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ovum HOLWAY

SYSTEMHOUSE

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

YES MINISTER! (OR PUBLIC SECTOR OPPORTUNITIES)

When all we've heard this year is bad news, it's refreshing to be able to report on one sector of the UK software and services industry that is doing very well, thank you! Having just completed our report *'The UK Public Sector; Opportunities for IT Services'* we can confidently say that there is an opportunity out there that you miss at your peril.

Firstly the facts. In 2001 the public sector IT services market in the UK will grow at two and a half times the rate of the services market in the commercial sector. From 2000 through to 2004 the AVERAGE annual growth rate will be more than a third higher than that of the commercial sector - 11.7% compared with 8.6% - and 50% higher than the overall software and IT services market growth rate. By 2004 we predict that the overall public sector software and IT services market will be larger than the banking/finance sector, which was a driving force in IT services through most of the 1990s.

This growth is not unrelated to the fact that a substantial part of the market is in huge outsourcing deals with central government. Outsourcing is driving the overall software and IT services market. As the Holway Comment in SYSTEMHOUSE last month pointed out, if it wasn't for outsourcing we forecast that the UK S/ITS market would have contracted by 1% in 2001.

It's no surprise, then, that by far the largest player in the market, with a daunting 25% share, is the outsourcing gorilla EDS. Capita and ICL are the other leading contenders – these are the companies that have the critical mass to take on the large deals.

These companies are also being joined by competitors outside the IT sector, i.e. the business process outsourcing (BPO) providers that supply IT as part of the general service offering

But it isn't just about outsourcing. SchlumberSema and Syntegra are both in the top ten IT service providers to the public sector and there are a host of smaller players providing services to the market, many of whom, such as Torex, primarily supply the software solutions.

Part of the reason for the many players in the sector is that it's not just one market. We analysed six market sub-sectors; central government, local government, health, education, criminal justice and defence.

By far the largest is central government, accounting for 46% of revenue – mostly down to those massive (usually outsourcing) deals. At the other end of the scale are the education and health sectors, accounting for just 9% and 7% of the public sector services market respectively.

But that's not the whole story. The market in total will average an annual growth of 11.7% between 2000 and 2004, but this varies widely. The slowest growing sector will be defence – an average growth rate of 4.3%. The two fastest growing markets are health and education – NHS IT services expenditure in particular is expected to average growth not far short of 30% a year through to 2004!

It's not surprising that specialists in these markets, e.g. Torex in health and RM in education, are doing very well thanks!

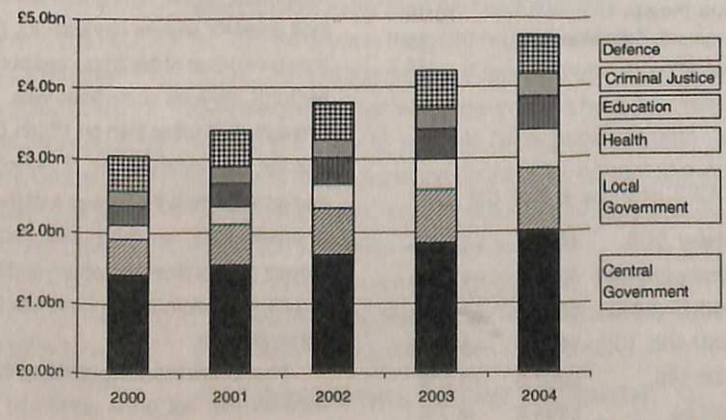
Of course, there's no such thing as a free lunch. This is a market that also has its drawbacks. It's a difficult business getting to grips with the system. The tender process can be complex and expensive. Frankly, it often seems to work against the best interests of both the public sector contractor and the IT services supplier.

EU rules dictate that contracts go out for tender even if an incumbent has been successfully in place for ten years. Given the tendering costs for large projects, this is tantamount to banging your head against the wall whilst throwing money down the drain.

Add to that the fact that the government is looking to policies like PFI (Private Finance Initiatives) to help fund projects by getting private companies to take on some of the risk.

So if you decide to go into the public

The Public Sector IT Services Markets 2000-2004



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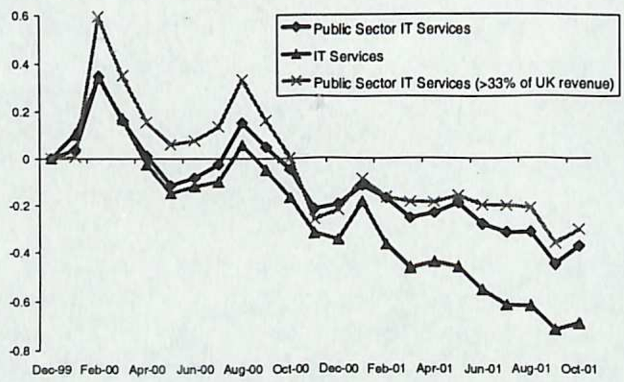
sector market there are risks at every corner; risks that not all companies are willing to take. Even IBM has been reluctant to go down the public sector route in recent years, when business has been easier (and relatively risk-free) in the commercial world. IBM's attitude has changed now, though, because there are also significant rewards.

The public sector market has been in the news quite a lot in the last year or two (both good and bad news – e.g. Hackney – another drawback). But on the positive side, there have been a number of significant initiatives that have boosted, and continue to boost, IT services expenditure.

One of the most talked about is the promise to get all government business online by 2005. You may not believe it can be achieved (few in the industry do – even the e-envoy seems to be backing away from the commitment) but it is on the government agenda. In the health sector there are very specific plans to do with having electronic personal medical records for patients by 2004 and all GP practices connected to the NHSnet by 2002. In education there are plans for all schools and libraries to be online, IT training teachers, etc, as part of the National Grid for Learning.



