 2001 Holway Report in its results announcement,

customers operate in the Telecommunications, Media and Technology sector where specific difficulties have been experienced. The downturn in the Internet Services market prompted the company to take the decision not to pursue its managed services business, resulting in a reduction in operating costs.

As with many things internet, the proposition seems sound but the business isn't there to prop up the proposal. Vocalis may have a "firm belief that voice is, and will increasingly be, the most natural way to interact with many internet and telephone-based services and that the global market for speech recognition will grow", but it might be under the ownership of a new company that this prediction is realised.

Also in June, the Group Board's game of musical chairs was further extended with the Group CE, Charles Halle, announcing his intention to resign from the Board. Paul Wright, in addition to his role as Group FD, will assume the role of COO for the Group.

year seemed never ending. But no matter how hard the company tries to explain the losses, including the exceptional loss of £54.1m, the fact remains that most of the problems incurred should have been foreseen, and could perhaps have been mitigated. The "cyclical downturn in the market" as customers awaited new generation platforms, an oversupplied retail chain that led to price and margin erosion, and the delay of the release of certain Playstation2 titles (as the company waited for the installed base of consoles to increase), were all given as explanations for the slowdown in games sales. Also contributing to the exceptional costs was the write-off of Eidos' investment in **Express.com** - its B2C online company.

The "good performance in publishing activities" did little to appease the shareholders. Despite the release of 20 new games in the financial year, and numbers showing that "Who Wants to be a Millionaire" and "Tomb Raider: Chronicles" sold in excess of 1m units, the share price fell 12% in June to 247p. The "cost reduction programme" should help reduce the losses in the coming year, but it will do little to help slowing sales. Eidos predicts that market conditions are set to improve, but how will it cope when the next cyclical downturn rears its head?

With further confirmation that there is an oversupply in the retail market, it looks as though consolidation in the games industry is likely in the near future. It was in Jun. 00, that Eidos announced it was in talks with **Infogrames Entertainment**, which could have led to the acquisition of the company. The

where we predicted growth rates bumping around 10% until 2004. So Highams is going to have to outperform the sector if it plans to build its turnover back up to its all time high of £34m in 99.

Certainly with management attention no longer distracted by the training operation, its stands a better chance of returning to profitable growth.

Meanwhile, Highams share price gained 19% during the month to end at 16p - still a long way off its equivalent AIM debut price in Dec. 96 of 36p.

talks were terminated in Oct. 00, but with the share price falling, Eidos may yet again become an attractive target.

We also wonder how Jeremy Heath-Smith feels about the decision not to release another Tomb Raider title in the next financial year. His place at #2 in our Highest Paid Director rankings in the 2001 Holway Report was made possible as a result of his £4m bonus - the bonus was based on the results of Core Design Ltd (responsible for Tomb Raider), which is said to have contributed greatly to the 2000 results. With the lack of a new release to boost sales in the current financial year, it is unlikely that Core Design's contribution will be as great.



E-CONSULTANCIES - THE END OF AN E-RA

Six months ago we published our e-business services report. The last paragraph of the management summary read *"There is no doubt that the new e-business services market is due for consolidation Within six months some of the names will have disappeared and the e-business services landscape will look very different in a year from now"*. Too true!

Marchfirst – from merged to submerged in just 408 days.

The most spectacular demise (proving that the bigger they are the harder – and faster – they fall), was of **Marchfirst**. Probably the largest dedicated e-business services company in the world, with 2000 year-end revenues of \$1.2bn, it went into chapter 11 in the US on April 12th this year and chapter 6 (receivership) at the beginning of May.

It's truly amazing (and horrifying) to remember that the company, valued at some \$14bn at its height, was only formed (from the merger of **Whittman-Hart** and **USWeb/CKS**) on March 1st 2000. It lasted just 408 days before Chapter 11.

Of course Marchfirst wasn't the only one. Of the top ten UK e-services focused companies (by reported revenue) that we identified in the report, three others are now a shadow of their former selves.

PSINet has also gone into chapter 11 in the US and Canada, although the European operation is apparently not included (indeed, UK MD Meri Brazil says the UK unit

continues to recruit).

Private company **Hyperlink** was acquired by **Cable and Wireless** in Dec. 00 (before our report even hit the streets).

AKQA (which – would you believe it – stands for All Known Questions Answered) took the global route. It merged with US advertising agency, Citron Haligman Bedecarre, US web developer and e-commerce specialist, Magnet Interactive, and Singapore new media agency, The AdInc. But, as the result of the merger, AKQA Inc. will now also provide offline advertising, so it now has old economy business to fall back on.

Three of the other top ten companies, **Razorfish**, **Sapient** and **Scient**, are still alive (if not exactly kicking) in the UK. But all have had or plan pretty extensive restructuring in recent months, which generally means changes in senior management, closing offices and laying off staff. Razorfish is even reported to be looking for additional funding.

In fact those sorts of changes have been rife throughout the sector. Hardly a company has avoided the downturn. Having a novel name like Pixelpark or Framfab is no protection from the vagaries of business and economic cycles.

Just looking at of the top listed companies active in the UK market when we produced the report explains the need to restructure.

Company	Year-end	2000 Revenue	1999 Revenue	2000 PBT	1999 PBT
marchFIRST	31-Dec-00	\$1,200m	c\$1,130m	-\$7,700.0m	c\$100m
PSINet	31-Dec-00	\$996m	\$534m	-\$3,766.0m	-\$337.0m
Sapient	31-Dec-00	\$503m	\$277m	\$47.0m	\$30.3m
Scient	31-Mar-01	\$300m	\$156m	-\$150.6m	-\$21.0m
Razorfish	31-Dec-00	\$268m	\$170m	-\$146.0m	\$3.5m
Agency.com	31-Dec-00	\$202m	\$109m	-\$14.7m	-\$27.1m
Adcore	31-Dec-00	\$137m	\$58m	\$12.7m	\$5.5m
Modem Media	31-Dec-00	\$134m	\$74m	-\$72.0m	\$8.7m
Axon	31-Dec-00	\$64m	\$38m	\$10.8m	\$6.9m
Nettec	31-Dec-00	\$26m	\$7m	-\$14.8m	-\$3.6m

Only three actually made a profit – **Sapient**, **Adcore** and **Axon** (and after a Q1 loss Adcore has now announced what is effectively an MBO of all its international, i.e. non-Swedish, operations).

Collectively these ten companies had revenues of \$3.8bn in 2000, but losses totalled a massive \$11.8bn. The main culprit was MarchFirst, which took a \$6.5bn hit in the fourth quarter against lowered expectations of the value of the merger that formed it.

Comparisons with the previous year are not straightforward (MarchFirst only completed one year end) but the scale of the problem is obvious. Whilst the revenue for these ten companies increased by c50% in 2000, collective losses increased **50-fold**. If Marchfirst is left out of the calculations the remaining companies increased revenue by 85% and losses were up 12-fold.

One of the reasons that we embarked on the e-services report in the first place was to see if the fears of the likes of **IBM**, **EDS** and **Cap Gemini** were well-founded. Would the upstarts steal their business? Could wacky&techie.com win out over strongandsteady Ltd?

They needn't have worried. These new companies had inexperienced management, grew too quickly and couldn't cope with changing market conditions when the dot.coms went into a tailspin.

Company	Index	Share Price 2000 High	Share Price 18/6/00 (or to delisting)	% fall
marchFIRST	Nasdaq	\$81.13	\$0.15	99.8%
PSINet	Nasdaq	\$60.94	\$0.18	99.7%
Sapient	Nasdaq	\$75.59	\$7.90	89.5%
Scient	Nasdaq	\$133.75	\$1.05	99.2%
Razorfish	Nasdaq	\$56.94	\$0.57	99.0%
Agency.com	Nasdaq	\$61.75	\$2.60	95.8%
Adcore	Stockholm OM	SEK 52.00	SEK 1.85	96.4%
Modem Media	Nasdaq	\$56.94	\$3.75	93.4%
Axon	LSE	£22.88	£4.38	80.9%
Nettec	LSE	£2.13	£0.17	92.2%

That's not to say the rise and fall of the e-business services companies has not done significant damage to the market. In 1999/2000, these companies often bid for work at unrealistically low prices in what Geoff Unwin of Cap Gemini described as the great act of corporate charity ever witnessed – where VC funds were recycled via e-consultancies to subsidise clients' e-business projects. After all, profits were unimportant if you could boost your share price by revenue growth alone. The established SCS companies could either compete at 'loss leader' prices or watch their clients desert them.

But that's nothing compared with damage these companies have inflicted on their share prices – and investor confidence in the whole sector. The share price fall for these ten companies **averaged** 95% from their 2000 high to mid-June this year (or whenever they were delisted). It will take a long time before many venture capitalists and investors will want to try their hands again (and that's not just sour grapes).

Another way of looking at the decline of these dedicated e-business services companies is through the staff they have lost in recent months.

Back in September their total worldwide headcount was c23,500. Since then they have collectively shed over 12,000 jobs – that's more than half the total – in at least 15 separate rounds of layoffs.

Not that most of these people will

be out of jobs for long. There is still plenty of demand for the skills that they possess.

With share options at the bottom of the sea some employees of these new companies were already returning to the corporate fold even before they were pushed (hence B2B – Back to Banking – and B2C – Back to Consultancy).

Some staff have been acquired wholesale. French IT services company **Unilog** acquired the 150-strong technology division of Marchfirst's UK operation, for instance. Mostly, though, there was no need to pay for the company to acquire the skills. Cap Gemini took on around 70 staff and associated contracts from Swedish **MIND** for no consideration whatsoever!

