

System House

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

Volume 12

Number 6

Available by subscription only

ISSN 0967-2583

April 2001

The rise and fall of the telcos

In the 12 years of *System House*, we have sent off quite a few Scud missiles. Statistically, we have probably landed on target more times than the real thing. Sometimes, however, we think of a theme which seems pretty obvious and then get astounded by the reaction. A few weeks ago we introduced the analogy between 3G and the Channel Tunnel. We are now a part of Ovum, who many readers will know is the lead provider of telco-related research. Their research is pretty clear and unambiguous. 3G will be a major success...eventually. But don't expect anything but negligible additional revenues in the next

five years though. If you want an idea of their in-depth research, look at www.Ovum.com/mobile. But what will people pay for it? Currently Ovum estimates that 3G users will have to pay on average \$200 more p.a. than the \$400 paid by the average 2G user just to provide the required return for the cost of the licences and infrastructure build. Given that every technological development has always meant that the per user spend has declined...very rapidly (look at the PC model, for example) that really doesn't seem viable. So

boost the number of users? All the stats say that the "new" users of 2G spend less-and-less. Teenagers, old age pensioners using mobiles as emergency devices etc, we could go on-and-on with our list of non-PC customer types!

So if you subscribe to the view that 3G will eventually be a major success but that average spend will be much, much less even than at present, how do you "square the circle"? We just put forward the view that - in one way or another - the licence costs and infrastructure build costs would have to "disappear" from the economics. Given that the licence costs are c\$120b and the infrastructure build costs are of the same order - you

have to take \$200b+ out of the equation. Our thoughts then turned to the Channel Tunnel. We take the technology, the investment for granted. It's just there as a vital "taken-for-granted" part of our infrastructure. "Couldn't think of doing business in Paris without it". But this has only been achieved at the expense of a hord of private investors who piled into the IPO and then a load of Govt. money and banks converting debt into equity (and losing most of it along the way too). Sounds all too similar to the current situation for the telcos piled high with debt (most, but not all, 3G related). The Orange IPO was meant to be a bell-wether for similar debt reduction exercises. As a bell-wether it led in completely the opposite direction. 3G licence holders are seeing their debt ratings

reduce, with resulting increases in interest repayments. Debt ratings are a measure of the increasing risk of default on such debt. Some 3G licence holders (e.g. France Telecom) are >50% Govt. owned anyway so the bottom line is a state bail out. If push came to shove, that might be the case with other previously state owned monopolies.

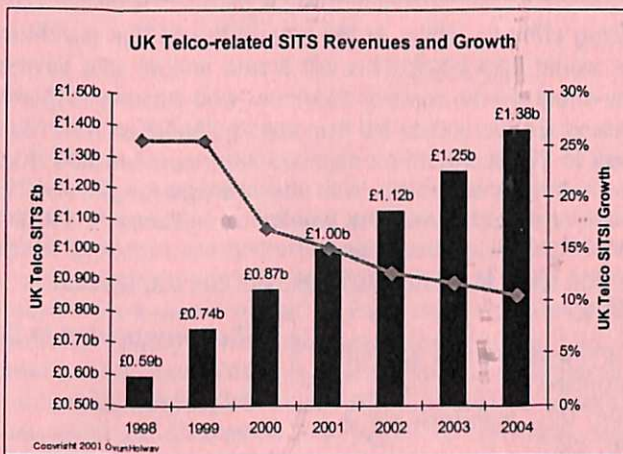
In the UK, the media has spent the month headlining BT and its seeming inability to give any lead on how it will reduce its £30b debt mountain. Indeed, as we write, BT's market value has slumped to £34.2b - pretty much equal to its debt! The fate of its Chairman (Ian Vallance) and CEO (Peter Bonfield) hang in the balance.

Then you might ask "Why does what happens to the telcos matter to the UK SITS sector?"

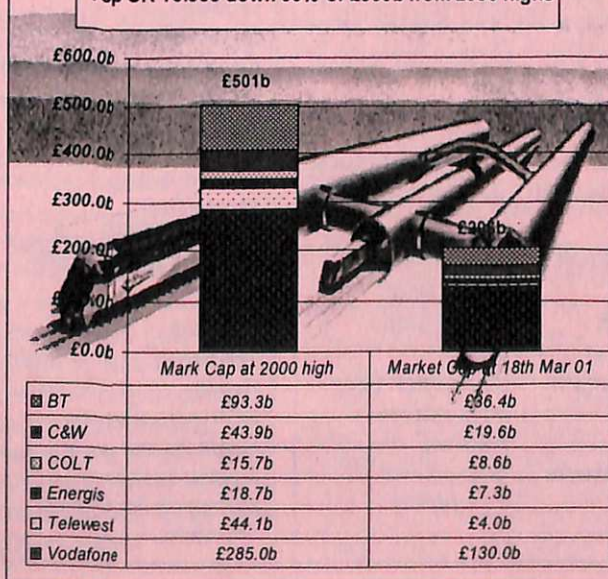
Well, firstly it matters hugely to the worldwide economy. What has happened in the telco sector has been THE driver for growth in recent years. The suppliers to the sector - e.g. Cisco - have become icons of the "new" economy. As a bell-wether (see *System House* last month) their current malaise is a pretty depressing pointer.

Nearer to home, our own leading SITS companies have ridden the telco wave. When Martyn Read took over the helm at Logica in mid-1993 Logica made <10% of its revenues from telco-related activities and its share price was 74p. By 2000, Logica was making >50% of its rev from telco-related activities and, at its high, its share price hit 2440p. Logica's slump this month to a low of just 990p has a lot to do with perception over the near term prospects for its telco business. We could repeat similar messages for CMG, Sema and many others. Telco business was a significant growth driver for the SITS sector in the last few years. The problems hitting the sector and the resulting

cutbacks in spend (hardware, software, services) affects the economy as a whole and the technology sector in particular. Near term, and for the most indebted telco companies, the future looks far from "bright". On the other hand, if you subscribe to our view that 3G will eventually be a major success, post the inevitable restructuring there are going to be some rich prizes to be won. In Channel Tunnel terms, the initial investors who, literally sunk their money into a hole in the ground, were not the winners. But there are many around today who operate, maintain, service and support Eurostar and Le Shuttle-related operations who are making a very good living, thank you.



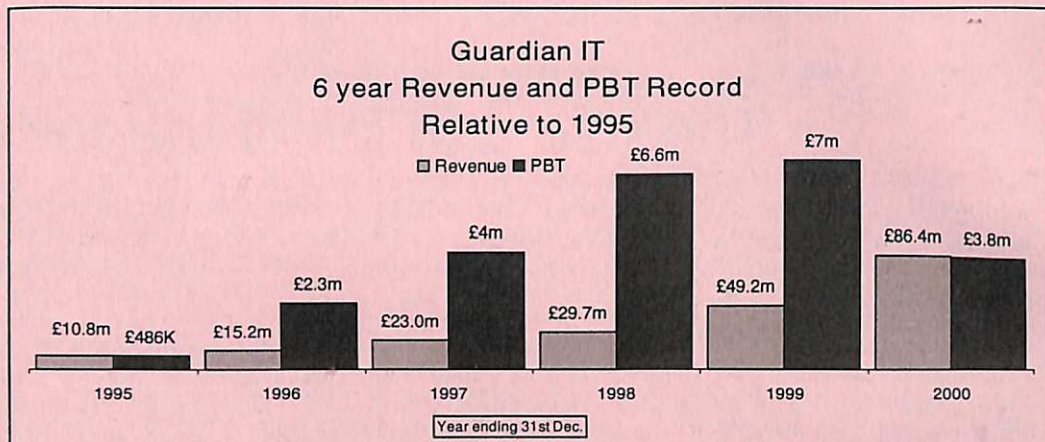
Top UK Telcos down 60% or £300b from 2000 highs



Record order book at Guardian iT

Guardian iT, the business continuity and disaster recovery company, has announced results for the year to 31st Dec. 00 showing turnover up 75% to £86.4m (continuing ops grew 37%), PBT down 45% to £3.8m (but pre goodwill amortisation and exceptional costs, PBT rose 59% to £13.2m) and last year's EPS of 8p now a Loss Per Share of 0.2p. Commenting on the outlook, Richard Raworth, non-executive Chairman of Guardian iT said: "With a record contracted order book of over £178 million and a continuing high level of investment in the business, we look forward to making further strong progress in 2001".

Comment: FY00 was a year of significant change for Guardian, with three acquisitions under its belt – the largest Safetynet in June, Catalyst Solutions in May, and Kingswell in October – contributing almost £19m to turnover, on top of a very creditable 37% growth in continuing ops. The acquisitions have all been integrated in the business, and strengthen Guardian's presence in the



UK and France, as well as providing entry to Japan. At the time of the £170m purchase of Safetynet, it was recognised that "considerable rationalisation" would take place. This will create annual cost savings of £2.5m from 2001 onwards. Guardian has also expanded its offering into security services, web hosting (iXguardian) and storage management (SANGuardian), all high growth areas. Early success for the recently launched web hosting service is encouraging, as is the doubling in overseas revenues to £27m. Guardian says we can expect to see it undertake acquisitions in the web hosting market in 2001, as the market consolidates. With the average length of UK contracts now at more than 36 months and the forward order book at record levels, the pipeline of business looks strong.

Despite this, the market has knocked 27% off the shares, ending the month at 600p. Directors placing 1.1m shares originating from call options from the MBO in 1995 didn't help the share price.

Myratech cutting the cloth to suit

AIM-listed **Myratech.net**, a web and e-commerce solutions provider and Sage VAR, announced results for the year to 31st Dec. 00. Turnover was up 18% to £1.7m, LBT deepened from £41K to £1.6m and Loss Per Share, previously 0.2p, is now 6p. Commenting on the results, Chairman Nick Hamilton, said: "Having cut our cloth to suit the new market conditions, we are well placed to benefit strongly as e-commerce and web solutions markets develop. In the meantime, we draw strength from our traditional accounting software VAR activities".

Comment: We are not surprised to read in Myratech.net's results announcement that the commercial uptake of its e-commerce offering, has been "slower than originally expected". Costs have been cut and budgets "adjusted" to take this into account. Just as well the company has its traditional VAR activities to fall back on. The shares have fallen 22% this month to end on 11p - particularly grim if you paid the IPO price (in Apr. 00) of 130p!

Other results this month

In addition to the articles in this month's System House, other results, for which information can be found on Hotnews and/or pages 5-6 are:

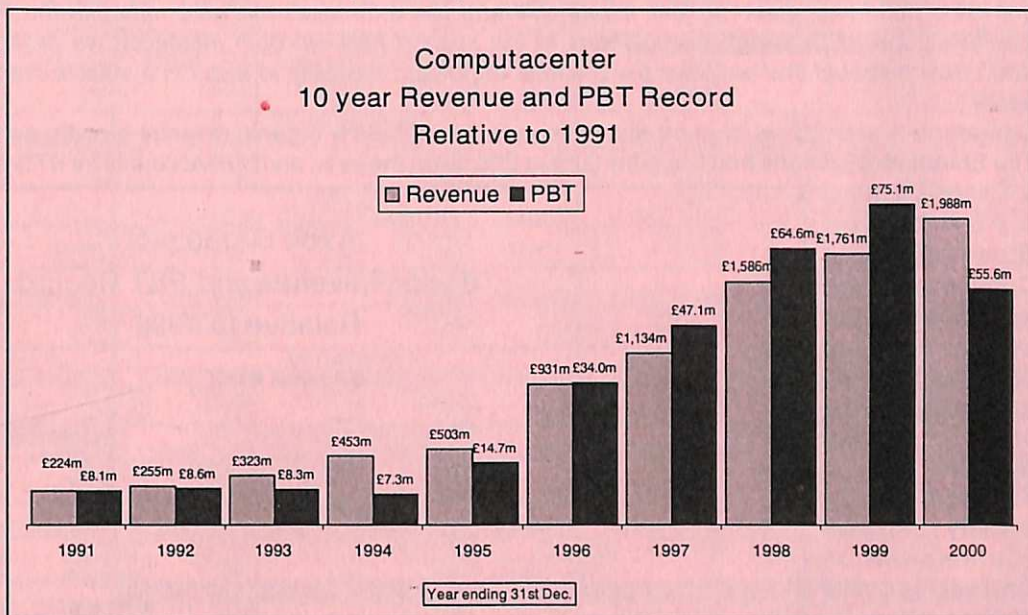
Affinity Internet	Argonaut Games	Clipserver
Compel	Cube8	DCS Group
Durlacher	Exchange FS	Host Europe
IBNet	ICM Computer	InterX
IQ-Ludorum	Knowledge Mgmt	Manpower S/W
Morse	NetBenefit	Patsystems
Quantica	Rage S/W	Redbus
Retail Decisions	Science Systems	Scoot.com
ServicePower	Sopheon	Synigence
Totalise	Wealth Mgmt	

A-Z of companies in this issue

Accenture.....	6
AFA Systems.....	4
Amey.....	13
Axon.....	4
CGEY.....	3
Charteris.....	12
Compass Software.....	6
Computacenter.....	3
Delcam.....	14
DRS Data.....	3
FI Group.....	10
Financial Objects.....	15
GuardianIT.....	2
Hays.....	11
iE.....	14
Infobank.....	7
Knowledge Management Software.....	11
Knowledge Support Systems.....	15
NanoUniverse.....	13
Nettec.....	11
NSB Retail Systems.....	7
Mission Testing.....	7
Myratech.net.....	2
Parity.....	13
Policy Master.....	12
PSD.....	14
Riversoft.....	15
Sherwood.....	12
Results.....	5/6
SCS Index analysis.....	8
Share Prices.....	9
Trading Updates.....	8
Mergers & Acquisitions.....	10
IPO table.....	11

No time for distractions at Computacenter

It was a 'year of two halves' for the UK's leading reseller **Computacenter**, with a painful H1 but distinct signs of recovery in H2. Revenues for the year to 31st Dec. 00: rose 12.9% to £1.99 billion, but PBT was down 16% to £55.6m, bringing total margin down from 4.3% to 3.1%. EPS fell from 28.1p to 20.8p. It was the UK that 'did the business' – revenue increased 16% to £1.69 billion, though profits dropped 14% to £63.7m – a rather lean 3.8% margin. France/Benelux region just about held its own at £227m revenue and £1.2m profit, but Germany just gets worse, losing £3.5m on £75m revenue. Computacenter's services business also had its ups and downs, suffering from low utilisation in H1 as project worked was scant, picking up again in H2 to "at or near full capacity". Indeed, managed services alone brought in around £150m revenue, about 25% up on last year.