The point is that these are all highly visible – and hence hard to drop - government commitments that require IT services expenditure. And what makes the market so attractive is that government expenditure continues even when the commercial sector is suffering – as it is now.

Companies in the market have also benefited from a more robust share price performance than their counterparts in the private sector. The graph doesn't look good for anyone - by end Oct. 01, the share prices of the 23 quoted public sector IT services companies was, on average, 45% lower than on 1st Jan. 00. But for the software and IT services market as a whole the fall was a lot more dramatic 72%, so the public sector players did significantly better – and the greater the public sector business the better they did.

The opportunities in public sector IT services has not gone unnoticed by those looking to acquire new business opportunities or to invest in the sector.

In the past couple of years there has been an increase in the number of acquisitions involving public sector IT services companies as the market has started to catch on. But these 'boring' companies have been, and continue to be, undervalued, although the gap between them and the rest of the S/ITS industry is now narrowing as investors start to realise their attractions.

In this uncertain economic climate this is a market you ignore at your peril. Those already in the market continue to grow and gain strength, *'all the better to eat you when the downturn ends'!*

If you want a slice of the action through acquisition, then bargains can still be picked up (but price are already on the way up). If you're looking to grow organically into the sector, it's not for the fainthearted – you need to take risks and network like you've never networked before. If you only hear about a tender when its published then the chances are you're too late.

But this is the best opportunity there is in the current climate – ***can you really afford not to be there?***

For further details of the Ovum Holway report '***The UK Public Sector, Opportunities for IT Services***' contact:

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EVERY MONTH

INDICES (changes in Nov. 01)

Holway SCS	**4972.2**	**+16.3%**
Holway Internet	**3211**	**+13.2%**
FTSE IT (SCS)	**886.1**	**+14.9%**
techMARK 100	**1501.9**	**+10.1%**
FTSE 100	**5203.6**	**+3.3%**
Nasdaq	**1594.2**	**-5.7%**

HOLWAY COMMENT

START OF A NEW ERA

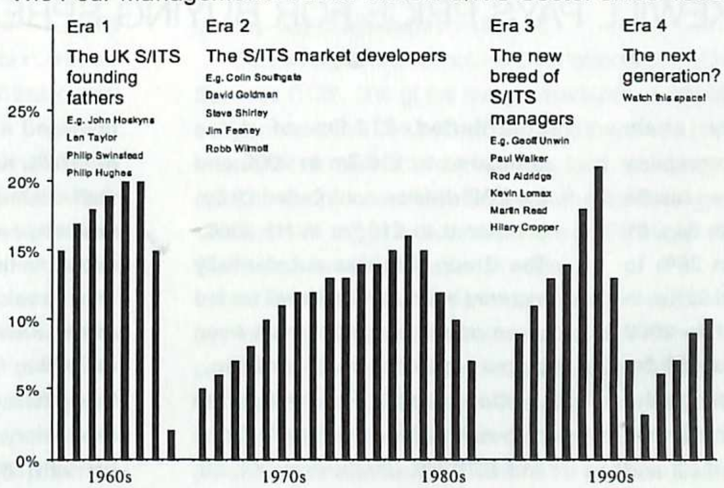
Several years ago we subtitled our reports, articles and presentations describing 1998 as *"The End of an Era"*. Since the last slowdown/recession of 1991/92, our industry had had six years of ever increasing growth rates culminating in an exceptional 25% growth in 1998 when all the 'planets lined up'. A year in which CGEY's CEO Geoff Unwin famously said *"Making profits in 1998 was like shooting fish in a barrel"*.

At the time, calling an *"end to an era"* was pretty brave. Indeed many thought it downright foolish as was evidenced by the internet/stock exchange frenzy of 1999 and early 2000.

So here we are nearing the end of 2001 with everyone bearish (it's just the degree of bearishness which seems to be debated) and Holway calls the *"Start of a New Era"*! We've been accused of *"losing it"* so many times that we fully expect the *"it's time he finally went ..."* treatment....again.

We can and have put forward many reasons for the last great 'era'. You have heard them all before. But here's one that you probably haven't heard before.

The Four Management Eras of the UK S/ITS Sector since 1960



Growth rates of UK S/ITS Sector – mostly factual but early stages "best guesses!"

PERHAPS PEOPLE MAKE "ERAS" AS WELL AS TECHNOLOGY...

The UK S/ITS industry was born in the early 1960s. It was created by people like Philip Swinstead (Systems Designers – now EDS), Philip Hughes (Logica), Colin Southgate (Software Sciences now IBM Global Services), John Hoskyns (Hoskyns now CGEY), Barney Gibbens (CAP now Sema), Steve Shirley (FI Group/Xansa) et al. To a man (and woman) by 1992 they had moved on to new 'pluralist' roles handing over the reins to a new set of managers who were then in their 40s.

The managers of the last era have now reached their 50s and are themselves looking towards to their own 'pluralist' careers. Amongst the SMEs, the same effect applies. The peak of M&A activity was reached in 1998/99 as founder shareholders took full advantage of the inflated valuations to secure their lifetime's endeavours. Many missed the boat (largely because they were too greedy and expected even higher valuations...) but would now/are now settling for more modest fortunes as their own 'pluralist' career segments approach.

TIME FOR NEW MANAGEMENT TO TAKE THE HELM

Our thinking on this was spurred on by Andrew Given's (FD of Logica) comments in the FT this month when he was reported saying *"It is important to refresh the organisation and bring new people in. We also need to keep the average age of the organisation at a constant level"*.