One thing we won't be sorry to see disappear is the extent of casual

The return of the suit

dress and informal offices that these firms introduced.

There will always be a place for 24-hour techies to work in pizza-littered, table-football equipped, coffee shops with their bikes parked in reception. They are the powerhouse of much of the industry and we want and need them (apart from the fact that many of us were there and did that).

But it's different when it comes to the business end. When IBM installs

an Innovations Centre described in a Financial Times article as "a cross between a television studio and a kindergarten..." you start to wonder who's taking what out of whom.

To be fair, though, IBM's approach was at the 'smart casual' end of the spectrum – some we visited seem to believe that simply appearing different equates with being better. Some (i.e. we) would have thought that making a client feel uncomfortable in your office is not the way to establish empathy and win long-term business.



A recent article in the Times summed up the changing atmosphere with a quote from a NASDAQ dot.com CEO: "A year ago I would go to meetings with fortune 500 companies dressed very casually. They were in suits, we were in jeans. We thought we were cool. Now we conform to their standards. We're more respectful. It's like we recognise they've made it and we haven't".

That's the difference. IBM, EDS, CSC, CGE&Y et al 'made it' a long time ago and they have the customer base, methodology and management skills to prove it. Although most of these companies did try to nail their flags to the new economy mast they are now busy singing from our 'it's **the-business not e-business**' hymn sheet.

It is the end of an era and, not before time, sanity has returned. Even e-consultancies should be proud to be big, boring and profitable.



...THREE CHEERS. WE NEED MORE

It would be difficult to find more different announcements than **Cap Gemini E&Y** (see page 5) and **Xansa** (nee **FI Group**). Xansa has met (perhaps slightly exceeded) analyst expectations for its full year to 30th Apr. 01.

At the headline level, revenues were up 41% at £434.7m, operating profit up 58% at £45.3m and PBT (before goodwill and certain adjustments) up 57% at £42.3m. This reflects the turnaround at **Druid** from loss last year into (an albeit small £600K) profit during the course of this year. **Druid** reported a loss of £2.4m in H1 but a profit of £3.0m in H2. Margins at the operating level have increased to 10.4% from 9.3%. This improvement is due to the return to profitability of **Enterprise Solutions** (previously **Druid**), improvements in the **Business Change** (previously **OSI**) margin and better control of central overheads.

Of course, Xansa has been pretty active on the acquisitions front in the period. But its organic growth exceeded 20% - which is at least twice the UK market average growth.

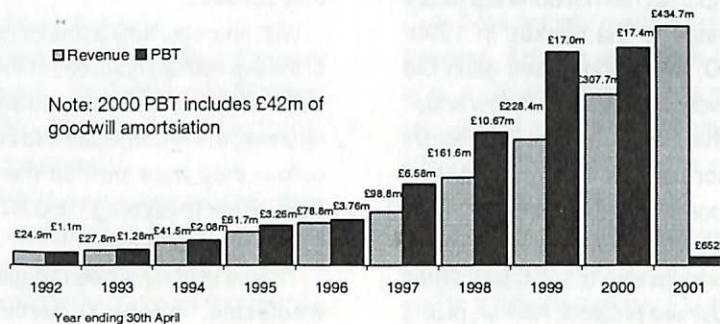
Interestingly, it was NOT just outsourcing (or Xansa's special brand of application management) which has driven Xansa. Outsourcing grew by a very respectable 17% to £254m or c60% of annual revenues. £539m of orders were taken in the year, driving the order bank up 25% to £523m (1.2x annual revenues). However, it should be noted that £52m was due to the inclusion of **First Banking Systems** which, since 9th Apr 01, has been restructured as a subsidiary.

Recent large deals include: **AXA Sun Life**, for £70m over five years; **Barclays**, for £38m over three

years; **Centrica**, for £33m over six years; and **DfES**, for £20m over two years.

It was **Business Change** (previously **OSI**) that was the real star with organic growth of 50% and margins of over 14%. Indeed even **Xansa Recruitment** (**ITSA**) grew by a staggering 72%.

Xansa plc
10 Year Revenue and PBT Record
Relative to 1991



Revenues from the UK grew by 39% to £370m (c85% of the total)

Ex Chairman Hilary Cropper said "We are currently finding little evidence of any change in the economic environment affecting our business, with the exception of telecoms and finance clients in the USA, however the economic outlook is more uncertain than it has been for some time. Clearly we cannot be entirely insulated from a severe downturn, but as an outsourcing business, we have a greater resilience than most with many recession-proof offerings.

These results show a consistent uplift throughout the period in every major part of the business. That momentum has continued since the year end and the pipeline for orders including large outsourcing deals has continued to build".

Comment - We spoke with Hilary Cropper and we have to admit that these results are both excellent and a tonic to the UK SCS sector as a whole.

So why? Pretty simple and remarkably Boring really:

- Xansa relies on long term customer relationships. That's the characteristic which sorts the men from the boys in period of economic strife.

- Xansa is in the business of supporting systems, many of which it has put in years ago for customers it has had for years.

- Around 60% of Xansa's revenues comes from outsourcing/application management (and it has an order bank of > its annual revenues). This is as rock solid as it gets.

- Xansa reckons it can take 30% of costs out of customer's IT budgets. That's exactly what users currently crave. What people tend to overlook is that total overall IT spend can decline but companies like Xansa (and **IBM Global Services**, **EDS**, **Capita** etc) can gain as expenditure is shifted from internal to external spend.

And Cropper assured us that current trading is meeting expectations too. It's really only the US telco and wholesale financial systems which is showing weakness. And that's a pretty minor part of Xansa's business anyway.

Yet another company **PROUD** to be **BORING** and **PROFITABLE**. Three cheers. We need more.

Mergers & Acquisitions

Buyer	Seller	Seller Description	Acquiring	Price	Comment
Affinity Internet	Breathe.com	ISP	100%	£1.75m	Affinity acquired rival Breathe.com from Great Universal Stores, who bought it from the receivers in Jan. 01 for £1.4m. GUS will take a 1% stake in Affinity as part of the deal.
Anite Group	Rox Mariehamn AB	Finnish IT services & consultancy	100%	£250K	Initial £150K and max. earn-out of £100K based on profitability to Apr. 02, all to be paid in shares.
Business Systems	Atomic Tangerine from SRI International	Design business, incl new media	100%	£6.7m	Atomic Tangerine provides design consultancy services. Initial payment was £932K with the remainder deferred over 12 months.
Charteris	The Mandelbrot Set	e-business solution provider	100%	£5m	TMS had revenue of £3.4m and PBT of £450K in the year to 28th Feb. 01. Charteris paid £4.25m in shares (£2.5m of which is upfront, the remainder deferred until May 02) and £750K in cash.
De la Rue	Currency Systems International Inc from GD S.p.A.	Cash processing systems and software	100%	\$55m	De la Rue paid \$35.5m in cash and assumed \$19m debt for CSI who turned over \$51m rev. and made an operating profit of \$5.3m in the year to Dec. 00.
Easynet Group	Ipsaris Ltd	Broadband network provider	100%	£356m	Reverse takeover. Easynet exchanged 82.9m shares at 430p per share for ipsaris (who is 91.8% owned by Marconi).
Golden Gate Capital & Parallax Capital Partners	Merant - Micro Focus business	Cobol development tools	100%	£45m	In FY01, Micro Focus generated £84m rev. and £7.5m PBT and pre goodwill amortisation.
Internet Direct	Health Media Group Ltd	Technology, education and news for the healthcare sector.	100%	£24m	Internet Direct's reverse takeover of Health Media was satisfied by £11.3m in shares upfront, and a deferred consideration of £12.7m based on performance. The company will be re-named Health Media plc.
Ipoints	Web Rewards from Webmiles	Internet loyalty scheme	100%	n/a	Ipoints (a start-up funded by Durlacher) bought up rival UK operation Web Rewards from Web Miles in an all-paper deal.
Management Buy-In (Cobco 372 Ltd)	Anite I.T. Personnel & Anite ITP	Anite's IT recruitment businesses	80.1%	£8.3m	The MBI team paid £6.3m up front and the balance over 60 monthly instalments. Works out as PSR of 0.27.
Misys	Sunquest Information Systems Inc	Healthcare systems	100%	\$404m	Misys paid cash for NASDAQ-listed Sunquest.
Misys	DBS Management	Independent financial services support, incl technology for the IFA marketplace.	100%	£75m	Misys offer of 150p per DBS share was a 105% premium to the closing mid-market price. DBS reported revenue of £191.5m and pre tax losses of £1.4m for the year to 31st Mar. 01.
NewMedia Spark	GlobalNetFinancial.com	Incubator	100%	?	Further consolidation amongst the incubators.
OneClickHR	MicroSolve Training	IT training	100%	£363K	OneClickHR paid with a mix of cash and shares, £200K deferred. MicroSolve is a Microsoft Certified Partner.
Online Travel Corporation	EMAP Digital Travel (EDT)	Online travel technology and content	100%	£2.8m	EDT generated gross sales of £14.2m and gross profits of £2.5m in the year to 31st Mar. 01.
Oxygen Holdings	Tera Group Oy	Finnish technology incubator	100%	£3.95m	Oxygen undertook an open offer and placing to raise £2.2m to fund the acquisition. The company will change its name to Tera Group.
Serco Group	Total IT	IT consultancy & project management	100%	£1.175m	Serco paid £300K in shares and the balance in cash.
Telewest Communications	Rapid Travel Solutions	Travel software	100%	£5-10m	RTS's software connects travel companies to an online booking system and call centres. The deal strengthens Telewest's position in the travel sector, where it claims to be the main supplier of network infrastructure.
The Innovation Group	Intelligent Business Services Ltd	e-procurement cataloging and stock control solutions	10000%	£5.5m	TIG paid £2m up front (half cash, half shares) and £3.5m is deferred, based upon achieving revenue targets.
The Innovation Group	Software Design and Systems Ltd	providers of software for the IBS solution set and other SCM specialists	100%	£2m	TIG paid £1.25m in cash and the balance in shares
The Innovation Group	Reboot Consultancy Ltd	web based solutions	100%	£540K	Reboot had worked exclusively for TIG for the last two years, providing resources for web solutions. The consideration was £350K in cash and the balance in shares.