Computacenter also restructured the UK business into new operating divisions under the direction of Chris Webb (appointed to the new role of COO). Some muted optimism about their outlook – Chairman Philip Hulme reported that "Trading in the first few weeks of the current year has been in line with our expectations", although he suggests "it would be prudent to remain cautious". (Ed's note: "cautious" seems to be the substitute this year for the dreaded 'confidence' word (mis)used so much last year!) Indeed, this will be Hulme's last statement as Chairman, as Computacenter also announced that Ron Sandler is to succeed him as Chairman at the AGM in May. Sandler was CEO at Lloyds of London and prior to that, COO at NatWest before it was acquired by BoS. He joined Computacenter as NED in May 00.

Comment: The UK reseller market is becoming increasingly 'interesting'. There's Peter Rigby's **SCH** picking up **Compel's** desktop services business, **Compelsource**, and of course there's distributed systems reseller **Morse**, which is looking like a real rising star. This means that Computacenter must keep resolutely focused on its core business. But we think it risks being distracted from its 'mission'. One such 'distraction' is Germany, which has been losing money for Computacenter ever since it opened for business there. Each year Computacenter tries a different strategy and each year Germany loses more money. Rather than try yet another strategy (they are going to move Germany away from desktop resale into enterprise systems and services) we think they should have bitten the bullet and shut up shop.

Computacenter plc	Turnover £m			Operating Profit £m			Margin	
	2000	1999	Change	2000	1999	Change	2000	1999
UK	1686.5	1460.5	15.5%	63.7	74.0	-14.0%	3.8%	5.1%
France, Belux	227.2	227.8	-0.3%	1.2	4.5	-72.7%	0.5%	2.0%
Germany	74.7	72.3	3.3%	-3.5	-2.9	Loss Both	-4.6%	-4.0%
TOTAL	1988.4	1760.6	12.9%	61.4	75.6	-18.8%	3.1%	4.3%

Certainly if they can't see substantial improvement in 2001, they'd be crazy to hang in there. The other distraction – to our mind anyway – is **Biomni**, their 'JV-cum-spin-off'

with sibling company **Computasoft** (another business established by Computacenter founders Hulme & Ogden). **Biomni** supplies Computacenter's e-procurement software, **On Trac**, which was originally developed by Computacenter as its in-house procurement system. **Biomni** lost £7m in 2000 and is on track (sorry!) to lose another £7m in 2001. The plan is to float **Biomni** "when market conditions are more favourable". Well, bluntly, this just ain't going to happen, at least not any time soon, so they need to think about either bringing **Biomni** back in house or selling it off. We think Computacenter is a quality 'value add' reseller – therefore, more than ever in these troubled times, they've just got to stick to the knitting. Computacenter's shares ended the month down 3% at 345p.

Double digit growth at

Cap Gemini Ernst & Young



(CGEY) announced FY00 results - consolidated revenue rose 60.8% to Euro6,931m, operating margin grew 49.9% to Euro703m and EPS improved 16% to Euro3.99. Most of this was, of course, due to the Ernst & Young acquisition. On a proforma basis, revenue growth was 10.4% to Euro 8,471m, operating margin increased 13.6% to Euro893m and EPS improved 19.8% to Euro4.35. Looking forward, CGEY is aiming for Euro9,600m revenue and to at least maintain its 10%+ operating margin in 2001.

Full marks for DRS Data

DRS Data & Research - supplier of equipment and services for elections and school examinations - announced preliminary results for the year ending 31st Dec. 00. Turnover was up 43% to £11.7m, PBT increased 139% to £563K and diluted EPS increased from 0.52p to 1.12p. DRS's chairman commented "DRS is well placed in the market for the provision of products and services to the examination authorities, both in the UK and internationally. We expect to see continued growth in these areas, particularly in our UK education bureau activity". DRS' share price ended the month down 8% at 14p.

Expect more of the same from Axon

Axon announced results for the year to 31st Dec. 00 showing turnover up 68% to £42.7m, PBT up 57% to £7.2m and EPS up 51% from 5.7p to 8.6p. Commenting on the results, Chairman Mark Hunter said: "Many traditional consultancies reported that, compared to 1999, the IT market in 2000 was quiet - in fact, it was different. The e-Services market boomed in the first half of the year whilst the emphasis shifted to enterprise solutions in the second half - in both instances we prospered.....Our performance in 2000 demonstrated that we have the breadth, depth and flexibility to excel in a volatile market. 2001 will be more of the same".



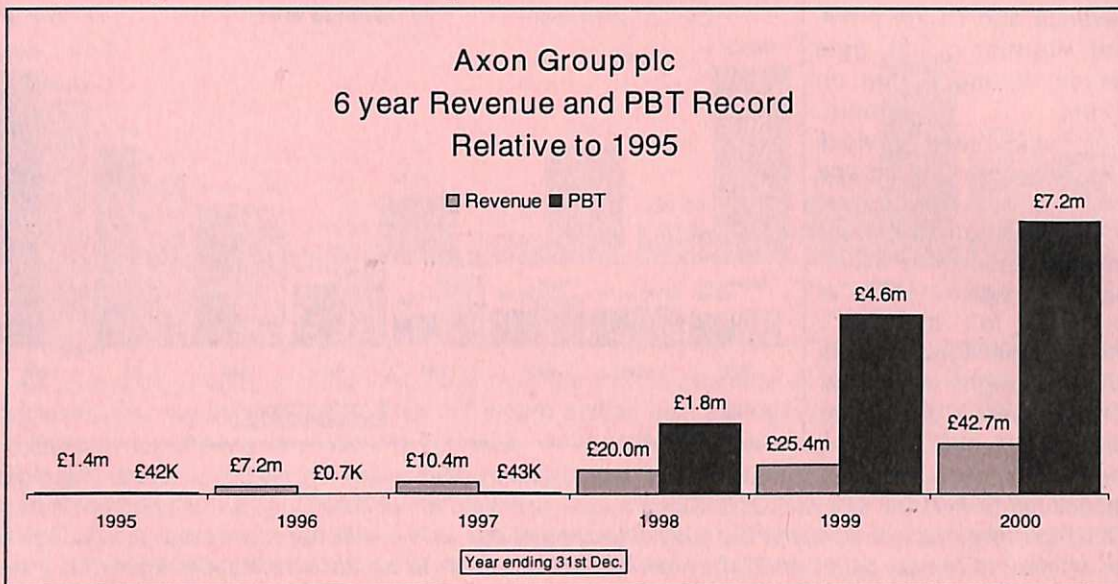
Comment: A second set of good results from Axon, with 68% organic revenue growth, and 48% growth in H2 over H1. The Enterprise Solutions practice grew 30% to £28.4m in the year, and now accounts for 67% of total revenue. Collaboration

solutions (based on mySAP.com, BroadVision and Commerce One technologies) grew by a stunning 309% to £14.3m, (now representing 33% of group revenues).

The breakdown by activity shows implementation services enjoying a 69% increase in revenues to £35m, with the consultant base of c270 well utilised. Axon's strategic

consulting operation generated £1.2m in 2000 from a standing start, and is targeted to contribute 5% of revenues in the current FY. Support services are also targeted to make up a greater proportion of group revenues in FY01, as Axon creates a better business mix.

Whilst Axon did not increase customers numbers much at all in 2000, the average revenue per customer improved from £400K to £690K over the year. A solid set of numbers protected Axon from the worst of the fall out in a turbulent month and the shares ended March up 3% at 525p.



AFA looking to international markets

AFA Systems, the AIM-listed treasury and risk management software company, announced its results for the year to Dec. 31st 00. Turnover was up 140% to £4.3m, but with an LBT of £2.6m compared with £0.58m in 1999. Loss Per Share was 11.9p, compared with a previous loss of 3.4p. The overall operating loss of £3m included £2m exceptional items and goodwill amortisation related to the acquisition of DART in Apr. 00. DART contributed c55% of revenue during the year.

In Feb. 00 the company raised £4.3m through a cash placing of new shares and at the end of the financial year had a cash balance of £6.7m, of which £3.3m went on the acquisition of the South African Smacsoft Group in Feb. 01. Smacsoft adds a new fund manager/equity portfolio product to the stable as well as a low-cost development centre.

Mike Hart, Chairman and CEO, was upbeat, though: "Our pipeline of sales opportunities across the group is at its strongest ever. We are therefore confident that 2001 will be another year of good progress for AFA".

Comment: AFA suffered badly from the slow down in 2000, with delayed contracts with blue chip clients. The contracts anticipated at the interim stage did not materialise, resulting in a profits warning towards the end of last year. In fact turnover from continuing operations, i.e. the Musketeer products, was up just 8%. The year also saw the company's first acquisition (DART) in an all-shares deal. This was an expensive purchase, at nine times sales, but DART was

seen as growing significantly. The lower cost product range certainly filled the hole left by the slowdown in sales of the bigger ticket Musketeer products. But integrating the DART business with the Musketeer line also added to the costs.

AFA is clearly trying to establish itself in a wider, international market, but hasn't chosen the best time to do it. In fact this international move was very much the theme of our talk with Mike Hart. The company sees a need to be represented in other financial centres around the world (as well as London) and a recent distribution agreement with ITS, a provider of systems to the Middle Eastern banking sector is part of that move (ITS also distributes London Bridge's products). Further such moves are anticipated.

Hart is upbeat about the future, based on two factors. Firstly, sales are forecast at £12m for 2001, primarily based on proforma performance in 2000 of the three companies that now make up the group, whilst costs are budgeted at £8m. The other reassuring factor is that recurring revenues are up from £0.5m to £3.5m. We always like to see lots of recurring revenues so this is certainly a very good sign. Add to that the fact that there are now 14 products to sell, 26 sales people, compared with just four a year ago, and a customer base that is now 160-strong. Nevertheless, the results were disappointing and this is not going to be a particularly good year for anyone. AFA's share price was down 20% after the announcement and ended the month down 21% at 130p.

Quoted Companies - Results Service

Note: Highlighted Names indicate results announced this month.