The inference being that it was those at the older end of the age spectrum that would be asked to 'step aside' to ensure that new younger blood could ensure that *"constant age"*. Now we got into REAL trouble when in mid 2000 we made the jibe *"you cannot turn a 50-year old COBOL programmer into a web designer simply by removing his tie"*. We therefore worry for the contents of Andrew's mail bag.

But, of course, the point he makes is serious.

In 1999, at the height of the dot.com boom, it really was the young that were assumed to have secured the future. We have to say this 'arrogance of youth' also assumed that experience counted for nought and that a useful contribution to our industry if you were past 30 (let alone 40!) was quite impossible.

Whether you are now post 50 or, indeed, sub 30, most would agree that the next era will be in the hands of those currently aged between 35 and 45.

"THE *BORING* WILL INHERIT THE EARTH"

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That's actually the sub title to our seventh (and last!) Regent Conference presentation on Jan. 29th 02. The last few years has taught everyone that matters that if *"exciting"* means losing your job, your company, your house then *"Give me Boring everytime"*. Indeed, as we have again said time-after-time, *"Boring"* companies, doing the very *"Boring"* things that people will always want to buy whatever the stage of the economic cycle, are the place to be. You have to look no further than our p1 article on the growth in the public sector S/ITS market to realise that. So the new managers – like David Andrews at Xchanging – have also realised that the future fortunes will be tied to doing *"Boring"* things like BPO.

Indeed, as you all also know we think that there is no *"exciting"* new technological 'revolution' on the horizon. We also believe that IT has matured. It's now middle-aged and is just a part of the business of the nation (as in "*the*-business not *e*-business").

The distribution sector (a pretty huge part of the UK economy!) doesn't get particularly excited about the launch of a new articulated truck. Why should we get too exciting in the future over a new operating system, hardware gizmo or even a new telco service?

THE FUTURE REALLY DOES START NOW...BUT IT'S NOT *"EXCITING"*

We are on the edge of the *"Start of a New Era"* for our sector. We anticipate the market low point in H1 2002 and thereafter there will be good and consistent growth – albeit NOT the kind of exceptional growth we have seen in the last Era!

This new Era will be managed by a whole new generation of managers as many of the current crop *"stand aside"*.

It will be rewarding. There will be great investments to be made. Many of today's 35 year olds will make fortunes and will themselves enjoy slipping into their 'pluralist' stage in 2015.

But what it won't be is *"Exciting"*.

And maybe that's all to the good.

+20%
60p
KEWILL

KEWILL PAYS PRICE FOR BUYING SPREE

Acquisitive supply chain management solutions company Kewill Systems announced results for the six months to 30th Sep. 01 revealing turnover down 26% to £24.4m. Pre-tax profits of £2.1m in the comparable period in 2000 became a pre-tax loss of £55.5m this half, mostly due to a massive £48.8m hit as a result of impairment and amortisation of goodwill and intangibles. Diluted loss per share was 71.9p. Andy Roberts, Chairman, commented, "*At present, it is difficult to anticipate the likely timetable for future economic recovery. In the short term, Kewill has stabilised its trading position and shaped its business activities to succeed in the difficult market conditions*".

The results were "*marginally ahead of expectations*" following a cost reduction programme, an upward trend in order intake for the US e-Commerce division, and improved trading results for both e-Commerce and ERP divisions in Q2. The e-Commerce division contributed £14.6m of sales compared to £16.3m in 2000 and the ERP division contributed £9.8m compared to £10.7m in H1 2000. The Group loss was substantially incurred in Q1. In Q2, Kewill traded at an operating profit break even before severance costs of £0.5m.

Comment: Following the disposal of its loss-making logistics and ERP UK divisions in Jul. 00, Kewill consists of the e-Commerce (i.e. supply chain management) division and the US ERP division. A goodly part of the interim LBT was due to the c£50m in goodwill write-down for acquisitions going back to Oct. 98, but they still turned in an operating loss of £4.9m, compared to an operating profit of £1.6m (2000). This was mainly due to the e-Commerce division losing £4.1m in H1, although the US ERP division managed a small operating profit of £152K. Kewill has also laid off 70 staff costing them some £4.4m in severance pay. But the cost cutting seems to have done the job as Q2 was break-even (pre-severance costs). Kewill will now concentrate on selling 'point solutions' rather than pitching the end-to-end supply chain story. They are also teaming up with other major software vendors (e.g. Great Plains/ Microsoft) to boost the channel reach. All of this seems sensible to us, but they are far from out of the woods yet. By the way, interesting to see that although revenue from licence fees in their e-Commerce division dropped c30%, related services (maintenance & professional services) grew c30% and now account for 40% of revenues.

Kewill Systems plc	Turnover			Operating Profit*			Margin	
Six months to 30th September	2001	2000	Change	2001	2000	Change	2001	2000
E-Commerce	£14.6m	£16.3m	-10.6%	-£4.1m	£1.0m	n/a	-27.7%	5.9%
ERP (US)	£9.8m	£10.7m	-8.1%	£0.2m	£1.6m	-90.6%	1.6%	15.2%
Discontinued	-	£6.2m	n/a	-	£0.1m	n/a	n/a	1.7%
	£24.4m	*£33.2m*	*-26.4%*	*-£3.90m*	*£2.70m*	*n/a*	*-16.0%*	*8.1%*
Group admin costs				-£1.0m	-£1.1m	-5.7%		
TOTAL	£24.4m	£33.2m	-26.4%	-£4.93m	£1.61m	n/a	-20.2%	4.9%

* before amortisation & impairment

OUT OF INDIA

How much do you know about **TCS, Infosys** and **Wipro**? Or for that matter, **Satyam** and **HCL**? If the answer is 'not much at all' we suggest you find out pretty soon.