Recent IPOs

Name	Activity	SCS or Dotcom Index	Index Class	Market	Issue Price	Market Cap.	IPO Date	Price end Apr. 01	Premium/Discount
Atlantic Global	Softw are developer	SCS	SP	AIM	25p	£6.0m	04-Jun-01	24p	-4%
Tikit	IT consultancy	SCS	CS	AIM	115p	£13.8m	07-Jun-01	115p	0%

Forthcoming IPOs

Name	Activity	SCS or Dotcom Index	Index Class	Market	Issue Price	Est Mkt Cap.	IPO Date
Akael	Computer games developer	SCS	SP	AIM	tbc	£12.5m	Q2 2001
Altodigital	Internet Services	SCS/Dotcom	S&S	MAIN	tbc	£400.0m	early 2001
Argrogroup	Softw are developer	SCS	SP	TBA	tbc	£100.0m	2001
Cityjobs.com	Internet Recruitment	Dotcom	B2C	AIM	tbc	tbc	Q1 2001
Cityreach	Internet Services	Dotcom	SS	MAIN	tbc	tbc	Q2 2001
Digital Brain	Online Education Service	SCS	CS	TBA	tbc	£50.0m	early 2001
Embedded Solutions	Softw are	SCS	SP	TBA	tbc	tbc	H1 2001
Evolution	Technology Systems Integrator	SCS	CS	MAIN	tbc	tbc	Jul-01
Kinetic Information Systems	Financial Softw are	SCS	SP	MAIN	tbc	tbc	H2 2001
Timberweb	Online Marketplace Provider	Dotcom	B2B	AIM	tbc	£25.0m	early 2001
Zeus Technology	Internet softw are developer	SCS/Dotcom	CS	TBA	tbc	£150.0m	2001

Quoted Companies - Results Service

Note: Highlighted Names Indicate results announced this month.

Actinic plc				Compel Group plc				ICM Computer Group plc			
REV	Find - Sep 99	Int 9 mos Jun 00	Find - Sep 00	Comps on	Interim - Dec 99	Find - Jun 00	Interim - Dec 00	Comps on	Interim - Dec 99	Find - Jun 00	Interim - Dec 00
PBT	\$571,000	\$1,437,000	\$2,045,000	+258.7%	\$13,012,000	\$288,015,000	\$162,610,000	+19.9%	\$22,328,000	\$49,535,000	\$15,520,000
EPS	-\$775,000	-\$2,490,000	-\$3,508,000	Loss both	8.50p	\$55,571,000	\$14,760,000	Profit to loss	\$177,000	\$4,530,000	\$2,035,000
	-0.86p	-2.25p	-3.4b	Loss both	9.70p	8.50p	4.70p	Profit to loss	7.00p	15.40p	6.00p
AFA Systems plc				Computacenter plc				IDS Group plc			
REV	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 00	Comps on
PBT	\$177,000	\$4,291,000	+412%	\$176,628,000	\$199,620,000	+13.1%	\$13,614,000	\$12,509,000	-8.1%	\$12,509,000	-8.1%
EPS	-\$581,000	-\$2,609,000	Loss both	\$75,136,000	\$55,571,000	-26.0%	\$1,125,000	\$1,125,000	Profit to loss	\$1,125,000	Profit to loss
	-3.40p	-11.90p	Loss both	28.10p	20.80p	-26.0%	6.15p	6.15p	Profit to loss	6.15p	Profit to loss
Affinity Internet Holdings Plc				DCS Group plc				Intelligent Environments Group plc			
REV	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 00	Comps on
PBT	\$3,424,000	\$13,12,000	+230.4%	\$8,299,000	\$40,010,000	+15.1%	\$7,218,738	\$8,810,556	+22.1%	\$8,810,556	+22.1%
EPS	-\$9,172,000	-\$26,050,000	Loss both	\$8,299,000	\$14,451,000	-42.9%	\$3,020,988	\$2,523,418	-15.9%	\$2,523,418	-15.9%
	-66.32p	-125.80p	Loss both	18.98p	-55.46p	Profit to loss	-8.16p	-5.97p	Loss both	-5.97p	Loss both
AIT Group plc				DRS Data & Research Services plc				Innovation Group plc (The)			
REV	Find - Mar 00	Find - Mar 01	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Interim - Mar 00	Find - Sep 00	Interim - Mar 01	Comps on	Interim - Mar 01
PBT	\$2,619,000	\$3,882,000	+56.2%	\$8,176,000	\$16,533,000	+42.5%	\$4,795,000	\$9,564,000	\$15,277,000	+264.2%	\$15,277,000
EPS	\$3,651,000	\$5,19,000	+39.9%	\$236,000	\$563,000	+138.6%	\$1,530,000	\$3,176,000	\$3,514,000	+129.7%	\$3,514,000
	118.1b	16.22p	+37.3%	0.52p	1.12p	+115.4%	147p	2.40p	1.22p	+129.7%	1.22p
Alphameric plc				Delcam plc				Intercede Group plc			
REV	Find - Nov 99	Find - Nov 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Mar 00	Find - Mar 01	Comps on	Find - Mar 01	Comps on
PBT	\$25,330,000	\$54,408,000	+114.8%	\$17,774,254	\$17,011,059	-4.3%	\$703,000	\$2,014,000	+186.5%	\$2,014,000	+186.5%
EPS	\$20,000,000	\$3,891,000	+27.6%	\$10,42,075	\$16,42,845	+57.7%	-\$867,000	\$2,146,000	+251.1%	\$2,146,000	+251.1%
	3.62p	1.96p	-45.9%	13.20p	19.60p	+48.5%	-7.40p	-8.80p	-8.80p	-8.80p	-8.80p
Alterian plc				Diagonal plc				Internet Business Group plc			
REV	Find - Mar 00	Find - Mar 01	Comps on	Find - Nov 99	Find - Nov 00	Comps on	Find - Oct 99	Find - Oct 00	Comps on	Find - Oct 00	Comps on
PBT	\$1,011,140	\$2,078,000	+105.5%	\$7,237,000	\$8,276,000	+14.3%	\$399,168	\$399,168	0.0%	\$399,168	0.0%
EPS	\$3,905	\$5,920,000	Profit to loss	\$8,184,000	\$8,276,000	-0.9%	-\$69,490	-\$69,490	0.0%	-\$69,490	0.0%
	0.38p	-0.7b	Profit to loss	7.52p	7.52p	-0.9%	-0.70p	-0.70p	-0.70p	-0.70p	-0.70p
Anite Group plc				Dicom Group Plc				IQ-Ludorum Plc			
REV	Interim - Oct 99	Find - Apr 00	Interim - Oct 00	Comps on	Interim - Dec 99	Find - Jun 00	Interim - Dec 00	Comps on	Find - Oct 99	Find - Dec 00	Comps on
PBT	\$83,930,000	\$158,976,000	\$85,665,000	+2.1%	\$46,925,000	\$99,229,000	\$67,530,000	+43.9%	\$1,348,000	\$2,146,000	+59.2%
EPS	\$4,690,000	\$7,17,1000	\$3,041,000	-35.2%	\$15,544,000	\$3,860,000	\$3,735,000	+140.3%	\$26,000	-\$1,859,333	Profit to loss
	10.0p	0.20p	-80.0%	9.30p	8.80p	11.10p	11.10p	+14.4%	n/a	-3.85p	n/a
Argonaut Games				Earthport Plc				ISOFT Group plc			
REV	Interim - Jan 00	Find - Jul 00	Interim - Jan 01	Comps on	Find - Jun 99	Find - Jun 00	Comps on	Find - Apr 00	Find - Apr 01	Comps on	Find - Apr 01