Actinic plc					Delcam plc					Keystone Software plc				
Final - Sep 99	Int 9 mos Jun 00	Final - Sep 00	Comparison		Final - Dec 99	Final - Dec 00	Comparison		Interim - Sep 99	Final - Mar 00	Interim - Sep 00	Comparison		
REV	£571,000	£1,437,000	+258.7%	REV	£15,774,254	£17,011,059	+77.9%	REV	£2,384,000	£4,759,000	£1,989,000	+16.6%		
PBT	£775,000	£2,159,000	+278.0%	PBT	£1,042,075	£1,642,845	+57.7%	PBT	£17,000	£165,000	£148,000	+760.0%	Profit to loss	
EPS	-0.86p	-2.25p	-3.41p	EPS	13.20p	19.60p	+48.5%	EPS	0.10p	-0.60p	-0.70p	-7.00p	Profit to loss	
AFA Systems plc					Diagonal plc					Knowledge Management Software plc				
REV	£1,779,000	£4,291,000	+241.2%	REV	£72,376,000	£82,735,000	+14.3%	REV	£353,078	£2,091,986	£2,194,089	+521.4%		
PBT	£581,000	£2,609,000	+347.5%	PBT	£8,184,000	£4,840,000	-40.9%	PBT	£815,459	£3,078,772	£5,773,772	+605.0%	Loss both	
EPS	-3.40p	-11.90p	-10.50p	EPS	7.52p	3.30p	-56.1%	EPS	-1.17p	-5.40p	-5.51p	-1.10p	Loss both	
AIT Group plc					Easyscreen plc					Knowledge Support Systems Group plc				
REV	£9,765,000	£21,693,000	+121.8%	REV	£335,957	£1,056,519	+214.5%	REV	£1,838,025	£2,803,736	£2,803,736	+52.5%		
PBT	£1,530,000	£3,651,000	+239.9%	PBT	£453,525	£3,425,999	+657.7%	PBT	£83,497	£2,116,580	£2,116,580	+2523.0%	Loss both	
EPS	5.06p	11.81p	6.49p	EPS	-1.23p	9.96p	+8.23p	EPS	-0.10p	3.00p	3.00p	+3.10p	Loss both	
Alphameric plc					ECsoft Group plc					Logica plc				
REV	£25,330,000	£54,408,000	+114.8%	REV	£67,304,000	£73,204,000	+8.8%	REV	£403,000,000	£847,400,000	£505,000,000	+25.3%		
PBT	£3,050,000	£3,891,000	+27.6%	PBT	£3,416,000	£1,370,000	-59.9%	PBT	£35,100,000	£98,100,000	£57,900,000	+65.0%		
EPS	3.62p	1.96p	-45.9%	EPS	17.30p	-4.80p	Profit to loss	EPS	5.40p	17.50p	9.10p	+68.5%		
Alterian plc					Eidos plc					London Bridge Software Holdings plc				
REV	£374,074	£1,011,140	+269.9%	REV	£44,060,000	£203,265,000	+359.6%	REV	£42,165,000	£56,702,000	£56,702,000	+34.5%		
PBT	£75	£3,905	+5200.0%	PBT	£37,907,000	£49,275,000	+28.8%	PBT	£7,092,000	£4,662,000	£4,662,000	-34.3%		
EPS	-0.40p	0.38p	+2.10p	EPS	-29.20p	22.80p	-77.0p	EPS	3.18p	1.85p	1.85p	-41.8%		
Anite Group plc					Electronic Data Processing plc					Lorien plc				
REV	£83,930,000	£158,976,000	+88.6%	REV	£10,492,000	£8,353,000	-20.4%	REV	£138,817,000	£111,588,000	£111,588,000	-19.6%		
PBT	£4,690,000	£7,171,000	+52.9%	PBT	£2,377,000	£1,115,000	-53.1%	PBT	£1,649,000	£2,718,000	£2,718,000	+64.3%	Loss both	
EPS	1.00p	1.30p	0.20p	EPS	6.85p	2.73p	-60.1%	EPS	-8.50p	-12.10p	-12.10p	-41.3%	Loss both	
Autonomy Corporation plc					Epic Group plc					Lynx Group plc				
REV	£16,511,000	£45,118,620	+273.2%	REV	£1,904,000	£4,398,000	+128.3%	REV	£21,254,000	£111,018,000	£250,482,000	+1079.0%		
PBT	£6,580,000	£14,270,344	+215.6%	PBT	£216,000	£765,000	+252.3%	PBT	£8,269,000	£1,789,000	£6,106,000	-26.2%		
EPS	-2.00p	8.00p	+10.00p	EPS	0.85p	3.12p	+2.27p	EPS	4.80p	0.58p	1.98p	-58.8%		
Axon Group plc					Eurolink Managed Services plc					MMT Computing plc				
REV	£25,378,000	£42,737,000	+68.4%	REV	£4,069,000	£7,536,000	+85.2%	REV	£41,024,210	£16,800,000	£37,734,000	-8.0%		
PBT	£4,560,000	£7,744,000	+70.3%	PBT	£1,189,000	£340,000	-71.5%	PBT	£2,211,952	£2,000,000	£3,975,000	38.5%		
EPS	6.70p	8.60p	+2.90p	EPS	1.28p	-2.18p	-1.90p	EPS	52.20p	10.50p	32.20p	-38.3%		
Azlan Group plc					F.I. Group plc					Macro 4 plc				
REV	£193,984,000	£410,604,000	+111.7%	REV	£145,379,000	£307,695,000	+111.7%	REV	£17,085,000	£38,671,000	£21,952,000	+28.5%		
PBT	£2,369,000	£9,258,000	+293.9%	PBT	£9,539,000	£17,391,000	+81.7%	PBT	£4,751,000	£10,611,000	£1,554,000	-67.3%		
EPS	1.50p	6.10p	3.30p	EPS	2.71p	3.91p	+47.2%	EPS	15.30p	33.20p	1.00p	-93.5%		
Baltimore Technologies plc					Financial Objects plc					Manpower Software plc				
REV	£23,272,000	£74,224,000	+220.0%	REV	£22,301,000	£18,369,000	-17.6%	REV	£747,363	£1,611,619	£1,089,618	+45.8%		
PBT	£3,351,000	£9,185,000	+173.9%	PBT	£4,656,000	£887,000	-81.1%	PBT	£1,770,276	£2,790,857	£494,449	-72.1%	Loss both	
EPS	-10.27p	-23.10p	-12.83p	EPS	8.87p	-2.61p	Profit to loss	EPS	-27.33p	-3.74p	-3.74p	-86.5%	Loss both	
Baron Corporation plc					Homerics Group plc					MERANT plc				
REV	£2,384,000	£1,392,585	-41.5%	REV	£8,713,000	£11,763,000	+35.0%	REV	£11,235,000	£27,283,000	£96,911,000	+250.0%		
PBT	£1,750,000	£1,273,811	-27.1%	PBT	£807,000	£1,182,000	+46.5%	PBT	£5,015,000	£35,369,000	£7,310,000	-85.7%	Profit to loss	
EPS	n/a	-3.70p	-3.70p	EPS	18.60p	30.00p	+61.3%	EPS	0.02p	24.90p	-0.05p	Profit to loss	Profit to loss	
Bond International Software plc					Focus Solutions Group plc					Microgen plc				
REV	£4,567,000	£8,457,169	+85.4%	REV	£238,000	£721,000	+201.7%	REV	£31,324,000	£25,344,000	£25,344,000	-19.1%		
PBT	£327,000	£789,085	+140.1%	PBT	£504,000	£1,039,000	+107.0%	PBT	£2,410,000	£3,086,000	£3,086,000	+26.8%	Profit to loss	
EPS	1.58p	4.81p	3.23p	EPS	-2.70p	-5.60p	-2.90p	EPS	5.70p	5.20p	-0.50p	-9.5%	Profit to loss	
Bright Station plc					Gresham Computing plc					Misys plc				
REV	£1,745,000	£5,764,000	+227.4%	REV	£30,350,000	£23,325,000	-23.1%	REV	£344,500,000	£708,800,000	£413,000,000	+19.9%		
PBT	£1,650,000	£1,284,944	-22.4%	PBT	£864,000	£4,273,000	+393.0%	PBT	£48,300,000	£113,600,000	£37,400,000	-22.6%		
EPS	-3.40p	-77.50p	-74.10p	EPS	-2.23p	-9.38p	-7.15p	EPS	6.00p	14.20p	4.70p	-21.7%		
Business Systems Group Holdings plc					Guardian IT plc					Mondas plc				
REV	£32,386,000	£17,602,000	-45.3%	REV	£49,245,000	£86,397,000	+75.4%	REV	£641,678	£1,358,811	£881,263	+37.3%		
PBT	£750,000	£1,415,000	+88.0%	PBT	£7,048,000	£3,857,000	-44.3%	PBT	£390,500	£857,573	£466,426	+18.1%	Loss both	
EPS	0.62p	1.23p	0.61p	EPS	10.30p	3.70p	-64.3%	EPS	3.10p	6.80p	3.40p	+9.3%	Loss both	
Cadcentre Group plc					Harvey Nash Group plc					Morse Holdings plc				
REV	£10,832,000	£23,889,000	+119.6%	REV	£71,900,000	£150,998,000	+111.4%	REV	£23,703,000	£50,316,000	£30,986,000	+32.4%		
PBT	£1,869,919	£4,338,000	+130.4%	PBT	£5,326,000	£11,974,000	+122.6%	PBT	£10,427,000	£22,919,000	£13,804,000	+32.4%		
EPS	7.92p	17.40p	9.35p	EPS	11.81p	27.60p	+133.7%	EPS	4.30p	10.10p	6.30p	+46.5%		
Capita Group plc					Highams Systems Services Group plc					MSB International plc				
REV	£327,199,000	£453,348,000	+38.6%	REV	£14,967,000	£26,863,817	+79.5%	REV	£99,869,000	£184,936,000	£75,040,000	+33.1%		
PBT	£32,148,000	£39,974,000	+24.3%	PBT	£2,000	£308,504	+15,326.0%	PBT	£25,000	£4,988,000	£4,185,000	+99.4%		
EPS	3.26p	3.75p	0.49p	EPS	-0.08p	-1.58p	-1.50p	EPS	0.10p	17.30p	15.35p	+99.3%		
Cedar Group plc					ICM Computer Group plc					NetBenefit plc				
REV	£11,688,000	£36,314,000	+212.3%	REV	£22,328,000	£49,535,000	+121.3%	REV	£1,969,751	£7,520,100	£7,520,100	+281.8%		
PBT	£55,000	£4,829,000	+8632.7%	PBT	£1,773,000	£4,513,000	+154.8%	PBT	£279,862	£4,591,500	£4,591,500	+1630.0%	Profit to loss	
EPS	0.10p	4.20p	4.10p	EPS	7.00p	15.40p	+119.3%	EPS	0.02p	-0.32p	-0.32p	Profit to loss	Profit to loss	
Charteris plc					IDS Group plc					Netstore plc				
REV	£3,408,000	£6,716,000	+97.1%	REV	£13,614,000	£12,509,000	-8.1%	REV	£546,430	£1,372,632	£1,152,321	+110.9%		
PBT	£346,000	£371,000	+7.2%	PBT	£1,125,000	£28,596,000	+2500.0%	PBT	£11,113,200	£4,894,738	£25,425,820	+423.0%	Loss both	
EPS	0.80p	0.90p	0.10p	EPS	6.15p	-108.74p	-114.9p	EPS	2.04p	-7.57p	-6.14p	-130.0%	Loss both	
Clinical Computing plc					Intelligent Environments Group plc					Nettec plc				
REV	£1,561,000	£3,112,623	+99.4%	REV	£7,218,738	£8,810,556	+22.1%	REV	£4,798,000	£17,311,000	£17,311,000	+260.8%		
PBT	£253,000	£382,336	+50.9%	PBT	£3,020,988	£2,523,413	-16.5%	PBT	£2,334,000	£8,582,000	£8,582,000	+260.8%	Loss both	
EPS	1.00p	1.50p	0.50p	EPS	-8.16p	-5.97p	+2.19p	EPS	-3.90p	-8.00p	-8.00p	-50.0%	Loss both	
CMG plc					Innovation Group plc (The)					Northgate Information Solutions plc				
REV	£608,588,000	£810,400,000	+33.2%	REV	£21,000	£3,564,000	+16442.9%	REV	£67,736,000	£165,419,000	£95,681,000	+41.3%		
PBT	£83,629,000	£93,100,000	+11.1%	PBT	£913,000	£3,176,000	+248.0%	PBT	£7,952,000	£47,450,000	£1,255,000	-84.3%	Loss both	
EPS	10.20p	7.90p	-22.5%	EPS	-173.40p	-2.40p	Loss to Profit	EPS	-3.17p	-18.58p	-15.41p	+18.3%	Loss both	
Comino Group plc					ISOFT Group plc					NSB Retail Systems plc				
REV	£8,413,000	£20,452,000	+142.8%	REV	£5,416,000	£17,024,000	+212.7%	REV	£21,282,000	£40,930,000	£40,930,000	+92.3%		
PBT	£1,562,000	£6,020,000	+289.4%	PBT	£532,000	£2,685,000	+400.0%	PBT	£1,544,000	£7,700,000	£7,700,000	+400.0%	Profit to loss	
EPS	7.80p	29.90p	22.10p	EPS	0.38p	0.97p	+0.59p	EPS	0.36p	4.26p	4.26p	+1070.0%	Profit to loss	
Compass Software Group plc					IS Solutions plc					Orbital Software Plc				
REV	£1,470,087	£2,383,095	+61.1%	REV	£4,277,000	£11,818,000	+278.6%	REV	£91,575	£190,404	£65,604	+299.2%		
PBT	£201,776	£442,911	+119.5%	PBT	£362,000	£1,205,000	+230.9%	PBT	£1,036,041	£2,339,462	£2,262,414	+118.0%	Loss both	
EPS	1.82p	3.71p	1.89p	EPS	1.04p	3.42p	+2.38p	EPS	-0.91p	-2.04p	-1.65p	-55.9%	Loss both	
Compel Group plc					ITNET plc					Orchestream Holdings plc				
REV														

Quoted Companies - Results Service

Note: Highlighted Names indicate results announced this month.

Policy Master Group plc				SDL plc				Telework Group plc				
Final - Dec 99	Final - Dec 00	Comparison		Final - Dec 99	Final - Dec 00	Comparison		Interim - Sep 99	Final - Mar 00	Interim - Sep 00	Comparison	
REV	£16,730,281	£17,135,457	+2.4%	REV	£12,960,000	£29,730,000	+129.4%	REV	£252,000	£17,363,000	+10,409,000	+46.1%
PBT	£1,062,587	£727,215	-31.6%	PBT	£550,000	£1,059,000	+91.1%	PBT	£481,000	£27,705,000	£28,186,000	+85.0%
EPS	6.90p	4.40p	-35.2%	EPS	-1.78p	0.93p	+52.2%	EPS	0.52p	1.04p	1.09p	+10.6%
PSD Group plc				Sema plc				TelMe.com plc				
REV	£53,428,000	£88,549,000	+65.6%	REV	£1,410,000,000	£1,510,000,000	+7.1%	REV	£10,014,000	£13,974,000	+39.5%	
PBT	£16,525,000	£21,385,000	+29.4%	PBT	£93,800,000	£49,300,000	-46.9%	PBT	£3,381,000	£2,105,000	-37.7%	
EPS	46.40p	57.00p	+22.8%	EPS	14.70p	-13.10p	-54.4%	EPS	-5.40p	-3.00p	+43.3%	
QSP Group plc				ServicePower Technologies plc				Terence Chapman Group plc				
REV	£19,961,000	£20,538,000	+2.9%	REV	£3,760,910	£3,292,000	-12.5%	REV	£30,641,000	£30,900,000	+0.8%	
PBT	£783,000	£4,212,000	+438.2%	PBT	£2,541,087	£3,928,000	+54.6%	PBT	£4,464,000	£4,100,000	-8.2%	
EPS	-1.11p	5.38p	+583.8%	EPS	-6.37p	-8.10p	+21.3%	EPS	5.82p	4.66p	-21.5%	
Quantica plc				Sherwood International plc				Torex plc				
REV	£18,153,000	£23,753,000	+30.8%	REV	£47,186,000	£54,277,000	+15.0%	REV	£46,762,000	£88,425,000	+89.1%	
PBT	£3,224,000	£3,768,000	+16.9%	PBT	£7,345,000	£6,634,000	-9.7%	PBT	£4,039,000	£5,133,000	+27.1%	
EPS	6.02p	6.80p	+13.0%	EPS	19.80p	13.00p	-34.3%	EPS	13.30p	9.00p	-32.3%	
RM plc				Skillsgroup plc				Total Systems plc				
REV	£162,210,000	£207,560,000	+28.0%	REV	£198,700,000	£140,700,000	-29.2%	REV	£1,180,727	£1,958,040	+65.9%	
PBT	£12,262,000	£9,528,000	-22.3%	PBT	£11,400,000	£17,400,000	+52.6%	PBT	£128,216	£579,589	+350.0%	
EPS	9.80p	7.90p	-19.4%	EPS	10.70p	-18.40p	-173.8%	EPS	-0.88p	3.97p	+554.1%	
Raft International Plc				Sopheon plc				Touchstone Group plc				
REV	£7,570,000	£9,173,000	+21.2%	REV	£1,510,000	£7,763,000	+414.1%	REV	£4,812,000	£10,511,000	+119.4%	
PBT	£388,000	£171,000	-55.9%	PBT	£2,072,000	£11,945,000	+477.6%	PBT	£678,000	£1,196,000	+76.0%	
EPS	0.37p	0.19p	-48.6%	EPS	-10.10p	-33.40p	+72.7%	EPS	4.75p	9.50p	+100.0%	
Rage Software plc				Spring Group plc				Trace Computers plc				
REV	£3,450,000	£4,218,000	+22.0%	REV	£206,641,000	£396,106,000	+91.7%	REV	£8,693,000	£17,067,000	+95.7%	
PBT	£947,000	£2,641,000	+178.5%	PBT	£1,400,000	£6,420,000	+358.6%	PBT	£973,000	£2,311,000	+136.5%	
EPS	-0.42p	-0.94p	+123.8%	EPS	0.60p	-5.00p	+933.3%	EPS	4.82p	11.64p	+141.5%	
RDL Group Plc				Staffware plc				Triad Group plc				
REV	£18,172,000	£16,246,000	-10.6%	REV	£23,152,000	£37,857,000	+63.5%	REV	£24,253,000	£48,366,000	+99.4%	
PBT	£1,335,000	£1,092,000	-18.2%	PBT	£841,000	£3,042,000	+261.7%	PBT	£903,000	£1,905,000	+111.1%	
EPS	8.95p	6.70p	-25.0%	EPS	4.20p	10.40p	+147.6%	EPS	3.35p	5.25p	+56.7%	
Recognition Systems Group plc				StatPro Group plc				Ultima Networks plc				
REV	£2,315,000	£8,620,000	+272.4%	REV	£3,144,000	£3,172,000	+0.9%	REV	£6,476,000	£12,541,000	+93.1%	
PBT	£1,609,000	£4,749,000	+195.7%	PBT	£183,000	£4,879,000	+2642.6%	PBT	£610,000	£783,000	+29.2%	
EPS	-2.30p	-5.40p	+134.8%	EPS	-1.40p	-18.40p	+1242.9%	EPS	-0.35p	-0.44p	+25.5%	
Retail Decisions plc				Superscape plc				Ultrasig Group plc				
REV	£11,937,000	£17,674,000	+48.1%	REV	£3,071,000	£2,153,000	-29.9%	REV	£2,520,000	£4,986,000	+96.3%	
PBT	£2,438,000	£2,292,000	-5.6%	PBT	£2,292,000	£6,817,000	+196.5%	PBT	£2,316,000	£4,984,000	+115.7%	
EPS	1.11p	-1.64p	+33.3%	EPS	-22.50p	-26.80p	+19.4%	EPS	-1.60p	-2.40p	+33.3%	
RexOnline plc				SurfControl plc				Vega Group plc				
REV	£217,000	£658,000	+203.2%	REV	£4,003,000	£8,706,707	+117.5%	REV	£18,531,000	£40,201,000	+115.5%	
PBT	£144,000	£326,000	+126.4%	PBT	£1,314,000	£4,871,341	+268.1%	PBT	£1,932,000	£4,843,000	+150.0%	
EPS	-2.40p	-4.50p	+87.5%	EPS	-12.78p	-70.35p	+450.0%	EPS	7.02p	17.17p	+144.5%	
Rofe & Nolan plc				Synyngent Plc				VI Group plc				
REV	£10,700,000	£22,856,000	+111.7%	REV	£265,921	£1,984,010	+639.0%	REV	£2,201,000	£4,545,000	+106.5%	
PBT	£542,000	£1,838,000	+238.3%	PBT	£783,781	£750,018	-4.3%	PBT	£137,000	£438,000	+216.8%	
EPS	3.30p	9.30p	+181.8%	EPS	-3.80p	-2.80p	+36.0%	EPS	0.37p	1.24p	+235.3%	
Royalblue Group plc				Synstar plc				Vocalis Group plc				
REV	£39,593,000	£57,383,000	+44.7%	REV	£213,048,000	£233,438,000	+9.6%	REV	£1,318,000	£2,694,000	+104.7%	
PBT	£6,511,000	£6,918,000	+6.3%	PBT	£8,178,000	£4,954,000	-39.4%	PBT	£1,963,000	£4,507,000	+127.6%	
EPS	13.10p	13.70p	+4.6%	EPS	3.70p	0.60p	-83.8%	EPS	-4.84p	-11.57p	+139.5%	
Sage Group plc				Systems Integrated Research plc				Wealth Management Software plc				
REV	£307,041,000	£412,153,000	+34.2%	REV	£658,000	£1,536,000	+132.1%	REV	£12,818,000	£12,818,000	+0.0%	
PBT	£74,313,000	£108,748,000	+46.3%	PBT	£42,000	£215,000	+414.3%	PBT	£1,105,000	£2,551,000	+129.4%	
EPS	0.35p	0.38p	+10.0%	EPS	0.15p	1.25p	+733.3%	EPS	-0.41p	-0.67p	+39.1%	
SBS Group plc				Systems International Group plc				XKO Group plc				
REV	£28,300,000	£53,905,000	+88.7%	REV	£8,368,000	£17,952,851	+113.8%	REV	£13,485,000	£29,628,000	+119.7%	
PBT	£1,400,000	£2,219,000	+58.5%	PBT	£33,000	£218,355	+567.7%	PBT	£551,000	£6,263,000	+1028.6%	
EPS	9.60p	16.10p	+67.9%	EPS	0.07p	0.35p	+400.0%	EPS	-3.50p	-28.20p	+87.2%	
Science Systems plc				Systems Union plc				Xpertise Group plc				
REV	£30,966,000	£49,624,000	+60.3%	REV	£287,000	£600,000	+108.0%	REV	£2,048,000	£3,707,000	+81.1%	
PBT	£2,633,000	£2,732,000	+3.8%	PBT	£448,000	£1,953,000	+335.5%	PBT	£172,000	£1,711,000	+895.4%	
EPS	11.40p	6.50p	-43.0%	EPS	-2.90p	-9.80p	+234.5%	EPS	0.45p	-0.84p	+311.1%	