Last month we attended one of India's major IT expos, IT.COM, in Bangalore. We spoke at a couple of seminars organised by Invest.UK (the inward investment arm of British Trade International – the 'JV' between the DTI and FCO) explaining the ups and down of the UK software and IT services (S/ITS) industry to a number of small and medium sized Indian S/ITS companies interested in expanding to the UK and continental Europe. But TCS, Infosys and Wipro are not SMEs. They are very large – and pretty well perfectly formed – S/ITS companies who, in our opinion, are now on the 'knee of the curve' on their journey up the world rankings.

Take a look at the revenues of the major players in the Indian S/ITS market. The Top Twenty between them generated some $3.8bn in total revenues of which over 90% came from overseas markets. Total exports from Indian S/ITS companies last year were around $6.2bn, about 55% higher than the previous year. Although the lion's share (c62%) of these revenues came from North America, the proportion of business these players generate from Europe is expected to rise from about 24% today to 30% by 2005. And the UK is, of course, the largest market for Indian offshore services in Europe, accounting for almost half (around $700m, say £500m) of the business in Europe. To put this in some sort of perspective, that's about 8% of the UK software development market.

We met with NASDAQ-quoted **Infosys Technologies** President & MD Nandan Nilekani at their campus in a massive technology park just outside of Bangalore. We were absolutely amazed at what we saw. The Infosys campus would have not looked out of place in Silicon Valley – indeed we have yet to visit **any** British S/ITS company with as impressive a facility in the UK. And that was just **one** of their campuses. Infosys has eight development centres in India, five in the US and one in the UK (in Croydon!). Nilekani made it absolutely clear to us that they intend to become a global player sooner rather than later – by acquisition as well as organically. They are already an international company with sites in UK, Europe, Asia Pacific and of course the US – all organic.

India's Top Twenty S/ITS Exporters

Source: NASSCOM (converted from Rupees and rounded)

Company	Total Rev 2000/1	Export Rev 200/1	Export Ratio
Tata Consultancy Services	$700m	$639m	91%
Infosys Technologies	$413m	$413m	100%
Wipro Technologies	$438m	$391m	89%
Satyam Computer Services	$283m	$276m	98%
HCL Technologies	$284m	$251m	88%
Cognizant Technology Solutions	$157m	$157m	100%
Silverline Technologies	$145m	$144m	99%
NIIT	$152m	$127m	83%
Pentasoft Technologies	$143m	$124m	86%
Pentamedia Graphics	$128m	$122m	95%
Patni Computer Systems	$116m	$115m	99%
IBM Global Services	$185m	$113m	61%
Mahindra British Telecom	$103m	$100m	97%
HCL Perot Systems	$98m	$98m	100%
DSO Software	$98m	$98m	100%
Mascot Systems	$76m	$76m	100%
Mascon Global	$76m	$75m	99%
I-Flex Solutions	$69m	$65m	95%
Tata Infotech	$74m	$64m	86%
Mphasis BFL	$63m	$63m	100%
TOTAL	**$3,801m**	**$3,511m**	**92%**

Last year Infosys turned over some $413m of which 19% came from Europe and 11% (i.e. c$45m – say £33m) came from the UK.

But the biggest of the bunch – and the 'granddaddy' of them all – is **Tata Consultancy Services** (TCS), one of the many subsidiaries of privately held (!) Indian diversified conglomerate, Tata Group. Besides IT (and they have a hardware business as well, **Tata Infotech**) Tata manufactures chemicals, food, tea, cars, you name it! They're an £8bn enterprise deeply associated with the growth of Indian enterprise. TCS have operated in the UK since 1975 and recorded UK revenues of £65m last year, which puts them among the Top 75 suppliers of S/ITS to the UK market.

While Indian S/ITS companies are perhaps best known for their software services (application development and maintenance), they are now clearly targeting the business process outsourcing (BPO) market, particularly call centres and more significantly – and worryingly, for UK S/ITS players – back office processing. What the leading Indian players are good at is 'process'. They have demonstrated this with their software services (60% of the SEI Level 5 development centres in the world are in India) and we have no reason to believe that they can't apply the same degree of diligence to back office processing. We think the top Indian players will grow into formidable competitors to the likes of **Capita, Vertex**, and **Xchanging**, let alone the 'traditional' players like **IBM, EDS** and **CSC**. Of course, 'new' BPO entrant **Xansa** has its own Indian offshore subsidiary, IIS, which they plan to grow to 5,000 staff – and perhaps even double that number – over time.

But it's not all 'threat' – we believe there is opportunity too for UK S/ITS players. While the major league Indian S/ITS companies are clearly out to 'eat your lunch', there are many other smaller players who are looking for partnerships with UK companies for mutual benefit. For example, while in Bangalore we met with a number of small Indian software suppliers that were trying to find UK companies to partner with at all levels, including development, sales and distribution. Some, of course, are also looking for equity investment. We feel sure that there are smaller UK S/ITS companies out there that could take advantage of the skills and cost advantages that some of these Indian companies can offer.

We have no doubts about the sincerity and commitment of the largest Indian S/ITS companies achieving their 'global leadership' goals. We also have no doubts about their inherent capability (skills, resources, infrastructure, etc) to get there. So whether it's as competitors or partners, the one thing UK S/ITS companies *cannot* afford to do is to ignore India.