PBT	\$2,451,000	\$4,359,000	\$1,634,000	-40.8%	\$10,565,919	\$1,071,989	-\$1,071,989	\$1,071,989	\$1,071,989	0.0%	\$1,071,989
EPS	-\$17,800	-\$83p	-1.75p	Loss both	\$12,53,785	-\$10,879,543	n/a	\$2,685,000	\$3,130,000	+17.5%	\$3,130,000
	-0.26p	-0.83p	-1.75p	Loss both	n/a	n/a	n/a	0.97p	3.06p	+25.5%	3.06p
Autonomy Corporation plc				Easynet Plc				IS Solutions plc			
REV	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 00	Comps on
PBT	\$16,511,000	\$45,118,620	+173.3%	\$27,741,000	\$41,742,000	+50.5%	\$1,181,000	\$1,123,000	-4.9%	\$1,123,000	-4.9%
EPS	-\$678,000	\$14,270,344	Loss to profit	-\$929,000	\$12,113,000	+140.3%	\$1,205,000	\$547,000	-54.6%	\$547,000	-54.6%
	-2.80p	8.00p	Loss to profit	-5.64p	-44.98p	Loss both	3.42p	1.7p	-65.8%	1.7p	-65.8%
Axon Group plc				Easyscreen plc				ITNET plc			
REV	Find - Dec 99	Find - Dec 00	Comps on	Interim - Sep 99	Find - Mar 00	Interim - Sep 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 00
PBT	\$25,377,000	\$42,737,000	+67.3%	\$35,057	\$3,498,000	\$3,498,000	+9.7%	\$10,743,000	\$10,743,000	0.0%	\$10,743,000
EPS	\$4,560,000	\$7,74,000	+69.9%	-\$453,525	-\$3,767,777	-\$3,767,777	-9.23p	\$484,000	\$484,000	0.60p	\$484,000
	5.70p	8.60p	+69.9%	-1.23p	-9.96p	-9.23p	-9.23p	0.60p	0.60p	0.60p	0.60p
Azlan Group plc				ECsoft Group plc				Izodia Plc			
REV	Find - Mar 00	Find - Mar 01	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 00	Comps on
PBT	\$410,604,000	\$591,608,000	+44.1%	\$27,304,000	\$13,700,000	-48.8%	\$46,094,000	\$46,094,000	0.0%	\$46,094,000	0.0%
EPS	\$9,258,000	\$16,132,000	+74.2%	\$3,416,000	\$1,370,000	-59.9%	-\$10,817,000	-\$10,817,000	0.0%	-\$10,817,000	0.0%
	5.90p	10.20p	+74.2%	17.30p	-4.80p	Profit to loss	-35.77p	-35.77p	-35.77p	-35.77p	-35.77p
Baltimore Technologies plc				Eidos plc				Jasmin plc			
REV	Find - Dec 99	Find - Dec 00	Comps on	Find - Mar 00	Find - Mar 01	Comps on	Find - Mar 00	Find - Mar 01	Comps on	Find - Mar 01	Comps on
PBT	\$23,272,000	\$24,224,000	+4.3%	\$203,265,000	\$197,767,000	-2.7%	\$197,767,000	\$197,767,000	0.0%	\$197,767,000	0.0%
EPS	-\$13,151,000	-\$74,885,000	Loss both	\$49,275,000	-\$96,358,000	Profit to loss	-\$1,052,000	-\$1,052,000	0.0%	-\$1,052,000	0.0%
	-10.27p	-23.10p	Loss both	22.80p	-93.90p	Profit to loss	-22.34p	-22.34p	-22.34p	-22.34p	-22.34p
Baron Corporation plc				Electronic Data Processing plc				Kalamazoo Computer Group plc			
REV	Interim - Feb 00	9/4/99 - Aug 00	Interim - Feb 01	Comps on	Interim - Mar 00	Find - Sep 00	Interim - Mar 01	Comps on	Interim - Sep 99	Find - Mar 00	Interim - Sep 00
PBT	\$139,585	\$3,294,936	\$7,22,493	+48.1%	\$4,529,000	\$8,353,000	\$5,107,000	+28.8%	\$32,768,000	\$62,781,000	\$22,632,000
EPS	-\$127,831	-\$489,490	-\$1,59,826	Loss both	\$1,004,000	\$116,000	-\$360,000	Profit to loss	\$754,000	-\$6,933,000	-\$2,129,000
	-3.70p	-16.00p	-25.30p	Loss both	2.56p	2.73p	-1.38p	Profit to loss	0.90p	-11.70p	-3.50p
Bond International Software plc				Epic Group plc				Kewill Systems plc			
REV	Find - Dec 99	Find - Dec 00	Comps on	Interim - Nov 99	Find - Mar 00	Interim - Nov 00	Comps on	Find - Mar 00	Find - Mar 01	Comps on	Find - Mar 01
PBT	\$8,457,169	\$9,376,878	+10.9%	\$1,904,000	\$4,398,000	\$7,12,000	+45.0%	\$75,245,000	\$68,737,000	-8.6%	\$68,737,000
EPS	-\$789,085	\$1,019,197	Loss to profit	\$1,019,197	\$7,65,000	\$567,000	+45.3%	\$1,803,000	\$3,279,000	+81.9%	\$3,279,000
	-4.8b	5.02p	Loss to profit	0.85p	3.12p	2.17p	+155.3%	-1.20p	0.50p	Loss to profit	0.50p
Bright Station				Eurolink Managed Services plc				Keystone Software plc			
REV	Find - Dec 99	Find - Dec 00	Comps on	Interim - Sep 99	Find - Mar 00	Interim - Sep 00	Comps on	Interim - Sep 99	Find - Mar 00	Interim - Sep 00	Comps on
PBT	\$14,452,000	\$57,642,000	+298.1%	\$4,069,000	\$7,596,000	\$4,027,000	+10.9%	\$2,384,000	\$4,799,000	\$1,989,000	+83.8%
EPS	-\$4,346,000	-\$13,169,000	Loss both	\$189,000	\$340,000	\$173,000	-8.5%	\$17,000	-\$65,000	-\$3,173,000	Profit to loss
	-3.90p	-79.20p	Loss both	128p	2.7p	1.6p	-9.4%	0.10p	-0.60p	-7.60p	Profit to loss
Business Systems Group Holdings plc				Fastfill Plc				Knowledge Management Software plc			
REV	9 months to Mar 00	Find - Mar 01	Comps on	Find - Mar 00	Find - Mar 01	Comps on	Find - Mar 00	Find - Mar 01	Comps on	Find - Mar 01	Comps on
PBT	\$25,000,000	\$37,707,000	+50.8%	\$3,250	\$438,429	+13,370.1%	\$353,078	\$2,091,886	\$2,744,089	+62.14%	\$2,744,089
EPS	\$979,000	\$1,019,197	+4.1%	-\$968,986	-\$5,105,274	Loss both	-\$1,17p	-\$3,078,772	-\$5,773,164	Loss both	-\$5,773,164
	2.40p	-0.37p	Profit to loss	-3.77p	-12.9p	Loss both	-5.5b	-5.5b	-5.5b	Loss both	-5.5b
Cadcentre Group plc				Financial Objects plc				Knowledge Support Systems Group plc			
REV	Find - Mar 00	Find - Mar 01	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 99	Find - Dec 00	Comps on	Find - Dec 00	Comps on
PBT	\$23,889,000	\$28,10,000	+17.6%	\$22,301,000	\$18,369,000	-17.6%	\$183,025	\$2,803,736	+1,425.5%	\$2,803,736	+1,425.5%
EPS	\$4,338,000	\$5,225,000	+20.4%	\$4,656,000	-\$887,000	Profit to loss	\$83,497	-\$2,116,580	Loss both	-\$2,116,580	Loss both
	17.40p	20.39p	+17.2%	8.87p	-2.6b	Profit to loss	-0.10p	-3.00p	Loss both	-3.00p	Loss both
Capita Group plc				Flomerics Group plc							