Compass Heading in the Right Direction

Compass Software

providers of merchandise planning software for the retail sector - has announced results for the year to 30th Nov. 00: revenue rose 62% to £2.4m, PBT more than doubled to £442K, and EPS improved from 1.89p to 3.71p. Commenting on the results, Ian Bowater, Chief Exec, said: "Sales in the first few months of the year have been seasonally low due to retailers focusing on Christmas and the January sales, but activity has now begun to pick up and we are confident that the investment in infrastructure and people will bear fruit during the financial year".

Comment: Compass listed on AIM in July 00 raising £2m in a placing. The funds have been used to undertake further product development and hire

more staff (numbers have grown from 33 at flotation to 55). The company is, rightly in our opinion, taking a cautious approach developing an ASP offering. Compass says it has assessed the opportunity for ASP sales to smaller retailers and identified potential partners, but that "the current level of demand for this method of delivery is not considered sufficient, as yet, to commit significant resources to further development". Revenue growth of 62% has been achieved organically. The recent acquisition (of MDA Solutions) is not expected to add much in the way of revenue in FY01, and development costs are expected to outstrip revenues in the short term, nonetheless it is a good fit as MDA's product is a catalogue creation and publishing tool, and works with Compass' own software. Further acquisitions of specialist products companies are likely. Having floated at 150p, the shares ended the month at 170p, a 13% premium.

Double digit growth at > accenture

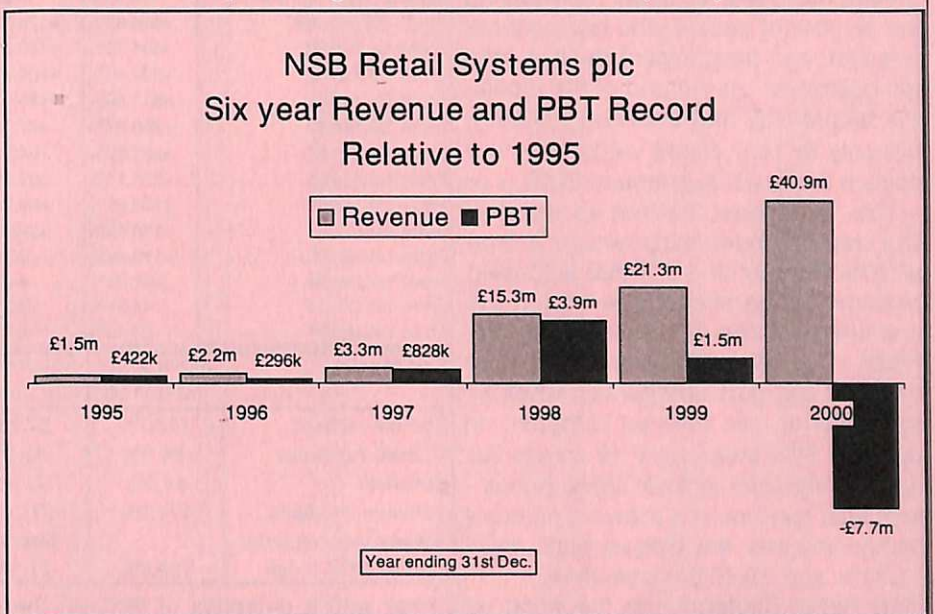
Accenture announced results for the year to 31st Dec. 00 showing 10% revenue growth to \$10.3bn. Asia Pacific enjoyed the largest % increase - 21% - however EMEA posted just 6% growth to \$3.8bn (19% in local currency terms). CEO Joe W Forehand commented: "Particularly gratifying was the upward trend in our revenues during the second half of 2000, as demand for our services increased. Overall, we achieved double-digit revenue growth and added to our client roster, talent pool, capabilities and service offerings". During the year Accenture increased headcount by 9% to 71,300. Accenture partners were reported to be meeting within the month to vote on plans for a partial IPO - possibly no more than 10%. This could enable the company to raise \$2bn.

One bite too many for NSB?

NSB Retail Systems got a real battering from the markets after reporting results which CEO Nikki Beckett described as "disappointing and fall below our expectations". On the positive side, revenue for the year ended 31st Dec. 00 rose 92% to £40.9m, bolstered by £13.5m from RTC, acquired last year. Organic revenue growth was a more modest, but nonetheless substantial 29% to £27.5m. Organic profits growth (pre-exceptionals, goodwill, etc.) rose 32% to £6.1m. So far, so good. But ... NSB has chosen to amortise goodwill for acquisitions over four years, so they have taken a massive £16.5m hit in 2000 which put them into an operating loss of £8.5m and a pre-tax loss of £7.7m, representing a Loss Per Share of 4.26p. They also took a £1m



hit from "development costs in excess of contracted development revenues" with some RTC customer contracts and they have also made provisions for future related costs in the 2000 results. Nonetheless, the RTC acquisition helped double UK revenue to £35.4m but worryingly, revenue from US dropped 3% to £3.9m. Indeed, NSB has reduced "internal growth projections" for the US market "although bookings and pipeline are strong" as they did not close all the business they had hoped in the last two months of the year (although one key contract has since closed). Nonetheless, they "look forward to the future with confidence". NSB has also appointed STS (Canadian rival acquired in Dec. 00 for £285m) President as exec. Chairman. Nikki Beckett's long-time mentors Peter Johnson and Alan Vickery (of JBA fame) stood down as NED's during last year.



Comment: The City marked NSB down heavily after these results were announced for all sorts of reasons, but mainly stemming from their aggressive acquisition strategy. Besides the heavy toll that goodwill amortisation will continue to take on the P&L for the next few years (there's some £350m on the balance sheet - £284m from STS alone), debtors have also soared from £10m to £53m. Then there was a worry that STS execs would cash in their shares early as NSB's share price plunged below the 159p threshold written into the deal. However, the STS execs have since committed not to exercise the option for at least 12 months. Then of course we have the downturn in the US, a real setback for NSB which had battled valiantly to gain a foothold in this all important market. Now, we are a great admirer of Nikki Beckett and her team - she is just the sort of dynamic entrepreneur that the UK needs - and if anyone can weather the storm, she can. The underlying business strategy still looks good, but she will need to dig deep into her reserves of "confidence" to convince the market that NSB haven't bitten off more than they can chew, let alone digest.

Restating the balance sheet later in the month to reflect a "revised presentation" of the terms of the STS acquisition didn't help the share price which ended March down 68% at 56p.

Losses Deepen at Infobank

Infobank - the e-commerce software infrastructure company - announced results for the year to 31st Dec. 00 showing revenue down from £46m to £2.7m (discontinued ops generated £45.8m in 99). Continuing ops was up almost six fold to £1.9m with acquisitions adding £792K. LBT had deepened from £10.8m to £35.9m, and Loss Per Share had gone from 35.77p to 66.15p. Commenting on the outlook, Chairman Martin Frost said: "Against a background of forecasts of massive demand for Private Exchange software, and with a strengthened management team and the strong capabilities of our new InTrade V5 product, I am confident in the long term future of the Group".



Comment: The results announcement has been accompanied by a number of board changes, with Graham Sadd, Chief Exec, handing over the reins to incoming CEO Tony Stepanski (ex Origin, ex IBM). Sadd moves to the newly-created position of Founder President. COO Jim Conning is also stepping down. The new management team must now focus on producing revenue growth, here in the UK and via its eight overseas operations.

At the end of the month Infobank's share price was down 44% at 80p.

Maiden results from... Mission Testing

Mission Testing, the software testing products and solutions company that floated on AIM in Dec, announced its maiden results for six months to 31st Dec. 00. Group turnover increased by 83% from £2.7m to £5.0m, PBT decreased from £247K to £195K, and diluted EPS fell from 1.63p to 1.02p. CE, Tony Wells, commented on the future, "looking ahead, the opportunity for the Group is substantial as our larger clients begin to adopt corporate-wide software testing strategies. We expect demand to remain buoyant as this trend gathers pace and as organisations increasingly recognise the benefits of independent testing consultancy".

Comment - Mission Testing reported an impressive increase in turnover, and if it had not been for the exceptional cost incurred as a result of the flotation (£310K), it would have also seen an increase in PBT - not an easy feat for a young company (established in 1998) in the trading environment of 2000. There is also no reason to doubt that it will report just as impressive results for 2001 as companies are increasingly using IT systems for business critical tasks. The share price ended the month at 276.5p, hardly moved from the float price of 273p.

Share prices plunge and significant recovery unlikely in next six months...

The stock market in general took a bashing this month, both in the US and in London, with the FTSE 100 falling to a low of 5279 in the third week of March. The technology stocks certainly didn't escape. The techMARK 100 plummeted to a low of 1864.6 leaving us thinking that our "start bottom fishing at 2000" remark may have ironically (considering the number of people who had said our forecast was pessimistic) been a little too optimistic! At the end of the month, the techMARK had recovered slightly, but only to 1927.6 and we hold by our opinion that it will bob around 2000, + or - 10% for at least the next six months. Our Internet index experienced a drop of 20% this month - not that surprising considering the similar size falls in the last three months of 2000. But as the FSTE IT (SCS) Index shows, with a fall of 23%, all SCS companies whether traditional or new suffered in March. In our own SCS index, only 19 companies saw an increase in their share prices - computer services and software products companies saw the biggest falls, down 15.31% and 19.45% respectively.

30-Mar-01	SCSI Index						6388.23
	FTSE IT (SCS) Index						1371.35
	techMARK 100						1927.60
	FTSE 100						5633.70
	FTSE AIM						1171.90
	FTSE SmallCap						2883.04
SCSI Index = 1000 on 15th April 1989							
Changes in Indices	SCSI Index	FTSE 100	techMARK 100	FTSE IT SCS Index	FTSE AIM Index	FTSE Small Cap	
Month (01/03/01 to 31/03/01)	-16.49%	-4.80%	-16.32%	-22.80%	-12.24%	-9.65%	
From 15th Apr 89	+538.82%	+174.33%					
From 1st Jan 90	+594.30%	+138.51%					
From 1st Jan 91	+802.46%	+160.77%					
From 1st Jan 92	+511.40%	+125.97%					
From 1st Jan 93	+300.87%	+97.92%					+107.81%
From 1st Jan 94	+282.62%	+64.81%					+54.28%
From 1st Jan 95	+326.11%	+83.78%					+65.08%
From 1st Jan 96	+182.85%	+52.70%	+144.23%		+22.92%		+48.49%
From 1st Jan 97	+138.59%	+36.79%	+110.74%		+20.06%		+32.06%
From 1st Jan 98	+110.48%	+9.70%	+102.05%	+37.14%	+18.14%		+24.63%
From 1st Jan 99	+62.08%	-4.23%	+32.39%	-5.16%	+46.20%		+39.22%
From 1st Jan 00	-44.31%	-18.71%	-49.00%	-63.12%	-39.36%		-6.93%
From 1st Jan 01	-23.70%	-9.46%	-24.86%	-29.64%	-18.49%		-9.43%
End Mar 01	Move since 1st Jan 98	Move since 1st Jan 99	Move since 1st Jan 00	Move since 1st Jan 01	Move since 1st Jan 01	Move in Mar 01	
System Houses	112.7%	37.7%	-46.4%	-27.9%	-15.3%		
IT Staff Agencies	-54.3%	-45.2%	-52.3%	-24.1%	-7.2%		
Resellers	44.6%	53.8%	-25.9%	-2.0%	-3.2%		
Software Products	171.2%	131.8%	-44.3%	-59.6%	-19.5%		
Holway Internet Index		294.5%	-52.0%	-29.5%	-19.9%		
Holway SCS Index	122.3%	71.2%	-41.2%	-23.8%	-16.5%		

NSB Retail Systems was the worst performer with a decrease of 68% on the month - it saw its share price plummet following its full-year results announcement, mainly as a result of its acquisition strategy - only to see it fall even further on worries that the STS execs would cash in their shares early (see page 7).