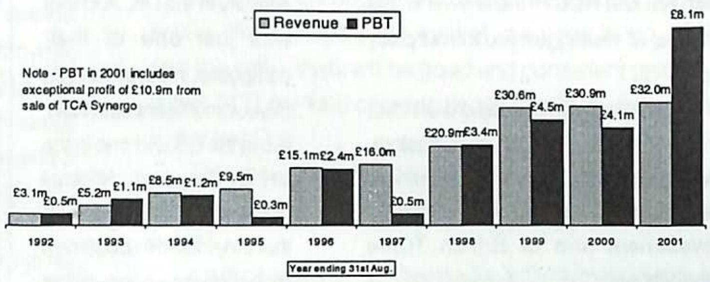
28%
53p

THE TERENCE CHAPMAN GROUP PLC

LONG-TERM GROWTH IN FINANCE SECTOR PREDICTED

Terence Chapman (TCG) has undergone a number of major changes over the past year, including the disposal of its software products division, TCA Synergo. Founder, and Chief Exec, Terry Chapman stepped down last month, becoming a non-executive director, and Andrew Jurczynski has been appointed CEO (Jurczynski was previously MD of MarchFIRST UK, a *"multi-disciplined professional services business"* - and look what happened to them!).

Terence Chapman Group plc
10 year Revenue and PBT Record
Relative to 1992



In its results for the year to 31st Aug. 01, TCG, which provides IT consultancy to the finance sector, announced an increase in turnover of 3.5% to £32m. PBT increased by 96% to £8.1m and diluted EPS increased 35% to 6.3p. However, PBT included £10.9m profit on the disposal of TCA Synergo (for £15.6m), without which TCG would have fallen into the red.

TCA Consulting, which contributed 79% of total revenues and 100% of revenue from continuing operations, reported *"outstanding results"* for the first half of the year but a *"disappointing"* H2 due to *"increasingly difficult market conditions"*, and a review of the costs base has resulted in a *"significant"* reduction in headcount and the closure of the operation in Singapore. For the year, TCA Consulting's turnover increased 44% to £25.2m, but PBT was down from £2.7m to £203K (before restructuring costs of £928K).

TCG commented on the problems facing TCA Consulting in the finance market, *"The e-commerce wave of projects was curtailed and many of the investment banks, which form an important part of our client base, implemented rigorous cost management regimes in response to very difficult conditions in their own markets"*. As a result, a number of contracts were reduced in scope or cancelled. However, although *"market conditions remain very difficult"* and a short-term upturn in prospects is not foreseen, TCG believes that there will be long-term growth in the market. It believes, *"There is relentless pressure on wholesale and investment banks and retail financial services companies to invest in effective operational infrastructure, to drive down costs and to enhance customer service quality through technology investment"*. Indeed, recent research by Datamonitor predicted the size of the e-banking technology market would almost double over the next four years from $2.7 billion in 2001 to nearly $5 billion by 2005.

Meanwhile, TCG has c£19m cash to keep it going until market conditions improve.

13%
317p

TRIBAL

TRIBAL ENJOYS HIGH LEVEL OF EARNINGS VISIBILITY

Tribal Group – a provider of professional support services to UK public and private sectors – has announced its results for the six months ended 30th Sep. 01. Turnover trebled to £13.5m (£4.1m for the comparable period in 2000), PBT quadruped to £761K (£177K) and fully diluted EPS is 0.22p. Commenting on the results Chairman, David Telling, said *"During this period the Group has achieved substantial growth and has further strengthened its position as a leading provider of professional support services, principally in the UK public sector"*.

Comment: Since its formation in 1999, Tribal has been particularly acquisitive. Indeed it announced its thirteenth purchase on the day of the results: **APD Technical Ltd**, a company that provides property and asset management services to local authorities, for a maximum consideration of £10m. Tribal also announced a placing and open offer raising £20.9m (net of expenses) to fund continued expansion and repay bank debt.

To date, all of Tribal's acquisitions have been chosen so as to increase its range of services delivered to the education sector, and increasingly to the wider public sector. However the company cannot be accused of simply buying market share as continuing ops saw turnover up more than 37% during the period.

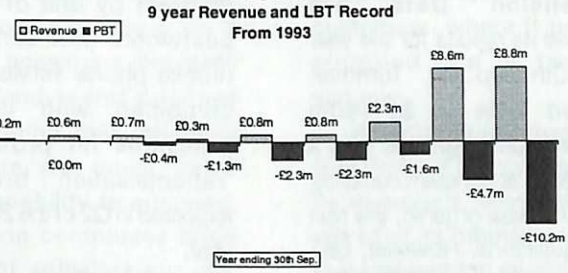
We believe that Tribal will be one to watch in the future, given the potential growth of education outsourcing market. Perhaps established players such as **Capita** should keep an eye on these new market entrants! At this stage, Tribal has over 58% of its H2 revenue target already committed – many other companies will be envious of that level of visibility.

5% 6p

LIVING TO FIGHT ANOTHER DAY

Protagona (nee **Recognition Systems**), a supplier of *"business to consumer mass marketing campaign software"*, has announced results for the year ended 30th Sep. 01. In what was described as a *"challenging year"*, turnover rose just 2% to £8.8m, LBT deepened to £10.2m (£4.7m) and loss per share also deepened to 9p (3.3p). Commenting on the results, Chairman, Richard Livesey-Haworth said, *"Although the past six months have been exceptionally difficult, Protagona has maintained its investment in its world leading solutions.... We are confident that we have the products, people and financial resources to respond very rapidly to a future upturn in business confidence"*.

Protagona plc
9 year Revenue and LBT Record
From 1993



Comment: Protagona has had a torrid few years, whilst revenues have increased, losses have deepened. Despite reporting record revenue growth in 2000, 2001 is the ninth year that the company has reported a loss. Protagona does not provide a breakdown of revenue generation by country or by activity. However in the past it has been heavily dependent upon the US (over 60% of its revenues). The company completed a fundraising of £12.9m in Aug. 01 to ensure that its cash resources were "*sufficient to survive a possibly prolonged period of economic downturn*". In addition it has made significant cost reductions and hence enters the new financial year with run rate of overheads down more than 30%. So it lives to fight another day.