Quoted Companies - Results Service

Note: Highlighted Names indicate results announced this month.

MERANT plc				Raft International plc				Systems Integrated Research plc			
Find - Apr 00	Find - Apr 01	Comparison	Find - Oct 99	Find - Oct 00	Comparison	Interim - Nov 99	Find - May 00	Interim - Nov -00	Comparison		
REV \$227,283,000	\$276,433,000	-5.2%	REV \$7,570,000	\$9,733,000	+21.2%	REV \$658,000	\$1,536,000	\$786,000	+19.5%		
PBT -\$35,369,000	-\$50,046,000	Loss both	PBT \$388,000	\$17,000	-55.9%	PBT \$42,000	\$25,000	\$110,000	+169.0%		
EPS -24.90p	-37.90p	Loss both	EPS 0.37p	0.7p	-48.6%	EPS 0.15p	0.15p	0.25p	+33.3%		
Microgen plc				Rage Software plc				Systems International Group plc			
Find - Dec 99	Find - Dec 00	Comparison	Interim - Dec 99	Find - Jun 00	Interim - Dec 00	Comparison	Interim - Dec 99	Find - Jun 00	Interim - Dec 00	Comparison	
REV \$3,132,400	\$25,344,000	+9.7%	REV \$3,450,000	\$4,218,000	+21.9%	REV \$8,368,000	\$7,952,851	\$12,016,000	+43.6%		
PBT \$2,410,000	\$23,086,000	Profit to loss	PBT -\$947,000	-\$2,641,000	Loss both	PBT \$33,000	\$28,355	\$11,000	+66.7%		
EPS 5.70p	-5.20p	Profit to loss	EPS -0.42p	-0.94p	Loss both	EPS 0.07p	0.35p	0.02p	-71.4%		
Mission Testing Plc				RDL Group Plc				Systems Union plc			
Interim - Dec 99	Find - Jun 00	Comparison	Interim - Mar 00	Find - Sep 00	Interim - Mar 01	Comparison	Find - Dec 99	Find - Dec 00	Comparison		
REV \$2,728,034	\$6,048,205	+82.8%	REV \$8,18,000	\$8,240,000	+61.5%	REV \$3,362,000	\$4,053,000	\$4,053,000	+18.0%		
PBT \$246,761	\$500,000	-20.9%	PBT \$59,000	\$109,000	+110.6%	PBT -\$195,000	-\$105,924	Not comparable	Not comparable		
EPS 16.3p	3.3p	-38.0%	EPS 3.0p	6.70p	+46.0%	EPS -9.80p	-125.30p	Not comparable	Not comparable		
Misys plc				Recognition Systems Group plc				Telecity Plc			
Interim - Nov 99	Find - May 00	Comparison	Interim - Mar 00	Find - Sep 00	Interim - Mar 01	Comparison	Find - Dec 99	Find - Dec 00	Comparison		
REV \$344,500,000	\$708,800,000	+9.9%	REV \$3,021,000	\$8,620,000	+16.7%	REV \$3,362,000	\$4,053,000	\$4,053,000	+18.0%		
PBT \$48,300,000	\$13,600,000	-22.6%	PBT -\$2,258,000	-\$4,749,000	Loss both	PBT -\$3,450,000	-\$1,880,000	Loss both	Loss both		
EPS 6.00p	4.70p	-21.7%	EPS -2.70p	-5.40p	Loss both	EPS -6.80p	-1.80p	Loss both	Loss both		
Mondas plc				Retail Decisions plc				Telework Group plc			
Find - Apr 00	Find - Apr 01	Comparison	PFFind - Dec 99	Find - Dec 00	Comparison	Find - Mar 00	Find - Mar 01	Comparison			
REV \$135,811	\$270,211	+98.9%	REV \$11,937,000	\$17,674,000	+48.1%	REV \$17,363,000	\$21,947,000	+26.4%			
PBT -\$857,573	-\$1,504,042	Loss both	PBT \$2,438,000	-\$2,292,000	Profit to loss	PBT \$27,050,000	\$14,730,000	+54.3%			
EPS -6.80p	-9.50p	Loss both	EPS 1.1p	-1.64p	Profit to loss	EPS 1.04p	1.36p	+31.2%			
Morse Holdings plc				RexOnline plc				TelMe.com plc			
Interim Dec 99	Find - Jun 00	Comparison	Interim - Oct 99	Find - Apr 00	Interim - Oct 00	Comparison	Find - Mar 00	Find - Mar 01	Comparison		
REV \$184,936,000	\$306,316,000	+12.2%	REV \$217,000	\$658,000	+203.2%	REV \$18,740,000	\$18,089,000	+29.4%			
PBT \$3,427,000	\$22,919,000	+32.4%	PBT -\$144,000	-\$326,000	Loss to Profit	PBT -\$2,15,000	-\$2,083,000	Loss both	Loss both		
EPS 4.30p	10.1p	+46.5%	EPS -2.40p	-4.50p	Loss to Profit	EPS -3.00p	-2.80p	Loss both	Loss both		
MSB International plc				Riversoft Plc				Terence Chapman Group plc			
Find - Jan 00	Find - Jan 01	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Interim - Feb 00	Find - Aug 00	Interim - Feb 01	Comparison		
REV \$184,936,000	\$306,316,000	+14.7%	REV \$55,825	\$58,843	+902.1%	REV \$6,069,000	\$30,900,000	\$5,980,000	+63.3%		
PBT \$4,958,000	\$25,840,000	-47.9%	PBT -\$5,259,073	-\$26,614,044	Loss both	PBT \$460,000	\$4,100,000	\$2,247,000	+388.5%		
EPS 17.30p	7.50p	-56.6%	EPS -9.00p	-32.70p	Loss both	EPS 0.5p	4.66p	2.22p	+349.0%		
Myratech.net Plc				Roife & Nolan plc				Torex plc			
Find - Dec 99	Find - Dec 00	Comparison	Find - Feb 00	Find - Feb 01	Comparison	Find - Dec 99	Find - Dec 00	Comparison			
REV \$145,000	\$17,10,000	+17.9%	REV \$22,858,000	\$25,592,000	+12.0%	REV \$46,722,000	\$88,425,000	+89.1%			
PBT -\$41,000	-\$1,599,000	Loss both	PBT \$1,838,000	-\$10,13,000	Profit to loss	PBT \$4,039,000	\$5,133,000	+27.1%			
EPS -0.20p	-6.00p	Loss both	EPS 9.30p	-7.50p	Profit to loss	EPS 1.30p	9.00p	+32.3%			
Ncipher Plc				Royalblue Group plc				Totalise Plc			
Find - Dec 99	Find - Dec 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Find - Apr 00	Interim - Oct 00	Comparison			
REV \$46,640,000	\$1,455,000	+188.5%	REV \$39,693,000	\$57,383,000	+44.6%	REV \$87,027	\$133,332	n/a			
PBT -\$892,000	-\$1,790,000	Loss both	PBT \$6,511,000	\$6,918,000	+6.3%	PBT -\$1,946,395	-\$3,276,023	n/a			
EPS -1.13p	-2.18p	Loss both	EPS 1.3p	1.70p	+4.6%	EPS -5.35p	-10.70p	n/a			
NetBenefit plc				Sage Group plc				Total Systems plc			
Interim - Dec 99	Find - Jun 00	Comparison	Interim - Mar 00	Find - Sep 00	Interim - Mar 01	Comparison	Interim - Sep 99	Find - Mar 00	Interim - Sep 00	Comparison	
REV \$1,689,000	\$7,520,00	+118.9%	REV \$202,528,000	\$412,153,000	+13.4%	REV \$1,807,727	\$1,958,040	\$1,584,209	+34.2%		
PBT -\$473,000	-\$4,591,500	Loss both	PBT \$53,992,000	\$108,748,000	+9.6%	PBT -\$128,126	-\$579,589	\$56,071	Loss to Profit		
EPS -3.80p	-0.32p	Loss both	EPS 2.94p	5.92p	+8.3%	EPS -0.86p	-3.97p	-2.80p	Loss to Profit		
Netstore plc				SBS Group plc				Touchstone Group plc			
Interim - Dec 99	Find - Jun 00	Comparison	Interim - Feb 00	Find - Aug 00	Interim - Feb 01	Comparison	Find - Mar 00	Find - Mar 01	Comparison		
REV \$546,430	\$1,372,632	+10.9%	REV \$22,866,000	\$46,444,000	+10.9%	REV \$1,011,000	\$1,807,000	\$1,807,000	+2.3%		
PBT -\$113,200	-\$4,894,738	Loss both	PBT \$124,000	\$285,000	-388.000	PBT \$1,196,000	\$1,481,000	\$1,481,000	+23.8%		