WARNINGS, WARNINGS, WARNINGS Trading statements round up

Actinic: turnover for the year ending 30th Sept. 01 is likely to be "significantly lower than current market expectations". Actinic's share price dropped 48% on the day to 11p, and ended the month down 62% at 8p.

Rolfe & Nolan: results for the year ending 28th Feb. 01 "will be significantly below current market estimates, and it is anticipated that the Group will breakeven in the second half, at the trading level." R&N has initiated a headcount reduction programme and is examining the potential for "lower-cost overseas outsourcing of certain software projects". The market knocked 43% off the shares to end the month down at 164p.

Synstar: "the overall delay in signings and therefore revenue and profit recognition will result in the Group's profits falling below consensus market expectations for the year to 30th Sept. 00". Under the leadership of new Chief Exec. Steve Vaughan, Synstar is to restructure its management team, create new Relationship Managers and centres of excellence. The moves involve a redundancy and new hiring programme and exceptional full year cost will be £8.5m. Synstar's share price ended the month down 24% at 35p.

Invensys: the global automation and controls group which acquired Baan last year, warned that H2 OP before exceptionals will be "marginally below" that in H1. The software systems division is "starting to recover from a difficult first half" and Baan is now trading profitability as costs have been reduced and revenues are improving. But across the group headcount will be reduced by 6% (5,000) by the year end.

XKO: has "recently experienced a material slow down in new product sales" and new contract negotiations for a number of "substantial" projects will not conclude before the year end. Redundancies will lead to an exceptional charge of c£800K. The upshot is that an operating loss of

approx. £1.4m (pre goodwill and exceptional items) is anticipated in H2 (to 31st Mar. 01). XKO expects to return to profitability in FY02, but that didn't stop the shares being hammered - they ended the month down 67% at 75p.

Baltimore: "challenging trading conditions" in the US have led to some sales being delayed. As a consequence, sales in Q101 are expected to be c£25m, compared to Q400 revenues of £28.4m. Their major customer (c50% of revenues) - Nortel - also warned the market and as a result Baltimore's share price crashed down 65% to 89p. And from across the pond...

Oracle: released a profits warning at the beginning of the month stating it had experienced problems closing "already negotiated deals", adding that it could be nine months before demand picks up. When Q3 results were announced the applications business was revealed to be growing by a disappointing 25%, compared to 66% in Q2. CFO Jeff Henley said that Oracle is looking to reduce headcount in an attempt to cut costs.

Compaq: warned that revenues in Q101, at \$9-\$9.2bn, will be roughly 4% below Q100. At the same time it said that it is "taking a number of actions to improve its business model" which will lead to a restructuring charge of \$125-150m in Q1. This includes merging the commercial and consumer PC operations into a single group (Access Business Group), and reducing headcount by 7% (5,000).

CSC: warned that revenue growth for Q4 (to 31st Mar.) is expected to come in 11%-13% above last year, with EPS around 35-37 cents. The shortfall is due from a variety of reasons including reduced demand (especially for "out-of-scope" consulting and SI work - i.e. bread-and-butter additions from existing contracts) and "profitability pressures" on a couple of its more recent outsourcing contracts. It is to lay off 700-900 staff which will cause a \$100m-\$150m hit in Q4. CSC's shares tumbled by around a third.

Holroyd/System House SCS Share Prices and Capitalisation

	SCS Cat	Share Price 30-Mar-01	Capitalisation 30-Mar-01	Historic P/E	PSR Ratio Cap./Rev.	SCSI Index 30-Mar-01	Share price move since 28-Feb-01	Share price % move in 2001	Capitalisation since 28-Feb-01	Capitalisation (£m) in 2001
Actinic	SP	£0.08	£9.8m	Loss	4.89	99	-61.90%	-79.22%	£15.96m	£37.56m
AFA Systems	SP	£1.30	£29.9m	Loss	6.97	1079	-20.80%	-6.83%	£10.92m	£2.20m
AIT Group	CS	£8.63	£175.1m	73.1	8.07	5750	-26.44%	-27.22%	£62.88m	£65.50m
Alphameric	SP	£1.89	£192.8m	34.3	3.54	867	-30.39%	-31.15%	£84.15m	£87.20m
Alterian	SP	£1.53	£59.8m	402.6	59.80	763	-40.43%	-35.79%	£40.52m	£33.30m
Anita Group	CS	£1.41	£381.2m	32.6	2.40	825	-22.53%	-16.32%	£110.88m	£67.90m
Autonomy	SP	£7.36	£326.6m	92.0	18.86	225	-47.43%	-61.83%	£835.81m	£1,501.33m
Axon	SP	£5.25	£269.5m	61.0	6.31	3000	-2.94%	-30.69%	£7.72m	£108.50m
Azlan Group	R	£1.34	£145.6m	16.6	0.35	580	-7.29%	-26.04%	£9.09m	£46.30m
Baltimore Technologies	SP	£0.89	£452.5m	Loss	6.10	9154	-64.72%	-74.13%	£829.44m	£1,296.50m
Baron	SP	£0.43	£11.2m	Loss	0.58	425	-39.72%	-38.53%	£1.23m	£2.70m
Bond International	SP	£0.79	£11.2m	Loss	1.32	1208	-52.43%	-34.19%	£3.83m	£2.83m
Bright Station	CS	£0.21	£36.3m	Loss	0.63	191	-32.80%	-10.64%	£17.78m	£4.40m
Business Systems	CS	£0.56	£45.0m	72.7	1.39	466	-16.54%	-30.63%	£8.90m	£19.80m
Cadcentre Group	SP	£4.48	£74.7m	20.6	3.13	2238	-12.85%	-18.71%	£11.10m	£17.20m
Capita Group	CS	£4.78	£3,111.0m	127.5	7.76	129213	-0.52%	-4.40%	£58.82m	£1,440.00m
Cedar Group	SP	£1.87	£143.2m	30.0	3.94	1776	-35.69%	-39.84%	£79.48m	£94.90m
Charteris	CS	£1.54	£53.4m	6.0	7.95	1706	-4.95%	21.34%	£2.72m	£9.40m
Clinical Computing	SP	£0.28	£6.9m	24.1	2.22	222	-21.43%	3.77%	£1.89m	£0.25m
CMG	CS	£6.00	£3,675.0m	43.9	4.53	16538	-20.49%	-33.02%	£947.35m	£1,812.00m
Comino	CS	£4.10	£56.6m	22.5	2.77	3154	-11.54%	-20.00%	£6.40m	£13.10m
Compass Software	SP	£1.70	£19.0m	56.8	7.97	1133	-5.56%	-8.11%	£0.29m	£0.80m
Compel Group	R	£0.98	£30.3m	11.5	0.11	780	-9.30%	19.63%	£3.17m	£5.00m
Computacenter	R	£3.45	£630.7m	16.2	0.32	515	-2.82%	2.99%	£18.24m	£18.30m
DCS Group	CS	£0.60	£14.5m	Loss	0.10	1000	1.69%	-36.84%	£0.22m	£8.50m
Delicam	SP	£2.05	£12.2m	10.5	0.72	788	9.33%	-2.38%	£1.00m	£0.30m
Diagonal	CS	£3.10	£270.0m	47.3	3.26	4507	-0.80%	56.96%	£2.19m	£103.90m
DRS Data & Research	SP	£0.14	£4.8m	12.5	0.58	125	-8.33%	7.84%	£0.43m	£0.35m
Ecosystem	SP	£0.22	£9.7m	Loss	9.20	129	-49.43%	-63.03%	£9.50m	£16.58m
ECSoft	CS	£6.80	£80.4m	Loss	1.24	380	-29.43%	-12.70%	£27.80m	£39.00m
Eidos	SP	£2.07	£128.8m	31.1	1.05	10345	-32.21%	-33.72%	£21.61m	£8.20m
Electronic Data Proc	SP	£0.50	£13.0m	32.7	1.56	1516	-8.33%	-28.26%	£1.13m	£5.10m
Epic	A	£3.24	£78.9m	69.3	17.94	3081	-11.00%	-6.64%	£9.82m	£5.60m
Eurolink	CS	£0.53	£5.5m	24.2	0.73	530	-1.85%	-25.35%	£0.11m	£1.87m
FI Group	CS	£3.44	£1,097.0m	49.1	3.57	8821	-9.23%	27.88%	£111.50m	£239.20m
Financial Objects	SP	£1.13	£42.8m	Loss	2.33	489	14.80%	10.84%	£5.7m	£4.20m
Flomencs Group	SP	£8.58	£24.9m	28.6	2.12	6596	3.94%	27.04%	£0.95m	£5.30m
Focus	SP	£0.95	£23.8m	Loss	33.01	487	-17.39%	-53.20%	£5.10m	£27.20m
Gresham Computing	CS	£0.20	£8.9m	Loss	0.38	210	-17.02%	-21.21%	£1.86m	£2.37m
Guardian IT	CS	£6.00	£418.8m	0.4	4.85	2353	-26.83%	-37.17%	£153.53m	£247.80m
Harvey Nash Group	A	£4.85	£141.6m	15.7	0.94	2771	-22.40%	-44.09%	£40.92m	£111.70m
Highams Systems Servs	A	£0.15	£2.8m	Loss	0.11	403	0.00%	-35.56%	£0.00m	£1.57m
IS Solutions	CS	£0.94	£23.5m	24.5	1.99	3503	-17.54%	-50.53%	£5.00m	£24.00m
ICM Computer	CS	£2.28	£44.1m	15.2	1.40	1264	-21.33%	4.60%	£7.71m	£1.90m
IDS Group	SP	£0.94	£52.8m	Loss	4.22	1039	24.67%	-45.32%	£10.40m	£43.80m
IE Group	SP	£0.48	£20.4m	Loss	2.32	511	20.00%	15.66%	£3.41m	£2.80m
Innovation Group	SP	£8.95	£1,163.0m	372.9	120.56	3908	0.00%	11.88%	£0.00m	£122.00m
ISOFT Group	SP	£2.08	£232.6m	214.4	13.09	1886	-9.78%	1.22%	£25.18m	£2.80m
ITNET	CS	£2.32	£162.7m	Loss	1.18	661	4.04%	76.05%	£6.28m	£70.30m
Jasmin	SP	£1.37	£6.4m	Loss	1.53	910	-13.88%	7.06%	£1.03m	£0.43m
Kalamazoo Computer	CS	£0.13	£5.4m	Loss	0.09	357	-16.67%	-24.24%	£1.07m	£1.72m
Kewill Systems	SP	£1.33	£101.3m	Loss	1.35	2628	-49.24%	-58.44%	£98.31m	£142.50m
Keystone	SP	£0.20	£23.2m	Loss	4.83	225	-11.96%	-41.73%	£23.19m	£8.50m
Knowledge Management	SP	£0.26	£26.7m	Loss	12.78	196	-56.41%	-68.42%	£34.65m	£58.00m
Knowledge Support	SP	£0.79	£57.9m	Loss	26.39	357	-60.25%	-78.73%	£87.86m	£214.40m
Logica	CS	£9.90	£4,375.0m	49.4	5.16	13558	-28.26%	-43.43%	£1,723.91m	£3,360.00m
London Bridge Software	SP	£2.20	£373.3m	39.3	6.58	5500	-33.33%	-33.33%	£186.70m	£186.70m
Lorien	A	£0.74	£14.4m	Loss	0.13	735	2.80%	-3.92%	£0.40m	£0.60m
Lynx Holdings	SP	£0.85	£144.2m	19.4	0.58	2113	-7.14%	-4.52%	£11.10m	£6.00m
Macro 4	SP	£6.35	£132.1m	27.6	6.02	2560	-23.95%	-29.44%	£41.60m	£55.10m
Manpower Software	SP	£2.05	£6.0m	Loss	3.72	258	-32.43%	-5.66%	£0.92m	£2.96m
MERANT	SP	£0.68	£91.1m	Loss	0.40	326	-15.63%	-28.95%	£16.70m	£9.70m
Microgen Holdings	CS	£2.40	£122.2m	Loss	4.82	1026	0.00%	1.21%	£34.43m	£34.30m
Miva	SP	£5.04	£2,903.0m	34.3	4.10	6270	-16.07%	-29.64%	£555.92m	£998.00m
MMT Computing	CS	£3.50	£42.4m	12.0	1.12	2083	-22.65%	-33.65%	£12.36m	£21.40m
Mondas	SP	£0.15	£3.0m	Loss	2.21	200	-33.33%	-62.50%	£1.50m	£5.00m
Morse	R	£3.90	£492.6m	17.7	0.97	1560	-0.64%	3.31%	£3.09m	£15.80m
MSB International	A	£0.89	£18.1m	5.1	0.10	466	-16.90%	-23.04%	£3.60m	£5.40m
NetBenefit	CS	£0.30	£4.7m	Loss	0.63	148	-62.89%	-76.86%	£8.00m	£15.68m
Netstore	CS	£0.39	£34.5m	Loss	29.95	260	-2.63%	-52.15%	£0.90m	£37.50m
Nettec	CS	£0.29	£31.6m	Loss	1.83	119	-10.94%	-3.39%	£2.80m	£0.10m
Northgate Information Solutions	CS	£0.52	£147.0m	Loss	0.89	200	-27.78%	-24.36%	£56.58m	£45.40m
NSB Retail Systems	CS	£0.56	£177.3m	Loss	4.33	4870	-67.54%	-66.57%	£369.00m	£216.20m
Orbital Software	SP	£0.46	£20.7m	Loss	108.72	317	-29.23%	-54.46%	£8.44m	£24.60m
Orchestra	SP	£1.32	£160.6m	Loss	58.49	711	-18.07%	-52.13%	£35.38m	£175.20m
Perly	A	£1.13	£173.3m	18.1	0.64	18933	-23.99%	-8.42%	£52.93m	£6.20m
Patsystems	SP	£0.64	£81.3m	Loss	32.21	598	-3.76%	-37.86%	£3.19m	£49.60m
Plein	SP	£0.61	£49.9m	22.1	3.75	2542	-12.86%	-41.35%	£7.36m	£35.20m
Policymaster	SP	£2.20	£35.2m	50.0	2.05	1467	-18.52%	-33.33%	£8.00m	£16.60m
PSD	A	£6.58	£165.0m	11.4	2.60	2989	-26.74%	-31.15%	£60.26m	£74.70m
OSP	SP	£0.20	£18.2m	3.8	0.36	266	-32.50%	-33.06%	£8.80m	£9.00m
Quantica	A	£0.57	£22.2m	8.4	0.93	456	10.78%	2.73%	£2.20m	£0.60m
Reit International	SP	£0.40	£19.9m	210.5	2.17	627	-3.66%	-37.30%	£7.00m	£22.10m
Rage Software	SP	£0.66	£19.1m	Loss	4.53	221	-32.35%	-46.51%	£9.04m	£15.20m
RDL	A	£1.16	£17.8m	17.3	1.10	1289	10.48%	-33.71%	£1.70m	£9.00m
Recognition Systems	SP	£1.22	£110.4m	Loss	12.81	1736	-44.52%	-56.37%	£88.72m	£142.80m
Retail Decisions	SP	£0.61	£85.6m	Loss	4.84	824	-29.07%	-35.00%	£83.60m	£83.60m
RexOnline	A	£0.70	£4.6m	Loss	6.24	827	-9.15%	-27.98%	£0.46m	£1.78m
RM Group	SP	£4.25	£398.8m	48.9	1.92	12143	-24.11%	-25.44%	£126.68m	£133.60m
Ruffe & Nolan	SP	£1.64	£23.1m	10.8	1.01	1952	-48.45%	-58.06%	£17.77m	£32.00m
Royalblue Group	SP	£9.50	£286.0m	60.9	4.98	5588	-6.17%	-9.52%	£18.85m	£30.10m
Sage Group	SP	£2.47	£3,129.0m	43.3	7.59	95000	-15.12%	-19.48%	£557.96m	£757.00m
SBS Group	A	£0.50	£4.6m	10.3	0.10	500	-0.99%	-50.00%	£0.05m	£4.55m
Science Systems	CS	£2.40	£136.1m	80.3	2.74	4186	-2.74%	9.00%	£8.18m	£14.80m
SDL	CS	£2.50	£103.6m	52.3	3.48	1667	-25.48%	-32.71%	£29.77m	£43.50m
Sema	CS	£5.56	£3,412.0m	53.3	2.26	6994	1.55%	89.63%	£51.79m	£1,603.00m
ServicePower	SP	£0.45	£22.7m	Loss	6.90	445	-21.24%	-35.97%	£6.16m	£12.80m
Sherwood International	CS	£3.25	£138.6m	25.0	2.55	10827	-14.47%	2.52%	£29.48m	£3.40m
Skillsgroup	CS	£1.23	£108.6m	Loss	0.77	552	-9.89%	-10.55%	£11.90m	£12.80m
Sopheon	SP	£1.00	£39.7m	Loss	5.11	1439	-16.67%	-37.50%	£7.91m	£23.80m
Spring	A	£0.58	£86.4m	Loss	0.22	639	-2.54%	-35.03%	£2.25m	£46.50m
Staffware	SP	£13.40	£188.6m	128.8	4.98	5956	-0.74%	-4.29%	£1.33m	£8.40m
StatPro	SP	£0.60	£17.6m	Loss	5.55	750	-9.09%	-13.67%	£1.78m	£2.80m
Superscape VR	SP	£0.59	£21.5m	Loss	9.99	298	-46.85%	-76.31%	£18.92m	£69.10m
SurfControl (was JSB)	SP	£4.48	£134.9m	Loss	15.50	2288	-51.44%	-61.51%	£165.80m	£211.00m
Syngence	CS	£0.39	£15.2m	Loss	8.17	731	20.83%	-26.92%	£2.79m	£5.90m
Syster	CS	£0.35	£56.9m	11.3	0.24	212	-24.32%	-26.32%	£18.30m	£20.30m
Systems Integrated	SP	£0.39	£5.2m	21.0	3.40	339	21.88%	25.81%	£0.94m	£1.08m
Systems International	CS	£0.23	£7.7m	53.0	0.43	391	-35.71%	-40.00%	£4.24m	£5.10m
Systems Union (was Freecom)	CS	£0.65	£66.5m	Loss	111.02	496	-24.12%	-7.86%	£21.22m	£5.70m
Telework	SP	£1.38	£248.2m	79.3	14.29	0	-17.17%	-27.44%	£51.46m	£93.80m
Telme.com	CS	£0.17	£13.5m	Loss	0.97	110	-35.85%	-46.03%	£7.60m	£11.60m
Terence Chapman	CS	£0.93</								