29% 95p

ALL EYES ON EYRETEL

Although new to the **SYSTEM**HOUSE fold, **Eyretel** is already 10 years old, and has been listed on the LSE since Apr. 00, when it floated at 150p per share. By way of background, the company describes itself as a *"leading provider of multimedia recording and analysis solutions for the CRM market"* whose customers are mainly in the financial services, insurance, telecommunications and utility industries. Its products allow companies to record up to 100% of their customer contact center communications. The company operates from offices in 10 countries, with three geographically defined divisions, North America, EMEA and Asia/rest of the world. Its three revenue streams are software, hardware and professional services.

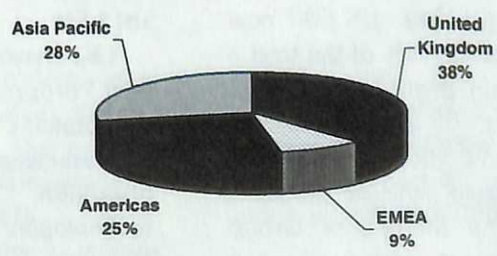
The company recently announced its interim results for the six months ended 30th Sep. 01. Turnover rose 28% to £24.2m, an LBT of £2.5m was converted into a PBT of £146K and loss per share 'improved' to 0.05p (2.14p). Commenting on the results, Nick Discombe, CE, said, "*We have delivered a robust performance, meeting and beating our own expectations and, importantly, achieving profitability ahead of schedule. (We have shown)...that we can deliver growth in the most demanding of markets and toughest of business environments*".

The revenue split was software (systems and applications) £10.7m (44%), platform and hardware £7m (29%) and professional services £6.5m (27%).

The group's international expansion plans are going well, with over 53% of its revenues now generated outside Europe (41% for the comparable period last year). The UK rose 11% to £9.3m, EMEA (excluding UK) fell 26% to £2.1m, *"due to a large single order last year which distorted the figures"*. The Americas' increased 74% to £6.1m and Asia Pac rose 56% to £6.7m.

It's refreshing - if not unique - to be able to report on a company that has moved into profitability in 2000 but done so "*six months ahead of plan*" and boasting a strong balance sheet to boot!

Eyretel plc - H1 2001 Business mix
Total = £24.2m



29%
94p

IS THERE THE MEANS OR THE INCLINATION FOR A PLAN B?

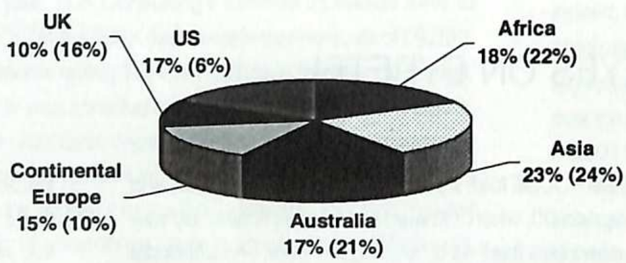
Dimension Data has announced its results for the year ended 30th Sep. 01. Turnover increased 24% to $2,460m (c£1,740m), although this was a 35% increase at constant currency. Overall, 9% was organic, the rest from acquisitions. However, LBT deepened dramatically to $1,660m (£1,174m) from $51m last year, reflecting a *"number of exceptional items"*. These included $602m goodwill amortisation, $20m from a *"rightsizing"* operation, which saw staff numbers cut by 14% and the *"write off of certain investment projects and acquisition rebranding costs"*. (The company took the opportunity to write down $1.3bn of the book cost of acquisitions, particularly Comparex – share price movements added $1.2bn to the cost between the offer date and the effective date). Loss per share also deepened to $1.40 ($0.17).

The geographic mix of DiData's revenues has changed over the year, largely due to acquisitions in the US. The US now generates $408m, 17% of revenues (up from $124m last year) but just 4% of EBIT, due to the lower margins of the US acquisitions. Europe accounts for 15% of revenue and 13% of EBIT. The UK has seen its share of revenue drop from 16% to 10%, $244m (£173m). UK EBIT now accounts for 14% of the total – operating profit was $26.2m (£18.5m).

In the UK the company experienced particular problems with The Merchants Group managed call centre business. A mid-year cancellation of a core contract by one of its largest customers (not surprisingly a mobile phone service provider) combined with competitive pressures hit profits. After 'rationalisation', breakeven is expected in Q2 of the 2002 financial year.

All the US acquisitions and Proxicom have now been consolidated in the US under the Dimension Data name. The European operations are also being integrated into a pan-European operation.

Dimension Data - 2001 (2000) Business mix
(excludes joint ventures and associates)
Total = £1,698m



In terms of activity, Network Services generated $2,144m (c£1,517m), a rise of 30%, and represents 87% of total turnover, with an operating margin of 8.8%. Not surprisingly, the i-Commerce operation did particularly badly as Internet business has slowed. i-Commerce revenue fell 16% to $247m (£175m), 10% of total turnover, with operating margin at just 1.5%.

Like everyone else, DiData has now dropped the Internet connotations and changed the business names to reflect *'areas of operation, rather than technologies'*. Thus, in effect, Network Services becomes Connectivity Services and i-Commerce becomes Integration Services. But there will also be a much greater regional emphasis to the company structure, with the creation of the role of Global Services Director, as well as National Services Directors in each region. The UK/Europe operation is led by Bruce Watson.