EPS -2.04p	-7.57p	Loss both	EPS 0.90p	2.10p	-3.20p	EPS 9.50p	9.80p	9.80p	+3.2%		
Nettec plc				Science Systems plc				Trace Computers plc			
Find - Dec 99	Find - Dec 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Interim - Nov 99	Find - May 00	Interim - Nov 00	Comparison		
REV \$479,000	\$7,311,000	+260.8%	REV \$30,966,000	\$49,624,000	+60.3%	REV \$8,693,000	\$17,067,000	\$8,382,000	-3.6%		
PBT -\$23,334,000	-\$8,582,000	Loss both	PBT \$2,633,000	\$2,732,000	+3.8%	PBT \$973,000	\$2,311,000	\$1,085,000	+115.9%		
EPS -3.90p	-8.00p	Loss both	EPS 114.0p	6.50p	-43.0%	EPS 4.82p	116.4p	5.25p	+8.9%		
Norlgate Information Solutions plc				SDL plc				Transdata Plc			
Find - Apr 00	Find - Apr 01	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Interim - Dec 99	Find - Jun 00	Interim - Dec 00	Comparison		
REV \$125,878,000	\$17,714,000	+14.6%	REV \$12,964,000	\$29,730,000	+19.4%	REV \$177,400	\$4,052,000	\$2,413,000	+36.0%		
PBT -\$36,959,000	\$2,200,000	Loss to Profit	PBT -\$550,000	\$1,059,000	Loss to Profit	PBT -\$240,000	-\$3,000	\$46,000	Loss to Profit		
EPS -13.96p	0.55p	Loss to Profit	EPS -1.78p	0.93p	Loss to Profit	EPS -0.54p	0.00p	0.08p	Loss to Profit		
NSB Retail Systems plc				ServicePower Technologies plc				Triad Group plc			
Find - Dec 99	Find - Dec 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Find - Mar 00	Find - Mar 01	Comparison			
REV \$212,820,000	\$40,930,000	+92.3%	REV \$3,760,910	\$3,292,000	-12.5%	REV \$48,366,000	\$52,783,000	+9.1%			
PBT \$154,400,000	-\$7,700,000	Profit to loss	PBT -\$2,541,087	-\$3,928,000	Loss both	PBT \$1,905,000	\$4,511,000	+136.8%			
EPS 0.36p	-4.26p	Profit to loss	EPS -6.37p	-8.10p	Loss both	EPS 5.60p	11.74p	+107.0%			
OneclickHR Plc				Sherwood International plc				Tribal Group Plc			
Find - Dec 99	Find - Dec 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Find - Mar 00	Find - Mar 01	Comparison			
REV \$2,054,884	\$4,068,345	+98.0%	REV \$47,184,000	\$54,277,000	+15.0%	REV \$15,448,000	\$24,088,000	+53.9%			
PBT -\$2,432	-\$2,664,741	Loss both	PBT \$7,345,000	\$6,634,000	-9.7%	PBT \$1,046,000	\$2,841,000	+17.6%			
EPS 0.00p	-0.90p	n/a	EPS 7.80p	1.00p	-34.3%	EPS 0.50p	4.00p	+700.0%			
Orbital Software Plc				Sirius Plc (was Policy Master Group)				Ultima Networks plc			
Find - Mar 00	Find - Mar 01	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison			
REV \$70,404	\$1,090,018	+472.5%	REV \$16,730,281	\$17,135,457	+2.4%	REV \$12,541,000	\$6,952,000	-44.6%			
PBT -\$2,339,462	-\$5,873,568	Loss both	PBT \$1,062,587	\$727,215	-31.6%	PBT -\$783,000	-\$865,000	Loss both			
EPS -2.04p	-0.27p	Loss both	EPS 6.90p	4.40p	-36.2%	EPS -0.44p	-0.45p	Loss both			
Orchestream Holdings plc				Sopheon plc				Ultrasis Group plc			
8 months to Dec 99	Find - Dec 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Interim - Jan 00	Find - Jul 00	Interim - Jan 01	Comparison		
REV \$4,142,900	\$2,746,200	Not comparable	REV \$15,10,000	\$7,763,000	+14.1%	REV \$1,055,000	\$986,000	\$1,033,000	-87.4%		
PBT -\$4,142,900	-\$10,541,300	Not comparable	PBT -\$10,720,000	-\$10,720,000	Loss both	PBT -\$1,813,000	-\$9,846,000	-\$2,432,000	Loss both		
EPS -6.70p	-10.40p	Not comparable	EPS -10.10p	-10.10p	Loss both	EPS -0.90p	-2.40p	-1.00p	Loss both		
Parity plc				Spring Group plc				Vega Group plc			
Find - Dec 99	Find - Dec 00	Comparison	Interim - Oct 99	Find - Apr 00	Interim - Oct 00	Comparison	Interim - Oct 99	Find - Apr 00	Interim - Oct 00	Comparison	
REV \$314,640,000	\$269,228,000	-14.3%	REV \$206,641,000	\$396,106,000	+7.1%	REV \$18,531,000	\$40,201,000	\$18,249,000	-15%		
PBT \$18,56,000	\$2,810,000	-31.0%	PBT \$14,000,000	-\$6,420,000	Profit to loss	PBT \$19,322,000	\$4,843,000	-\$13,220,000	Profit to loss		
EPS 9.42p	6.25p	-33.7%	EPS 0.60p	-5.09p	Profit to loss	EPS 7.02p	17.7p	-5.72p	Profit to loss		
Patsystems plc				Staffware plc				Virtual Internet Plc			
Find - Dec 99	Find - Dec 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Interim - Apr 00	Find - Oct 00	Interim - Apr 01	Comparison		
REV \$608,000	\$2,524,000	+315.1%	REV \$23,152,000	\$37,857,000	+63.5%	REV \$2,539,924	\$6,259,257	\$3,975,209	+56.5%		
PBT -\$1758,000	-\$9,612,000	Loss both	PBT \$841,000	\$3,042,000	+261.7%	PBT -\$4,247,334	-\$7,998,119	-\$4,594,660	Loss both		
EPS -2.80p	-8.30p	Loss both	EPS 4.20p	10.40p	+147.6%	EPS 9.77p	34.8p	18.56p	-5.7%		
Plant Holdings plc				StatPro Group plc				VI Group plc			
Interim - Oct 99	Find - Apr 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison	Find - Dec 99	Find - Dec 00	Comparison			
REV \$6,041,000	\$13,304,000	+51.0%	REV \$3,144,000	\$3,172,000	+0.9%	REV \$4,545,000	\$5,442,000	+24.1%			
PBT \$1273,000	\$2,483,000	-23.0%	PBT -\$183,000	-\$4,879,000	Loss both	PBT \$438,000	\$438,000	\$465,000	+6.2%		
EPS 1.10p	2.30p	-27.3%	EPS -1.40p	-8.40p	Loss both	EPS 1.24p	1.24p	1.05p	+6.3%		
PSD Group plc				Stilo International Plc				Vocalis Group plc			
Find - Dec 99	Find - Dec 00	Comparison	Find - Dec 99 (7 mths)	Find - Dec 00	Comparison	Find - Mar 00	Find - Mar 01	Comparison			
REV \$63,428,000	\$88,549,000	+39.6%	REV \$99,000	\$86,000	-13.1%	REV \$2,694,000	\$2,701,000	+0.3%			
PBT \$16,525,000	\$21,385,000	+29.4%	PBT -\$282,000	-\$736,000	Loss both	PBT -\$4,507,000	-\$7,144,000	Loss both	Loss both		
EPS 46.40p	57.0p	+22.8%	EPS -56.40p	-45.4p	Loss both	EPS -115.7p	-15.82p	Loss both	Loss both		
QA plc (was Skillgroup)				Superscape plc				Wealth Management Software plc			
Find - Nov 99	Find - Nov 00	Comparison	Interim - Jan 01	Find - Jul 00	Interim - Jan 01	Comparison	Find - Dec 99	Find - Dec 00	Comparison		
REV \$98,700,000	\$180,700,000	+29.2%	REV \$708,000	\$2,153,000	+14.6%	REV \$12,818,000	\$16,533,000	+21.2%			
PBT \$114,000,000	-\$17,400,000	Profit to loss	PBT -\$2,897,000	-\$6,817,000	Loss both	PBT -\$15,000	-\$251,000	Loss both	Loss both		
EPS 17.0p	-18.40p	Profit to loss	EPS -6.30p	-26.80p							