Mergers & Acquisitions

Buyer	Seller	Seller Description	Acquiring	Price	Comment
Alexander Mann Group	The Definitive Group's solutions arm - Concise	Java solutions	100%	n/a	AMG is a privately-owned IT staff agency. The new operation, to be called The Concise Group, will become part of what was AMG's e-business division.
Anite	Eurowise PP	Consultancy for the banking & finance sector	100%	£3.8m	The consideration consists of £1m initially (£250K in cash, the balance in shares) plus a max. earnout of £2.75m. Eurowise provides implementation, training & consultancy services.
Convergys Corp.	Geneva Technology	Billing software	100%	£225m	US Convergys specialises in billing and customer care software, so Geneva's a good fit.
Dimension Data	Premier Systems Integrators	US systems integration company	100%	c£95.6m	Didata paid an initial £79m in cash, the remainder is deferred over 18 months. Premier had revenues of £105.3m in its last FY.
ECsoft Group	Bitcraft	Swedish internet systems development company	100%	£29K	ECsoft paid cash for Bitcraft. A further consideration is dependent on performance and NAV.
Heudden Invest	Fondex International from Exchange FS	holding company	100%	£340K	
Howper 348 (MBO)	MAPP from Diagonal	IT staffing operation	100%	£1.4m	Diagonal will receive 50% of gross profits in 2001 from certain contracts.
ICM Computer Group	C Cat	Systems integrator	100%	£1.86m	ICM paid £1m in cash and the balance in shares for C Cat, who had revenues of £5.4m and operating losses of £0.6m in the year to 30th Sep. 00.
InterClubNet	Local Computing	Software for amateur football associations	100%	£35K	Local Computing's software is apparently used by more than 70% of county football associations in England.
Novell	Cambridge Technology Partners	IT and e-commerce strategy and consulting	100%	c£172m	Novell is swapping 0.668 of a share for each CTP share. Jack Messman, President & CEO of CTP will become CEO of Novell.
Sage Group	Interact Commerce Corp	ACT and SalesLogix products for SMEs	100%	£183m	Sage paid a 51% premium to Interact's closing share price the day before the announcement. It will use a loan facility to finance the cash deal.
Secure Browser Ltd	Totalise's dial-up operation	Rights to dial-up revenues from Totalise's user base		£2m	The consideration comprises £1.4m in cash over six months, plus £40K under a loan stock agreement. SBL also agreed to subscribe for approx. 3.25m shares at 16p per share (£520K).
Sopheon	Technology & IS division of Aventis Research	Services and software for the life sciences industry.	100%	n/a	Sopheon paid shares equivalent to the value of net assets acquired. Also acquired IP. An earnout, also in shares, is linked to profits in 2001 to 2003.
Specialist Computer Holdings	Compelsource from Compel	Desktop services	100%	£18.5m	SCH paid cash for Compel's desktop services operation which generated £113m revenues in the six months to 31st Dec.00
Spring Group	Hy-phen.com	Web-based recruitment	100%	£555K	Spring paid £205K in cash and the remainder in shares for Hy-phen.com. The acquisition will enhance Spring's existing web-based recruitment technology.
Stilo	eidon	e-content management systems	51%	£984K	Stilo acquired 51% of eidon, a complementary XML technology company. Eidon had turnover of £501K and losses of £217K in the year to 31st Dec. 00.
Teletrade Solutions	Fondex Sweden from Exchange FS	online fund supermarket	100%	£190k	Exchange FS has been busy disposing of its B2C operations recently as it focuses on B2B opportunities.
VI Group	Ubiquity Corp's software & systems business	CAD/EDI software	100%	£200K	The deal includes £50K of consulting fees to "manage the business transfer".

FI Group to become Xansa and another new brand at ICL

So now we know. Our baited breath is baited no longer. **FI Group** is changing its name to **Xansa**. Yep. "It's easy to say". Just in case you have any difficulty FI provides the helpful hint that "it has clear phonetic links with Answer". And the many rumours that it had an Indian connection were true, of course as (we all know) Sanskar is the Sanskrit for "culture and values".

Comment: We spoke to Hilary Cropper. The reaction from 250 senior staff to the name change yesterday was very positive, she says. Must give her full marks for keeping it secret for so long. but staff were on pain of instant dismissal it seems! (Exchange "Richard, you do like the new name don't you?" Holway "Well, it's better than Accenture". "Oh Richard, can't you do better than that!") But more importantly Cropper confirms that Xansa's performance remains on track. Indeed the £70m contract with AXA Sun Life announced a few weeks back is a good example of what we are seeing from many of the "long-term relationship"

players in the market. After a period of "reflection" in 2000, Q4 and Q1 seems to have seen an unlocking of contracts from established players. Indeed, outsourcing can be particularly counter-cyclical in times of economic downturn as companies take steps to control - even reduce - IT costs. Companies like EDS and Xansa are exactly the type of businesses which will do well in the climate of 2001. FI's share price ended the month down 9% at 344p.

Others were also jumping on the rebranding bandwagon this month: **ICL** has launched yet another new brand, **InfraCare**, "the Fujitsu Group's single infrastructure service offered globally". InfraCare seems to be a sort of consortium of the services organisations of the Fujitsu family, i.e. FJ, ICL and Amdahl, each serving their respective continents. Apparently there will be a global InfraCare sales team based in Dallas, that well known global epicentre of the services universe. Phrases like "papering over the cracks" once again spring to mind ...

Forthcoming IPOs

Name	Activity	SCS or Dotcom Index	Index Class	Market	Issue Price	Est Mkt Cap.	IPO Date
Altdigital	Internet Services	Dotcom	S&S	MAIN	tbc	£140.0m	early 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
ebookers.com	Online travel company	Dotcom	B2C	MAIN	tbc	c£50m	H1 2001
Embedded Solutions	Software	SCS	SP	TBA	tbc	tbc	H1 2001
MoneyGuru	Online financial services	Dotcom	C&M	AIM	tbc	£10.0m	Apr-01
Netalogue Technologies	Procurement Software	SCS	SP	TBA	2p	£0.8m	Mar-01
theoilsite.com	B2B exchange	Dotcom	B2B	AIM	tbc	£5.0m	Apr-01
Timberweb	Online Marketplace Provider	Dotcom	B2B	AIM	tbc	£25.0m	early 2001

Recent IPOs

Name	Activity	SCS or Dotcom Index	Index Class	Market	Issue Price	Market Cap.	IPO Date	Price end Mar. 01	Premium/Discount
Michael Page Consultancy	Recruitment consultancy	SCS	A	MAIN	175p	£656.3m	29-Mar-01	180p	3%

Tough times for e-services companies

e-Business services company **Nettec** has announced its maiden results since its Apr. 00 float. Turnover for the year ended 31st Dec. 00 was up 261% to £17.3m, LBT was £8.6m compared with £2.3m for the previous year, an EBITDA loss of £8.1m compared with £1.8m last time, Loss Per Share was 8.8p from 4.6p, or 8p and 3.9p fully diluted.

Founder and Chairman Jeremy White commented "Our market place continues to show rapid growth and through the restructuring and refocusing of the business in November and the additional strengths through the successful integration of our acquisitions, I believe that we are well placed to benefit from future client developments in our field".

Comment: Nettec has suffered like every other e-business services company and these results were in line with a profits warning issued last December. In fact the company had a strategic review in Nov. 00 that resulted in the sale of its online advertising business to its management (it will now be an outsourced service) and staff being reduced by 45 (including two board directors), although 'only' 16 of these staff were billable.

We said in our e-business services report that companies will need to be niche or global to survive and Nettec appears to be trying to establish a deep technology expertise, particularly in new technologies and cross-platform and integrated solutions. It has more people overall - headcount up from 114 to 349 - and extended infrastructure - a new 25,000 square foot technology centre in Kingston. The company also acquired technology consultancy Syslogic, which had 28 staff on its payroll.

Nettec is also looking overseas. It acquired three French technology companies and one French creative services company during the year as a base for European growth - £5m turnover was from acquisitions. However, the company is waiting for prices to stabilise before using cash reserve of £28m in the bank - the float in Apr. 00 raised £44m.

Nettec has the advantage of strong management and, as our discussions with them late last year indicated, an acute awareness of the need to generate profit - focus is increasingly on profitable blue chip clients (new clients include Renault, Capita Group, AXA Investment Managers and Cegetal). Apparently repeat business is at about 80% of turnover, which can't be bad.

But the market is not good out there for even the best e-business services companies at the moment. Nettec's share price ended the month down 11% at 29p.

Modest first half for BPO 'suspect' Hays

BPO 'unusual suspect' and IT staffing major league player **Hays** reported total turnover for the six months to 31st Dec. 00 up 23% to £1.26bn, and operating profit (pre-goodwill etc) increased 12% to £142m. However, PBT rose just 2% to £121m, taking into account £9m of goodwill amortisation and a vastly increased interest bill of £12m - more than double the same period last year and even more than the whole of FY99/00 (this was attributed to "a number of factors including higher Euro interest rates"). EPS fell 2% to 4.9p.

Hays largest division, Hays Personnel (40% of turnover) had a bumper half with revenue up 45% to £502m and OP up 40% to £70m - an amazing 14% margin. Revenue in their Logistics division rose 20% to £451m but Commercial division revenue only increased 8% to £230m. Hays Chemical business was the dog - revenue dropped 3% to £78m. Outgoing chairman Ronnie Frost expects "a satisfactory result for the year".

Comment: We reckon about one third of Hays Personnel revenue comes from its IT staff agency (ITSA) activities, so it is a major league ITSA player both in continental Europe and also in the UK. Besides the ITSA business, Hays is a big time BPO player in logistics and supply chain management (SCM) through its Logistics operations. Hays is deeply into i2's SCM product and have opened a demo centre in Paris to show off its capabilities. In fact, BPO is a strong theme in all Hays' activities.

The Commercial division offers BPO services for document management. Hays also recently launched Personnel Solutions (PS) for HR outsourcing - indeed, they say sales from PS is tracking around £100m annualised revenue. As we have been saying for years, we have no doubt that Hays represents a real threat to 'traditional' SCS companies who are trying to move 'upwards' into commercial BPO, while Hays increasingly picks up software and services business working from the business process end 'downwards'.

KMS calls off merger talks

KMS announced interim results this month (see page 5) and went on to announce that it was not going to proceed with the proposed merger with **Orbital**. The two companies plan to continue to develop their existing commercial relationship. Shares in both companies were down following the news. At the end of the month, KMS share price was down 56% at 26p, Orbital was down 29% at 46p.

Revenue up but profits down at Sherwood



Sherwood International announced results for the year ending 31st Dec. 00 showing turnover up by 17% at £54.3m, due mainly to strong growth in the US. Acquisitions in the US and UK contributed £4.75m, over 9% of total turnover. PBT was down 10% at £6.6m, largely on account of higher staff costs and writing-off goodwill on the acquisitions. Diluted EPS at 13p, is considerably down on last year's figure of 19.8p.