Comment

DiData got caught out in the first half of the year, continuing to invest to meet expected growth that did not materialise. As a result, net margin in the second half of the year was just 4.7%. The company has taken action to reduce costs, with headcount down 14% (1,568 employees - the limit *'without cutting into the muscle'*) and overheads down 11%.

DiData still sounded confident at the briefing, based primarily on the fact that it still has $900m cash in the bank (including $392m remaining from the float) and it remains cash generative. But the company has also said that it expects only modest revenue growth in 2002 and net margins will be lower than in FY01 (7.4%). With regard to the UK; *'Prospects for the UK operation going into the new year are uncertain'*.

The company is putting the emphasis in the right area, i.e. services, and to some success; *'We expect the trend that emerged in the second half of FY 2001, of winning deals due to our service offering, to accelerate in FY 2002'*. On the other hand, low-margin product sales are still a significant part of the business and the move to services has been going on for some time.

[continued on page nine]

-14%
59p
PARITY

PARITY'S STRATEGY - SIX MONTHS ON

This month we went along to Parity's analyst event, where Group CEO Ian Miller and the executive management team gave an update on how the new strategy, outlined in May, was being implemented. There have been many changes amongst the management team during 2001, with new MD's of all three divisions - Business Solutions, Training, and Technology Staffing - in addition to a new FD and non-executive Chairman! Considering that Ian Miller joined as recently as Mar. 01, this might give cause for concern – until you learn that all three MD's and FD have been at Parity for a number of years prior to their being promoted.

Miller joked that, for the first time in its history, Parity is calling its divisions by what they do (we have to admit to being confused ourselves at times, by an IT staffing business called "Software Solutions"!) But the changes taking place at Parity are more than cosmetic. The focus is on doing much more with the existing client base (something we are hearing from almost everyone in these troubled times), cross-selling the three service lines, and changing the revenue mix to improve visibility and ensure a more reliable earnings stream.

Regular readers will recall that we have questioned, on a number of occasions, the merit of Parity's 'end-to end' business model, arguing that solutions businesses no more need training capability to succeed, than training companies need recruitment activities etc etc. Now we are coming round to the view that the 'mixed' business model is fine, as long as each line of business is profitable in its own right (Parity's are), achieves a profit comparable to its peers, and is well managed. Then it makes sense to talk about cross-selling to the client base.

Miller's approach to the 'synergy' issue is characteristically straightforward: cross selling of the three lines of business means dealing with the client at board level, and such 'strategic' sales ability is quite different to 'transactional' level sales (i.e. supplying a contractor to a project manager, or selling a seat on a course to a training administrator). Consequently, a Corporate Business division has been created (headed by Rick Bacon, formerly MD of the staffing business) to spearhead the 'corporate' sales. At the briefing, Parity was able to point to recent success in securing new business (or preferred supplier status) with existing customers, where it previously supplied one or two of its services.

What most impressed us is that Parity is being intelligent in its approach, recognising that not all of its offerings are going to be relevant to all clients all of the time. But in order for the whole to be worth more than the sum of the parts (or *at least* the sum of the parts!) Parity must make much more of its reputation, long-term relationships and geographical presence. To date Parity has managed to build a Top 10 training and a Top 10 IT staffing operation in the UK *without* effectively addressing these opportunities.

Parity admitted that it currently takes a very low percentage share of its clients' overall IT budget, so there is plenty of room for growth. And Miller made no secret of his ambition to take the company into the outsourcing arena, in order to develop long-term revenue streams - Miller's own background in EDS brings valuable experience of outsourcing. Certainly Parity's message to its clients (and investors) is a lot clearer now – all that remains is the execution!

[continued from page eight]

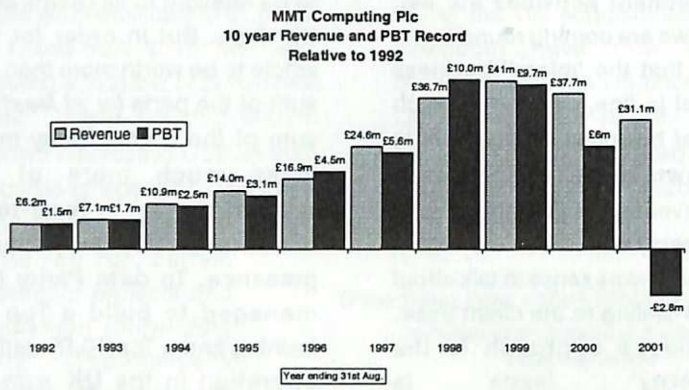
DiData feels it has done all that is necessary to get through the rough period and we hope they're right, but it may not be enough to just sit tight and hope for the best from here on in. It is even more important to have a firm grip on the helm when crossing stormy seas. If the current strategy doesn't work, what then? One wonders whether there is the means or the inclination for a Plan B.

The share price almost doubled between the start of the month and the results announcement on 21st Nov, reaching 118p, but in the following week slipped back and ended the month up 29% at 93.75p.

-13% 145p mmt

MMT BLEMISHES ITS RECORD WITH FIRST-EVER LOSS

MMT Computing announced full year results to 31st Aug. 01. Turnover decreased by 16.9% to £31.1m, and a PBT of £6.0m turned into a LBT of £2.8m. Diluted EPS of 32.2p in 2000 was converted to a loss per share of 19.2p. This was MMT's first ever loss in its 23-year history and followed a year of considerable change. Changes included the Group structure being rationalised into three divisions *"to reflect business and client requirements"* and the identification of £2m of annualised savings to be realised in 2001/2002. Staff numbers will be reduced by 9% to 477.