Holway/SYSTEMHOUSE SCS Share Prices and Capitalisation

	SCS Cat	Share Price 29-Jun-01	Capitalisation 29-Jun-01	Historic P/E	PSR Ratio Cap/Rev.	SCSI Index 29-Jun-01	Share price move since 31-May-01	Share price % move in 2001	Capitalisation move since 31-May-01	Capitalisation move (£m) in 2001
Actinic	SP	£0.09	£11.1m	Loss	5.52	111	0.00%	-76.62%	£0.01m	£36.30m
AFA Systems	SP	£1.93	£44.5m	Loss	10.37	1604	-13.09%	38.49%	£6.70m	£12.40m
Affinity Internet Holdings	CS	£2.48	£63.0m	Loss	5.57	19038	-25.00%	-48.97%	£19.01m	£55.50m
AIT Group	CS	£7.16	£145.2m	44.1	4.29	4770	-12.74%	-39.62%	£21.31m	£95.40m
Alphameric	SP	£0.82	£83.1m	14.6	1.53	374	-28.19%	-70.31%	£32.72m	£196.90m
Alterian	SP	£1.63	£63.7m	Loss	30.65	813	5.86%	-31.58%	£3.56m	£29.40m
Anite Group	CS	£1.29	£357.1m	27.7	2.25	751	-12.88%	-23.74%	£52.84m	£92.00m
Argonaut Games	SP	£0.46	£42.2m	Loss	29.08	479	-9.80%	-30.30%	£483.84m	£638.50m
Autonomy	SP	£4.15	£522.5m	49.4	10.63	127	-7.78%	-78.48%	£44.06m	£1,905.43m
Axon	SP	£3.25	£166.8m	29.3	3.90	1857	-34.34%	-57.10%	£87.27m	£211.20m
Azlan Group	R	£1.18	£128.2m	14.7	0.22	511	-23.45%	-34.90%	£39.29m	£65.70m
Baltimore Technologies	SP	£0.27	£137.1m	Loss	1.85	2744	-58.69%	-92.25%	£194.84m	£1,611.90m
Baron	SP	£0.24	£1.1m	Loss	0.32	235	-2.08%	-77.07%	£0.02m	£3.55m
Bond International	SP	£0.84	£12.0m	16.3	1.28	1292	9.80%	43.59%	£1.10m	£3.63m
Bright Station	CS	£0.06	£10.4m	Loss	0.18	55	-22.58%	-74.47%	£2.97m	£30.30m
Business Systems	CS	£0.47	£38.1m	Loss	1.01	395	-4.08%	-41.25%	£1.60m	£26.70m
Cadcentre Group	SP	£5.04	£85.3m	20.4	3.04	2520	-7.27%	-8.45%	£6.70m	£6.60m
Capita Group	CS	£4.63	£3,010.0m	123.5	7.51	125023	-6.00%	-7.50%	£192.02m	£245.00m
Cedar Group	SP	£2.29	£175.5m	Loss	2.40	2176	-2.14%	-26.29%	£3.82m	£62.60m
Charteris	CS	£0.95	£34.7m	3.7	5.17	1056	-31.90%	-24.90%	£13.81m	£9.30m
Clarity Commerce	SP	£1.28	£12.0m	Loss	8.29	1020	-4.14%	-6.25%	£0.50m	£0.80m
Clinical Computing	SP	£0.34	£8.4m	Loss	3.72	270	6.35%	26.42%	£0.50m	£1.76m
CMG	CS	£3.11	£1,906.0m	21.5	2.35	8579	-27.67%	-65.25%	£730.21m	£3,581.00m
Comino	CS	£3.90	£53.8m	20.8	2.51	3000	-12.36%	-23.90%	£7.60m	£15.90m
Compass Software	SP	£1.67	£18.7m	59.9	7.85	1113	-0.89%	-9.73%	£0.10m	£1.10m
Compel Group	R	£0.93	£14.3m	10.9	0.05	740	6.94%	13.50%	£12.63m	£11.00m
Computacenter	R	£3.14	£574.0m	14.1	0.29	469	-23.41%	-6.27%	£175.48m	£38.40m
DCS Group	CS	£0.51	£12.6m	Loss	0.09	842	-29.37%	-46.84%	£5.35m	£10.40m
Delcam	SP	£1.80	£10.9m	8.9	0.64	692	-14.29%	-14.29%	£1.80m	£1.60m
Diagonal	CS	£2.04	£177.2m	31.1	2.14	2959	-26.93%	3.04%	£65.39m	£11.10m
Dicom Group	CS	£3.85	£80.1m	10.6	0.81	1180	-16.85%	-15.94%	£16.40m	£15.30m
DRS Data & Research	SP	£0.14	£4.8m	12.2	0.59	127	-20.00%	9.80%	£1.21m	£0.43m
Earthport	SP	£0.31	£32.2m	Loss	21.89	223	-30.68%	-77.74%	£13.35m	£109.78m
Easynet	CS	£4.48	£123.1m	Loss	2.95	123	-10.50%	0.56%	£14.29m	£2.00m
Easyscreen	SP	£0.21	£9.3m	Loss	8.79	124	-8.70%	-64.71%	£0.89m	£17.02m
ECSoft	CS	£7.83	£91.6m	Loss	1.41	433	7.93%	28.28%	£6.75m	£20.20m
Eidos	SP	£2.47	£338.6m	Loss	1.99	12345	-11.79%	14.88%	£50.78m	£117.60m
Electronic Data Proc	SP	£0.49	£12.7m	Loss	1.52	1485	-7.62%	-29.71%	£1.05m	£5.40m
Epic	CS	£2.29	£58.0m	49.0	13.19	2181	-26.13%	-33.91%	£18.64m	£26.50m
Eurolink	CS	£0.51	£5.3m	23.3	0.69	505	-3.81%	-28.87%	£0.21m	£2.13m
Flashtill	SP	£0.17	£7.5m	Loss	17.12	138	-8.33%	-81.14%	£0.68m	£32.58m
Financial Objects	SP	£1.08	£42.2m	Loss	2.30	467	-16.99%	5.91%	£8.56m	£3.60m
Flometrics Group	SP	£1.30	£18.9m	19.7	1.61	5000	1.17%	-3.70%	£0.28m	£0.70m
Focus Solutions	SP	£0.83	£20.8m	Loss	9.15	426	5.73%	-59.11%	£1.10m	£30.20m
Gresham Computing	CS	£0.22	£9.9m	Loss	0.42	231	-13.13%	-13.13%	£1.52m	£1.45m
Guardian IT	CS	£6.20	£432.8m	44.9	5.01	2431	-22.50%	-35.08%	£125.63m	£233.80m
Harvey Nash Group	A	£2.09	£61.8m	6.4	0.27	1194	-23.02%	-75.91%	£18.47m	£191.50m
Highams Systems Servs	A	£0.16	£3.0m	Loss	0.15	431	19.23%	-31.11%	£0.50m	£1.37m
I S Solutions	CS	£0.37	£9.1m	14.3	0.81	1360	-57.06%	-80.79%	£12.08m	£38.38m
IBNet	SP	£0.30	£16.2m	Loss	150.00	536	-18.06%	-59.86%	£23.30m	£23.88m
ICM Computer	CS	£2.30	£45.5m	15.4	1.44	1278	-17.12%	5.75%	£9.44m	£3.30m
I-Document Systems	SP	£0.18	£22.8m	Loss	28.68	23	26.79%	26.88%	£5.50m	£5.50m
IDS Group	SP	£0.97	£54.8m	Loss	4.38	1078	-6.28%	-43.27%	£3.70m	£41.80m
Innovation Goup	SP	£5.30	£870.9m	220.8	91.06	2314	-30.72%	-33.75%	£114.99m	£160.10m
Intelligent Environments	SP	£0.20	£11.6m	Loss	1.32	207	-23.53%	-53.01%	£0.83m	£6.00m
Intercede Group	SP	£0.63	£10.2m	Loss	5.06	1042	-26.47%	4.17%	£3.61m	£0.40m
Internet Business Group	CS	£0.05	£2.5m	Loss	1.37	119	-5.00%	-68.33%	£0.16m	£5.23m
IQ-Ludorum	SP	£0.18	£14.0m	Loss	6.52	233	9.37%	-63.54%	£1.60m	£24.00m
iSOFT Group	SP	£2.50	£294.2m	81.7	9.45	2273	2.46%	21.95%	£20.71m	£64.40m
ITNET	CS	£2.21	£157.9m	Loss	1.15	630	13.95%	67.68%	£21.84m	£65.50m
Izodia (was Infobank)	SP	£0.41	£23.7m	Loss	8.79	6429	-38.64%	-85.27%	£14.83m	£136.90m
Jasmin	SP	£1.66	£7.8m	Loss	1.95	1103	-0.60%	29.80%	£0.04m	£1.79m
Kalamazoo Computer	CS	£0.14	£5.9m	Loss	0.09	393	-17.91%	-16.67%	£1.28m	£1.18m
Kewill Systems	SP	£1.03	£78.5m	21.8	1.14	2036	-21.82%	-67.81%	£21.91m	£165.30m
Keystone	SP	£0.25	£28.6m	Loss	5.96	278	5.26%	-28.06%	£1.40m	£13.90m
Knowledge Management	SP	£0.16	£18.7m	Loss	8.95	125	-39.81%	-79.88%	£12.38m	£66.00m
Knowledge Support	SP	£0.65	£47.6m	Loss	21.70	293	-18.87%	-82.52%	£11.06m	£224.70m
Knowledge Technology	SP	£0.03	£2.0m	Loss	10.84	600	-25.00%	-40.00%	£0.49m	£1.85m
Logica	CS	£8.63	£3,814.0m	42.0	4.50	11819	-2.49%	-50.69%	£97.45m	£3,921.00m
London Bridge Software	SP	£1.50	£254.6m	34.3	4.49	3750	-26.83%	-54.55%	£93.31m	£305.40m
Lorien	A	£0.74	£14.5m	Loss	0.13	740	-3.27%	-3.27%	£0.50m	£0.50m
Lynx Holdings	SP	£0.87	£147.6m	19.6	0.59	2163	17.69%	-2.26%	£22.18m	£9.40m
Macro 4	SP	£5.15	£107.1m	22.4	4.88	2077	0.49%	-42.78%	£0.52m	£80.10m
Manpower SoftWare	SP	£0.33	£7.9m	Loss	4.91	340	-20.48%	24.53%	£2.03m	£4.28m
MERANT	SP	£0.87	£117.4m	Loss	0.54	420	34.88%	-8.42%	£30.39m	£24.40m