The UK is still, just, the largest source of turnover for the company, providing £24.4m or 45% of the total. This is a reduction of 20% on last year's figure, however. The US provided the most growth for the year, with turnover of £23.2m (1999: £12.4m) although

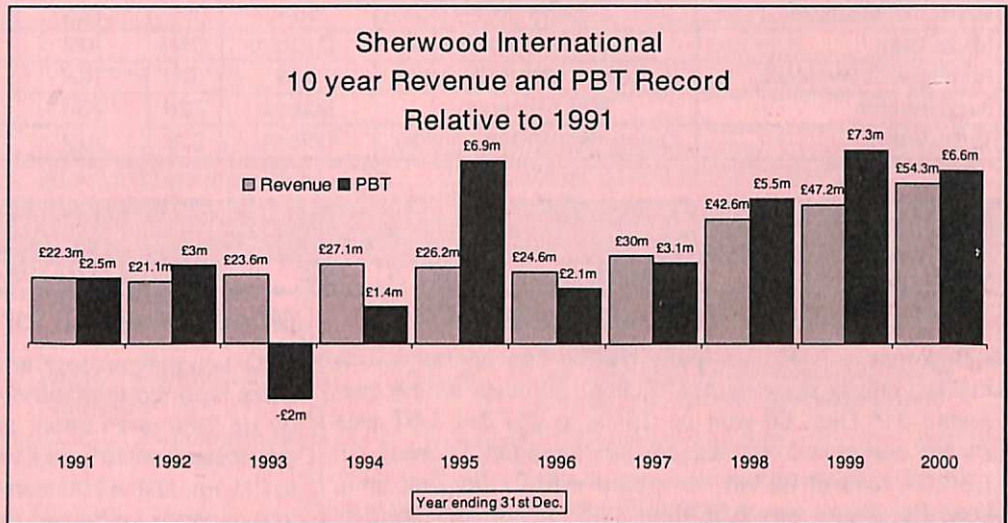
continental Europe (£5.3m, 1999: £3.2m) and the rest of the world (£1.3m, 1999: £0.4m) also grew strongly. Sherwood's loss-making joint venture with ICL no longer contributes to the accounts. However software sales to the UK government, which arose from this activity, now account for 18% of turnover. Sherwood have developed further their distribution agreement with Deloitte Consulting, and launched a new venture, e2-one, to market their 'aeos' product outside the insurance industry. This venture recorded

one sale, as part of a stock broking system, since launch in Sep. 00.

Commenting on the results, COO George Matthews put on a brave face: "The past year has not been without its challenges, but these were met head-on and generally resolved successfully. In achieving record unit sales and record turnover, the Group has performed well in difficult circumstances. The investments that we have made, and will continue to make, in broadening our product portfolio, and our sphere of operations, will continue, we believe, to bear fruit."

Comment: We have commented in the past on Sherwood's 'tango-like' progress: two steps forward, then one step back. The growth in turnover shows that Sherwood has made good use of the acquisitions it has made in the US, successfully entering the general (property & casualty) market and growing its business there by 83%. But this growth has been achieved just as the US economy teeters on the brink of recession and overall profitability has declined. However, Sherwood are also strong in continental Europe, where the majority of the world's largest insurance companies are located, and so should be able to spread their activities across several markets.

Steve Bellamy (Global COO) is stepping down from the top position in Aug. 01, although he will remain with the group working on "various projects". Sherwood will need to act fast to put in place a successor to Bellamy who can provide strong leadership as times get hard. The shares ended the month down 15% at 325p.



Super debut from Charteris

Charteris announced maiden interim results for the six months to 31st Jan 01. Revenue has increased 41% to £4.8m, PBT has slipped from £346K to £61K and EPS has reduced from 0.8p to 0.14p. Commenting on the results (ex-Logica CEO) David Mann, Chairman, said: "Looking to next business year and beyond, the directors remain confident that the market offers Charteris significant opportunity for further growth. Whilst some maturing of the e-business market can be expected, rapid change will continue to be a characteristic. To thrive in this environment, organisations need to apply genuine experience of Information Systems in a flexible and innovative way. The depth of skill offered by Charteris, combined with the Company's adaptable, creative approach, positions it well for continued success".

Comment: The growth in rev. has come, almost exclusively, from Charteris' newly formed e-Solutions operation, which made £1.1m in the period. Establishing the operation was responsible for the decline in PBT, but the results statement confirms that the e-Solutions business is expected to achieve profitability during H2. This really shows what you can do if you apply old established experience/methodology to customers needs in the new economy. Having floated on AIM at 90p per share in Nov. the shares ended the month at 154p, a 71% premium. A rare excellent debut!

Not another company changing its name!

Policy Master announced final results for the year ending 31st Dec. 00, revealing turnover up 2.4% to



£17.1m, PBT down 3.2% to £727K and diluted EPS decreasing from 6.9p to 4.4p. John A Kimberley, Chairman, commented on the outlook for the Group: "For the first time in many years, Policy Master's emphasis can be upon selling and deploying the software that it currently has, rather than needing to build a new product in order to satisfy customer demands".

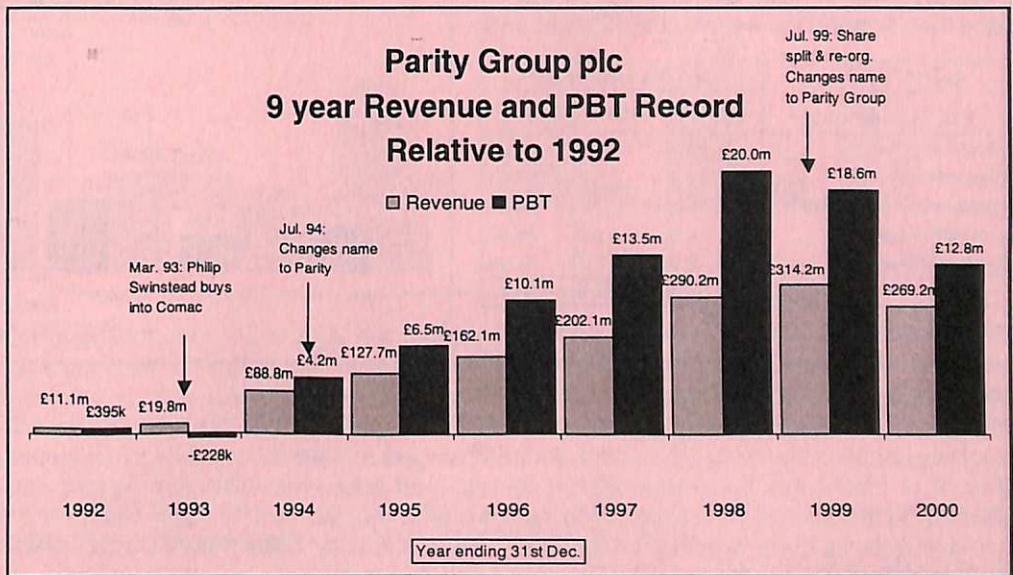
Comment: Policy Master's results in 2000 were affected by the delay to the launch of the Sirius for Broking Product in H1 as well as a demanding R&D Programme but it now looks as if it is entering a new era with a solid customer base and a recognised product brand. The Group is also proposing a change of name to Sirius Group to "build on the success and recognition of the Sirius brand". As always, what we like to see is a good proportion of recurring revenues and Policy Master has not disappointed with £6.13m of recurring revenues - 36% of the total. Things are looking good and the company intends to seek a move from AIM to the main list.

The share price ended the month down 19% at 220p.

Smooth transition expected at 'cautious' Parity

Like so many other "established" SCS companies, **Parity Group** found that 2000 was beset by a poor H1 and a rather more promising H2. Turnover for the year ending 31st Dec. 00 decreased by 14% from £314m in 1999 to £269m in 2000, and PBT decreased by 29% from £18.6m to £12.8m, an overall 6.8% margin. EPS also decreased 29% from 9.42p to 6.25p. The core IT staff agency (ITSA) business (Parity Software Services) was hit badly, as expected, with revenue down 22% to £192m and profit down 32% to £10.5m. However, this is still a 5.5% margin which is not bad under the circumstances. The main problems were in UK (margins down to 4.5%) and Continental Europe (margins down to 2.9%) – but the US ITSA business saw both revenue and profit increase and is now running at an enviable 10.1% margin! Parity Solutions (soon to be renamed Plerion) did much better. Revenue rose 12% to £77m (Parity Training did particularly well, growing revenue 16%), although profits for the solutions division dropped 22% to £7.9m (not helped by Continental Europe – mainly Netherlands – going into loss) but this still left a healthy 10.2% margin. It was also announced that founding chairman (and one of the veterans of the UK ITSA market) Philip Swinstead is stepping down into a NED role as he recovers from major surgery (thankfully successful). Parity's previous chairman Billy Carbutt has returned as non-exec. Chairman of the group, mirroring the circumstances that saw Swinstead 'assuming

the throne' from Carbutt some years ago. Carbutt was chairman of Parity plc (as it was then) from 1994-1997 until he had to step down also due to ill health at that time. Swinstead has also brought in Scots-born Ian Miller (ex-EDS, ex-PA) as group CEO, who will also have direct responsibility for 'Plerion'. Long time Solutions MD Keith Jennings is leaving Parity (on an amicable basis, we hasten to add). 'New' chairman Billy Carbutt remains "cautious" for 2001 "... but the business will continue to be managed strongly to maintain margins".



Parity Group plc FYE: 31st December	Turnover £m			PBT £m*			Margin	
	2000	1999	Change	2000	1999	Change	2000	1999
Plerion	76.9	68.6	12.0%	7.9	10.0	-21.7%	10.2%	14.6%
UK	69.7	59.7	16.7%	8.0	9.0	-11.6%	11.5%	15.1%
Continental Europe	7.2	9.0	-19.7%	-0.1	1.0	-112.1%	-1.7%	11.3%
Software Services	192.4	245.5	-21.6%	10.5	15.6	-32.2%	5.5%	6.3%
UK	93.8	136.6	-31.3%	4.2	7.4	-43.0%	4.5%	5.4%
Continental Europe	50.2	65.0	-22.8%	1.5	3.9	-62.0%	2.9%	6.0%
US	48.3	43.9	10.0%	4.9	4.3	13.1%	10.1%	9.8%
TOTAL	269.2	314.2	-14.3%	18.4	25.6	-28.1%	6.8%	8.2%

* Before central costs, goodwill & exceptionals

relatively seamless – although we still expect to see Swinstead's hand somewhere near (but not on) the tiller once he has recuperated. However, we think the 'cautious' approach is appropriate, as the dramatic downturn in the US economy will surely take some of the shine off Parity's very profitable US ITSA business, which alone generates over 25% of group profits. With its ITSA division and its Solutions division Parity is still very much a 'business of two halves' and likely to remain so for now. But the rebranding of the Solutions division (no, we don't like the new name 'Plerion', but suppose it's no worse than some of the other new names around) signals the potential shape of things to come. Parity's shares ended the month down 23% at 113p.

Amey aiming high

Another 'unusual suspect' has crept onto the UK SCS scene of late - construction services company **Amey**. Much like **Invensys** last year Amey grouped together its collection of IT businesses (like Comax which included a staffing business) into a new Technology Services division which is now turning over some £66m (of Amey's £700m total revenue), although profits for the new division are just £1.7m, i.e. under 3% margin. According to Amey chairman Neil Ashley, their strategy is "to become one of the UK's leading providers of business process outsourcing services". Well, there's nothing like having a dream, and with BPO players like **Capita**, **Hays**, **Serco**, et al already in the frame, Amey might not find this easy.

nanoUniverse confines losses

nanoUniverse, an internet incubator, announced results for the 15 months to 31st Dec. 00, having joined AIM back in Mar. 00. LBT for the period was £807K and Loss Per Share was 3.5p. The company has cash reserves of £25m, and has, like the other incubators, focused on controlling the rate of cash burn. Chairman Alan Buggy commented that: "Despite the transience and volatility of market conditions, we have confined our losses to a minimum, thus safeguarding the Company's capital and placing us in a strong position to change the Company's strategy with a view to delivering long term value to our shareholders". The shares ended the month at 47p, up 5%, but down 53% from the float price.

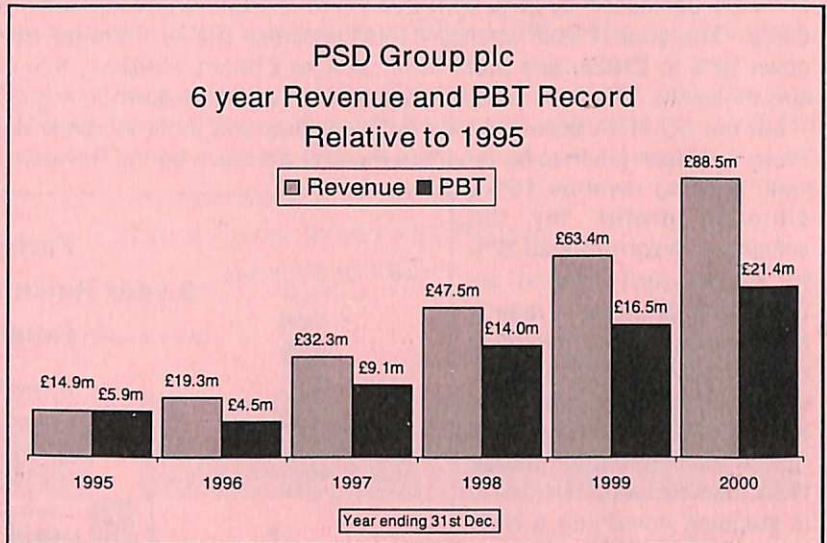
Permanent Recruitment Boosts PSD

Specialist staff agency **PSD Group** seemed to shrug off the post-millennium doldrums by reporting a splendid set of results. Gross fee income for the year ended 31st Dec. 00 rose 40% to £88.5m, net fee income rose 36% to £54.4m, OP rose 28% to £20m, PBT increased an amazing 29% to £21.4m, and EPS jumped 23% to 57p. However, CEO Francesca Robinson warned that "market conditions are now less certain ... and it is not clear how this will impact on the results for 2001." This somewhat cautious note caused PSD's shares to drop 8% to 713p on the day, and they finished the month down 27% at 658p.