Holway/SYSTEMHOUSE SCS Share Prices and Capitalisation

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Microgen Holdings	CS	£1.55	£78.9m	Loss	3.11	662	-21.52%	-49.59%	-£21.66m	-£77.60m
Mission Testing	CS	£2.54	£40.1m	47.3	8.04	929	-3.61%	-7.14%	-£1.40m	-£2.98m
Misys	SP	£4.97	£2,862.0m	33.6	4.04	6183	-11.72%	-24.70%	-£380.21m	-£939.00m
MMT Computing	CS	£2.20	£26.6m	8.7	0.70	1310	1.85%	-58.29%	£0.51m	-£37.20m
Mondas	SP	£0.29	£5.7m	Loss	2.11	380	3.64%	-28.75%	£0.20m	-£2.30m
Morse	R	£2.14	£273.4m	9.9	0.54	854	-30.57%	-43.44%	-£114.98m	-£203.40m
MSB International	A	£0.92	£18.7m	34.7	0.12	482	-12.02%	-20.43%	-£2.50m	-£4.80m
Myratechnet	CS	£0.09	£2.3m	Loss	1.37	65	-5.56%	-66.00%	-£0.14m	-£4.40m
Nciphier	SP	£0.97	£122.8m	Loss	9.13	388	-4.90%	-64.47%	-£8.58m	-£222.20m
NeBenefit	CS	£0.26	£4.1m	Loss	0.54	128	-13.56%	-80.00%	-£0.64m	-£16.32m
Netstore	CS	£0.21	£18.6m	Loss	16.15	140	-35.38%	-74.23%	-£10.12m	-£53.40m
Nettac	CS	£0.14	£17.1m	Loss	0.99	58	-15.15%	-52.54%	-£3.04m	-£14.60m
Northgate Information Solutions	CS	£0.42	£119.4m	31.9	1.11	163	-29.29%	-38.55%	-£49.52m	-£73.00m
NSB Retail Systems	CS	£0.22	£68.9m	Loss	1.68	1891	-67.54%	-87.01%	-£143.27m	-£324.60m
OneclickHR	SP	£0.56	£27.8m	Loss	6.83	1388	-4.31%	85.00%	-£0.66m	£4.50m
Orbital Software	SP	£0.27	£11.9m	Loss	10.92	183	-44.21%	-73.76%	-£9.38m	-£33.40m
Orchestream	SP	£0.82	£106.5m	Loss	38.78	441	-44.93%	-70.36%	-£86.98m	-£229.30m
Parity	A	£0.58	£88.2m	9.1	0.33	9583	-30.30%	-50.85%	-£38.36m	-£91.30m
Patsystems	SP	£0.50	£63.5m	Loss	25.16	467	-31.97%	-51.46%	-£29.87m	-£67.40m
Plantit	SP	£0.63	£51.1m	22.6	3.84	2604	-6.02%	-39.90%	-£3.30m	-£34.00m
PSD	A	£5.68	£142.4m	9.8	1.61	2580	-4.62%	-40.58%	-£6.92m	-£97.30m
QA (was Skillsgroup)	CS	£0.92	£80.8m	Loss	0.57	410	-27.09%	-33.45%	-£30.02m	-£40.60m
QSP	SP	£0.23	£20.2m	Loss	0.49	296	-12.62%	-25.62%	-£2.98m	-£7.00m
Quantica	A	£0.69	£27.1m	9.6	1.14	556	2.22%	25.45%	£0.58m	£5.50m
Rail International	SP	£0.39	£25.6m	205.3	2.79	619	-4.88%	-38.10%	-£1.27m	-£16.40m
Rage Software	SP	£0.07	£21.5m	Loss	5.10	250	-3.70%	-39.53%	-£0.91m	-£12.80m
RDL	A	£1.06	£16.2m	9.6	1.00	1178	-3.20%	-39.43%	-£0.60m	-£10.60m
Recognition Systems	SP	£0.14	£12.7m	Loss	1.47	200	-44.00%	-94.97%	-£9.99m	-£240.50m
Retail Decisions	SP	£0.35	£49.9m	Loss	2.82	473	-28.57%	-71.66%	-£18.80m	-£119.30m
RexOnline	A	£0.66	£8.6m	Loss	11.73	780	6.50%	-32.12%	£4.56m	£2.25m
Riversoft	SP	£0.41	£98.0m	Loss	18.96	431	-39.55%	-56.91%	-£64.06m	-£126.00m
RM Group	SP	£5.43	£509.1m	58.9	2.45	15500	-2.69%	-4.82%	-£14.01m	-£23.30m
Rolls & Nolan	SP	£1.33	£18.7m	Loss	0.73	1577	-18.46%	-66.11%	-£4.20m	-£36.40m
Royce Blue Group	SP	£8.10	£243.9m	52.0	4.25	4765	-20.39%	-22.86%	-£62.42m	-£72.20m
Sage Group	SP	£2.54	£3,218.0m	41.5	7.81	97692	-10.88%	-17.20%	-£392.62m	-£668.00m
SBS Group	A	£0.44	£4.0m	33.9	0.09	440	-3.30%	-56.00%	-£0.14m	-£5.10m
Science Systems	CS	£5.30	£133.6m	40.4	2.69	4109	-14.52%	7.07%	-£22.62m	£8.90m
SDL	CS	£1.18	£49.5m	24.3	1.66	783	-30.47%	-68.37%	-£20.55m	-£97.60m
ServicePower	SP	£0.39	£19.7m	Loss	5.98	385	-6.10%	-44.60%	-£1.30m	-£15.80m
Sherwood International	CS	£2.80	£125.2m	16.2	2.31	9328	-15.41%	-11.67%	-£22.82m	-£10.00m
Sirius (was Policymaster)	SP	£2.08	£33.2m	47.3	1.94	1383	-5.25%	-37.12%	-£1.80m	-£18.60m
Sopheon	SP	£0.59	£23.4m	Loss	3.01	849	-23.87%	-63.13%	-£7.41m	-£40.10m
Spring Group	A	£0.69	£102.9m	Loss	0.26	761	7.03%	-22.60%	£6.80m	-£30.00m
Staffware	SP	£8.93	£126.9m	50.0	3.35	3967	-34.50%	-36.25%	-£66.85m	-£70.10m
StatPro	SP	£0.84	£27.1m	Loss	8.54	1050	29.23%	20.86%	£8.05m	£6.70m
Stilo International	SP	£0.39	£17.1m	Loss	198.84	770	-3.75%	-37.90%	-£0.70m	-£10.49m
Superscape VR	SP	£0.50	£18.0m	Loss	8.36	250	-20.80%	-80.12%	-£4.76m	-£72.60m
SurfControl (was JSB)	SP	£3.65	£110.0m	Loss	12.63	1825	-33.03%	-68.60%	-£54.33m	-£235.90m
Synigence	CS	£0.24	£10.2m	Loss	5.14	462	-26.15%	-53.85%	-£3.68m	-£11.90m
Synstar	CS	£0.44	£70.7m	73.3	0.30	264	12.99%	-8.42%	£8.11m	-£6.50m
Systems Integrated	SP	£0.46	£6.2m	24.8	4.01	400	-2.13%	48.39%	-£0.14m	£2.01m
Systems Union (was Freecom)	CS	£0.61	£62.9m	Loss	105.01	469	-20.78%	-12.86%	-£16.50m	-£9.30m
Telecity	CS	£0.60	£42.5m	Loss	3.02	77	-40.00%	-88.99%	-£28.26m	-£343.36m
Telework	SP	£1.26	£227.4m	92.6	10.36	0	-20.50%	-33.51%	-£58.65m	-£114.60m
Telme.com	CS	£0.20	£15.5m	Loss	0.86	126	-7.14%	-38.10%	-£1.20m	-£9.60m
Terence Chapman	CS	£0.67	£46.2m	9.7	1.51	493	-25.70%	-58.44%	-£15.98m	-£62.40m
Torex Group	CS	£6.45	£279.7m	40.9	3.16	12524	-14.00%	10.26%	-£45.55m	£30.50m
Totalise	CS	£0.06	£3.5m	Loss	2.59	286	-14.29%	-57.14%	-£0.29m	-£4.03m
Total Systems	CS	£0.76	£7.9m	Loss	4.03	1434	-1.94%	-14.61%	-£0.16m	-£1.36m
Touchstone	SP	£1.49	£14.6m	15.2	1.24	1419	-12.35%	26.81%	-£2.10m	£3.10m
Trace Computers	CS	£0.76	£11.6m	6.3	0.68	608	-7.88%	-6.17%	-£0.51m	-£0.30m
Transeda	SP	£0.32	£21.9m	50.5	9.08	640	-27.27%	-35.68%	-£7.49m	-£11.50m
Triad Group	CS	£2.53	£62.4m	2.7	1.18	1870	3.06%	17.44%	-£0.11m	£7.60m
Tribal Group	CS	£2.79	£95.2m	11.3	3.95	1691	-2.45%	17.72%	-£2.40m	£14.32m
Ultima	R	£0.02	£4.3m	Loss	0.62	55	-10.00%	-52.63%	-£0.48m	-£4.81m
Ultrasis	CS	£0.08	£17.8m	Loss	18.05	158	-24.39%	-31.11%	-£5.73m	-£8.00m
Vega Group	CS	£2.28	£41.9m	24.0	1.04	1865	-17.27%	-41.29%	-£8.74m	-£29.40m
Virtual Internet	SP	£0.37	£9.2m	1.1	1.41	521	-50.00%	-70.33%	-£0.07m	-£20.67m
VI group	SP	£0.27	£5.4m	20.8	0.96	530	0.00%	-20.90%	£0.00m	-£1.42m
Vocalis	SP	£0.11	£4.9m	Loss	1.80	111	-63.16%	-92.42%	-£8.34m	-£59.15m
Wealth Management	CS	£0.32	£13.2m	Loss	0.85	242	-41.12%	-71.36%	-£9.30m	-£33.00m
Xansa (was F.I. Group)	CS	£2.98	£970.6m	Loss	2.48	7628	-21.40%	10.59%	-£263.81m	£112.80m
XKO	CS	£0.50	£13.4m	Loss	0.35	333	-27.01%	-82.30%	-£5.03m	-£62.50m
Xpertise	CS	£0.10	£3.0m	Loss	0.51	380	-17.39%	-47.22%	-£0.63m	-£2.66m

TECHMARK100 - ALL TIME HIGH TO ALL TIME LOW IN JUST 13 MONTHS

The tech stocks took a severe battering this month; sending the techMARK100 to its lowest point ever at 1735.6 on 26th Jun. The index had fallen from a record high of 5743.3 in Mar. 00 - just 13 months ago. However, the 11.3% fall in the techMARK 100 in June was beaten by the 14.1% drop in our Holway SCS Index which fell to 5616.68.

The worst hit were the IT services companies, including NSB Retail Systems with a massive slump of over 68%. Following closely behind were the resellers with an average share price fall of 16% and the software products companies with a fall of 14% - Vocalis was the worst hit software company with a fall of 63% following its results announcement.

Merant, on the other hand, weathered the storm and watched its share price increase by 35% to 87p.



29-Jun-01	SCSI Index	5616.68
	FTSE IT (SCS) Index	1157.61
	techMARK 100	1735.60
	FTSE 100	5642.50
	FTSE AIM	1137.00
	FTSE SmallCap	2928.11

Changes in Indices	SCSI Index	FTSE 100	techMARK 100	FTSE IT	FTSE AIM	FTSE SmallCap
Month (01/06/01 to 29/06/01)	-14.13%	-2.65%	-11.31%	-16.31%	-9.94%	-5.76%
From 15th Apr 99	+461.67%	+174.76%				
From 1st Jan 90	+510.44%	+138.89%				
From 1st Jan 91	+693.46%	+161.18%				
From 1st Jan 92	+437.55%	+126.32%				
From 1st Jan 93	+252.45%	+98.23%				+111.06%
From 1st Jan 94	+236.41%	+65.06%				+56.69%
From 1st Jan 95	+274.65%	+84.06%				+67.66%
From 1st Jan 96	+148.69%	+52.94%	+126.57%		+19.25%	+50.81%
From 1st Jan 97	+109.78%	+37.00%	+95.50%		+16.48%	+34.13%
From 1st Jan 98	+85.06%	+9.87%	+87.44%	+15.76%	+14.62%	+26.58%
From 1st Jan 99	+42.50%	-4.06%	+22.62%	-19.94%	+11.84%	+11.39%
From 1st Jan 00	-51.04%	-18.58%	-52.69%	-68.86%	-41.17%	-5.48%
From 1st Jan 01	-32.92%	-9.32%	-30.30%	-40.61%	-20.92%	-8.02%

End Jun 01	Move since 1st Jan 98	Move since 1st Jan 99	Move since 1st Jan 00	Move since 1st Jan 01	Move in Jun 01
System Houses	77.0%	14.5%	-55.4%	-40.0%	-17.4%
IT Staff Agencies	-57.3%	-48.9%	-55.5%	-29.1%	-4.1%
Resellers	20.0%	27.7%	-38.5%	-18.6%	-16.1%
Software Products	144.1%	108.6%	-49.6%	-63.6%	-14.3%
Holway Internet Index		234.2%	-59.3%	-40.2%	-15.0%
Holway SCS Index	85.0%	42.5%	-51.0%	-36.6%	-14.1%

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