PSD Group FYE: 31st December	Net Fee Income £m		
	2000	1999	Change
Technology UK	20.2	16.6	21.9%
International	10.4	5.5	87.7%
Commercial & Prof. Svcs.	10.0	7.8	28.3%
Finance & Banking	4.2	2.8	49.5%
Hoggett Bowers	9.6	7.2	34.3%
TOTAL	54.4	39.9	36.4%

Comment: What a difference permanent recruitment makes! PSD does relatively little contractor placement, witness the superb 24%

margins – although these are down from 26% last year. Less than half of PSD's business actually comes from IT staffing, which also probably helped. Indeed, net fee income from their UK Technology division "only" grew 22%, the lowest of PSD's five businesses. Overseas ops. did best – up 88%. And by the way, all this growth is organic! PSD floated on the LSE in Feb. 97 at 220p so even after the recent drop, their shares are still approaching three times IPO price. Obviously 2001 is going to test them – but if a 'quality' ITSA like PSD can't weather the storm, what hope is there for the contractor-led "body shops"?



iE to focus on niche areas

Intelligent Environments announced preliminary results for the year ending 31st Dec. 00. Turnover increased by 22% from £7.2m to £8.8m, LBT was £2.5m compared to £3.0m, and Loss Per Share was 5.97p compared to 8.16p in 99. Clive Richards, Chairman, commented on the outlook: "In 2001, our operational goals are to be market leader in the credit card market in the UK and to be a significant player in the retail investment funds market, whilst taking initial steps to secure a position in the insurance market".

Comment: iE Group seems to offer up a new strategy every year, and has an uninspiring historic record of either zero growth or substantial losses. In Feb. 2001 Chief Executive Roger Willcocks left to be replaced by Phillip Blundell. Blundell has been at iE for the past three years as FD but also with some operational responsibility for the UK business. This year's strategy is to focus on two niche application areas in the UK, and to cut back to almost nothing in the US. The application areas are Web front-ends for credit card customers and for personal "wealth management" systems (such as ISAs). Software "packages" have been developed for these, and the revenue mix is typically 50/50 license and implementation work. This looks to be a sound strategy for getting to profitability. It depends on getting the whole company and its skills behind a very targeted objective, and locking into a much smaller number of blue chip core customers and partners, and getting to a leadership position in these niches. However, it is clearly not a recipe for rapid growth, as the buying cycle for these kind of systems (typical ticket = £0.5 to £1m) can be lengthy. Profits might finally appear in 2001, although there is already a restructuring cost of £700k that will have to be included in the current year accounts. The shares ended the month up 20% at 48p.

Delcam Experiences Mixed Fortunes O'Seas

Delcam – the CAD/CAM software provider - announced its results for the year to 31st Oct. 00 during the month. Turnover was up 8% at £17m, but there has been a much greater improvement in profitability. PBT, at £1.6m, was up by 57% on the 1999 figure, with EPS of 19.6p, 48% higher.

Comment: Delcam sells in a large number of countries, and although it reports slowing sales in North America, the largest market for CAD/CAM software, in the second half of the year, this has been offset by growth in developing countries in South America and the Far East. The experience in Europe was mixed: 'disappointing' sales in France, Germany and the UK (in H1) but growth in Italy, Belgium and Scandinavia.

Delcam has spent heavily on R&D in the past, and continued this trend with £3.6m recorded in this financial year. This appears to be in the belief that this will protect them against a general economic downturn in their principal markets, in the same way that it helped turn the company around after the bad times of 1998.

Commenting on the results Chairman Tom Kinsey said: "The good progress, both technically and commercially, experienced in 1999 has continued during 2000... The slowdown in the USA and the problems of the Japanese economy must have an impact on world trade from which we cannot be isolated if these economic trends continue. Nevertheless with a series of new software releases planned for this year, together with significant enhancements to our existing products and continuing investment in our sales channels, we remain confident in our competitive position."

Delcam shares ended the month up 9% at 205p, but down 21% from the float price of 260p in Nov. 97.

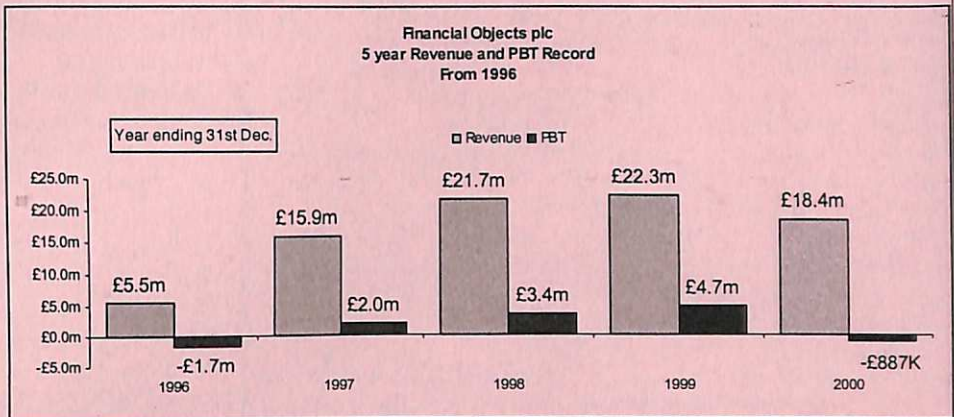


Financial Objects goes into the red

Financial Objects results for the year to 31st Dec. 00 showed revenues down 18% to £18.4m, a LBT of £887K (PBT of £4.7m last time) and LPS of 2.61p (EPS of 8.87p). Roger Foster, Chairman, commented on the results, "The year 2000 was a disappointing one for the Group as banks' spending on IT slowed following the millennium. However, the second half of the year began to see an improvement in activity..."

Comment: In 1998 ex-ACT Foster said he had Misys in his sights claiming that Financial Objects was "Number Two to Misys in the banking software market". But, as can be seen from the headline figures, the year 2000 was not a good one for FO as they suffered from a slowdown in demand for its traditional banking products. Had it not been for the new ActiveBank™ product, which saw revenues grow 33%, and now accounts for 40% of revenues, things could have looked

a lot worse. But it seems that in the second half of the year, the traditional product revenues picked up again and it is good to see that the company now sees the importance of recurring revenues such as professional services revenues and annual support revenues. These types of revenues are expected to account for c70% of total revenue in the coming year so next years results are likely to reflect a higher level of financial stability. Meanwhile, Financial Objects share price gained 15% during the month to end at 113p - almost exactly half their Dec. 98 IPO price of 230p. Interestingly Misys is still showing a premium in that period (Dec. 98 = 437p - End Mar 01 = 504p)



Maiden results from Riversoft

Riversoft, "a worldwide network management software provider", announced its maiden results since listing on the LSE in Dec. 00. Turnover was up an impressive 902%, albeit from a small base of £516K in 1999, to £5.2m in 2000. LBT however has deepened significantly from £5.3m in 1999 to £26.5m. Loss Per Share was 32.7p deepening from 9p. Phil Tee, Chairman and CTO, commented, "With our recently completed IPO, our increasing top-tier alliances and our growing customer base, the company is well-positioned to capitalise on the expanding needs businesses have to improve their network management capabilities".

Comment: Riversoft's customers fall into the categories of service providers and corporate enterprises. Turnover in 2000 came from direct licence sales of software, and from maintenance, training and services. Of the company's 51 customers over the period, nine were repeat purchasers. It would be interesting to know the percentage of revenue that was recurring but this is not revealed. The high costs incurred during the year had a lot to do with increased sales and marketing and higher than expected costs in the development of its next product version. Riversoft admits that its success in the future relies on the new version being accepted by the end user community. It seems that despite high increases in revenue over the past year, the company needs to work to build up a loyal customer base and to ensure that a high percentage of revenue is recurring in the future so that the risks relating to the release of new products is reduced. Having floated at 94p, Riversoft's share price ended the month at 75p - a discount of 20%.

In and out of the FTSE100

Mike Lynch (**Autonomy**) paid the price of daring to criticise the City by being ejected from the FTSE100 during the month. SCS replacement will be **Sema**, which because of the Schlumberger bid, will probably only last until the next quarterly review.

Transformation at KSS

Knowledge Support Systems, which "develops and markets software systems which enable organisations to make profitable decisions through the setting of prices in competitive markets", announced results for the year to 31st Dec. 00. Turnover for the period increased 52.5% from £1.8m to £2.8m, however with staff numbers increasing by 41 to 148 over the period, revenue per head decreased by over 50%. LBT deepened from £83K to £2.1m and Loss Per Share deepened from 0.1p to 3.0p. Chairman, John A C King, commented on the outlook for the company, "The particular need for Market Adaptive Pricing products is growing at a significant rate. Our product range and experience and strong financial resources uniquely position the Group to take first mover advantage of that opportunity as it unfolds".

Comment: KSS Chief Exec and founder, Madan G Singh, stated that during the year, the company had seen a transformation "from being a small technology consultancy into a sales and marketing led product licensing enterprise with international reach and presence". However, with the company in its current form still being in its infancy, the main problem that arose during 2000 was the unpredictable revenue stream. There had been heavy reliance on the Group's first licensing deal with a retail customer, which it failed to close before the year-end. As well as focusing on the US market this year, the Group also intends to develop partnerships and alliances to increase its "reach and routes to market" - this will hopefully reduce the dependence on single deals. KSS currently operates in the general retail, petroleum retail and telecoms sectors. It claims that during the last reporting period, it had interest from potential customers to start projects in the financial services and utilities sectors. However, it decided to focus on its Retail Division and the partnership with Alcatel in the telecoms sector. At this stage, "sticking to the knitting" was certainly the right thing to do but it is good to see that there is the opportunity to broaden its reach to other markets. KSS' share price ended the month down 60% at 79p.

Quite a lot of news of our own this month.

OVUM HOLWAY

Hotnews

We launched our Hotnews service on the web in 1996. It's become part of everyday life for most subscribers. The impressive web statistics are one thing (we must be the "stickiest" site in the business!), but it's the quality of the readership that really matters to us. The feedback we get at the very highest level (when we do something wrong or that you disagree with) is amazing.

In Nov. 99 we decided to join the dot.com rush ourselves with the launch of techmarkresearch.com. In a way we were a bit like the FT. Excellent old-established brand moving into the new economy. FT.com was a major success - as far as "clicks" go. But customers paying 85p a day for the newspaper realised they could get the content free from FT.com. FT.com will soon be a subscriber only service.

Where the FT goes, we can but follow!

From 1st May both www.holway.com/hotnews and www.techmarkresearch.com/newsdesk will only be available to our customers. Assuming (as you are reading *System House!*) that you are already a subscriber, we will be issuing Usernames and Passwords in April.

It might just be that you have "borrowed" this copy (or worse...). If so, please subscribe NOW. There is a special offer available if you apply via the website before 1st May.

2001 Holway Report

The Ovum Holway team is deep into the production of this massive 14th edition of the tome. Except that this year the "tome" will be available as a continuous service on the web. This really makes so much more sense as the all important company profiles, datasheets, ranking tables etc. will now be continuously updated throughout the year.

As you can see, we have put together a very special "package" offer containing all our continuous services - Holway Report, *System House* and Hotnews - all available via the web.

There are many other options available - from buying the Industry Report on its own for just £2500 all the way through to Company wide licences and advisory services (poa).

CSSA Evening Presentation

Now booked for the 12th July. It was a SELL OUT last year. The CSSA already has many bookings even though the date and price were not available until now! So get your bookings in EARLY by ordering the Holway Report 2001 Continuous Service which includes a FREE place!

Ovum Holway Report 2001 - Continuous Service

The Holway Report Continuous Service includes:

- **Holway Report 2001 Industry Report.** The "Bible" of the financial performance of the UK SITS sector (= Volume One in previous Holway Reports). Supplied in both Paper and on the Web

- **Company Profiles, Ranking Tables and Datasheets.** Now updated throughout the year (=Volumes Two and Three of previous Holway Reports). Supplied via the web only.

- **System House** each month. Supplied in both Paper and on the Web

- Access to **Hotnews**

- Ticket to the **CSSA Dinner** on 12th July (worth £240) (subject to availability)

All for just £6000 + VAT (single user) or £9600 + VAT (2-5 users) and representing a considerable saving on the cost of this "package" last year.

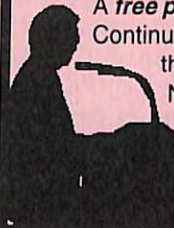
Note: Service runs for one year from 1st June...so you get even better value if you subscribe before then. Also note that existing customers will get the equivalent refund for the unexpired part of their *System House* subscription

Ovum Holway CSSA Evening Presentation

On Thursday 12th July 2001, Richard Holway and Anthony Miller will yet again be presenting the main findings of the latest Holway Report to an evening seminar on behalf of the Computing Services & Software Association at the Royal Lancaster Hotel, London. Last year over 400 top CEOs attended what is now considered to be "*the CSSA networking event of the year*". The evening starts at 5.30 pm (for 6.00 pm) and includes drinks and a really special dinner.

A **free place** will be awarded to all 2001 Holway Report Continuous Service customers who purchase before that date. Brochure and order form enclosed.

Normal price for the evening from the CSSA (Tel: 020 7395 6717 or you can e-mail: zoe.hemming@cssa.co.uk) is £180 + VAT for CSSA members and £240 + VAT for non-members.



ORDER FORM

From:	Delivery address:

<p>2000 IT Staff Agency Report</p> <p><input type="checkbox"/> Master copy @ £1750</p> <p>2001 Holway Report (available from June 01)</p> <p><input type="checkbox"/> Continuous Service incl. <i>System House</i> and Hotnews (single user) @ £6,000 + VAT</p> <p><input type="checkbox"/> <i>System House</i> (including access to Hotnews)</p> <p><input type="checkbox"/> One year's subscription @ £495 p.a. <input type="checkbox"/> "5 - copy subscription" @ £990 p.a. Electronic options are available.</p> <p>9th edition Software and IT Services Industry in Europe Programme (Please call for brochure/price list)</p> <p><input type="checkbox"/> Multi national licence £13,250 + VAT <input type="checkbox"/> National licence £8,850 + VAT <input type="checkbox"/> Additional copies @ £2,000 + VAT each</p> <p>Cheque payable to Ovum Ltd.</p> <p>Address. Ovum Holway, 2, St. George's Yard, Farnham, Surrey, GU9 7LW.</p>	<p>2001 e-business services Report</p> <p><input type="checkbox"/> Master copy @ £1750</p> <p><input type="checkbox"/> Many other packages on application</p>
<p><input type="checkbox"/> Cheque enclosed</p>	<p><input type="checkbox"/> Please invoice my company</p>

Signed: _____ **Date:** _____

System House® is published monthly by Ovum Holway, 2, St. George's Yard, Farnham, Surrey, GU9 7LW. Telephone 01252 740900; Fax: 01252 740919; E-mail Internet: mail@ovumholway.com which also publishes the annual "Holway Report" and the "Software and Computing Services Industry in Europe Report". Richard Holway has been a director of several computing services companies and might hold stock in companies featured. © 2001 Ovum Limited. The information contained in this publication may not be reproduced without the written permission of the publishers. Whilst every care has been taken to ensure the accuracy of the information contained in this document, the publishers cannot be held responsible for any errors or any consequences thereof. Subscribers are advised to take independent advice before taking any action. *System House*® is a registered trademark of Ovum Limited.