The contract staffing business (Summers Associates) has been centralised resulting in significantly lower overheads in the agency operation. Indeed, MMT said that by positioning the resourcing operation within Systems Solutions, it hopes to continue to diversify from resourcing and move more into project/support services.

Systems Solutions experienced a tightening of margins and a sharp decline in demand for its new media services, resulting in revenues falling from £23.7m to £22.2m. Revenue for the Packaged Solutions division declined from £13.0m to £7.0m, affected amongst other things by lower than expected sales in its energy and derivatives products, whilst the Management Consultancy division fared the best, increasing revenues from £1.06m to £1.88m. The division is moving away from its focus on the insurance sector to other vertical sectors such as retail, entertainment, banking and utilities.

We are told the new management team has acted quickly to rectify *"structural and operational difficulties"* identified in H1. The new team is led by MD Paul Marks (appointed May) and FD Dee McFarlane (appointed Aug.), with George Matthews, former CEO of Sherwood International, joining as NED in December.

This time last year MMT received an offer, but the talks terminated because it was felt that the terms *"did not fully recognise the value of the company"*. With MMT's share price now languishing around 145p - or 83% lower than at the time the bid collapsed - it is tempting to wonder what might have been.

+17% 75p ALTERIAN

ALTERIAN GROWING INTO TASTY MORSEL

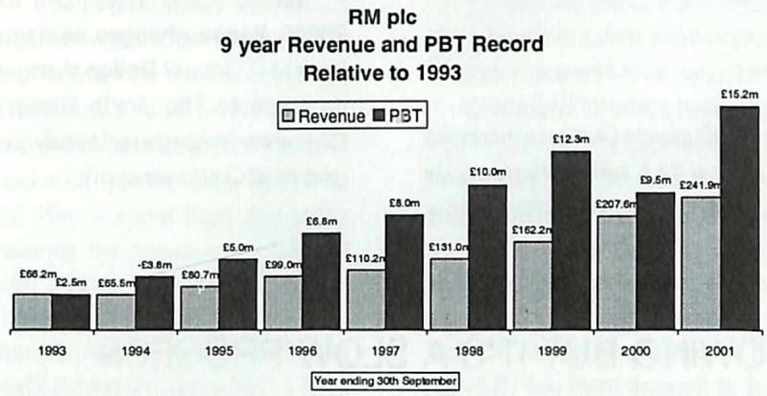
Data analysis software developer Alterian has announced interim results for the six months to 30th Sep. 01. Turnover almost trebled to £1.8m (c60% from the UK) whilst pre-tax losses deepened from £569K to £4.8m, *"in line with expectations"*, and diluted loss per share deepened from 2.1p to 12.2p. Cash (equivalents) is down to £25.9m from £32.8m at the end of Mar. 01. David Eldridge, CEO, commented, *"Our plan remains to move into profit towards the end of the next financial year, with very significantly reduced cash usage for that year. We are taking a proactive approach to lowering our break-even point, and building flexibility into costs going forward, to mitigate the effects of the current economic circumstances"*.

Comment: Roughly speaking, that means Alterian – like almost everyone else – is cutting the suit according to the cloth. They are a very small fish in a very large pond, but seem to be making headway by, in effect, feeding the sharks, i.e. Alterian's technology is sold through its business partners who customise the technology on a customer or application-specific basis, with Alterian receiving its revenue through royalty payments. Business partners include **Experian, Carlson Marketing Group, CMG, Dimension Data, and SPSS.**

Alterian was founded in 1997 and launched on the LSE main market in Jul. 00, with a placing of 19m shares at 200p per share raising £35.5m. At current cash burn rate they seem to be well funded for some time yet. But with a market cap now worth not much more than their 'cash equivalents', how long will it be before one of their partners (or another 'shark') takes a broader view of 'feeding time'? The shares ended the month at 75p, up 17% on the month but a 63% discount to the IPO price.

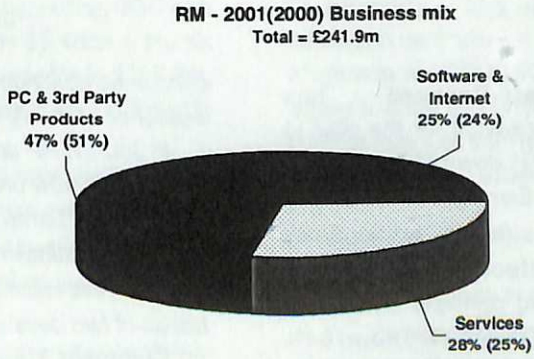
0%
240p

RM ENJOYS GROWTH IN SERVICES REVENUE



RM announced results for the year to 30th Sep. 01 revealing turnover up 17% to £241.9m, PBT up 60% to £15.2m (last year was hit by £5.4m exceptional cost of sales from the aborted Classroom 2000 project in Northern Ireland), and diluted EPS up from 7.9p to 11.2p. Richard Girling, Chief Executive, commented, "*The new products scheduled for release over the next few months are strategically important and we believe they will enable us to retain our pre-eminent position and make strong progress in a growing market*".

Comment: After a disappointing year last year, in which RM broke its five-year run of revenue and profits growth, the company is back in positive territory. RM had warned at the end of September that PBT would fall below market expectations due to a "*lower than expected*" order intake in Q4. This was due to changes in the way government funding (via the Standards Fund) for ICT is being distributed, resulting in extended sales cycles as decision making passed from LEAs to individual schools. Some spend, therefore, was deferred out of RM's FY. The challenge facing RM is to establish itself and its offerings with the new decision makers. However, the upside is that RM's H1 02 could benefit, especially as schools have to spend their funding (£245m in the year to Apr. 02) by Aug.02.



RM has a number of new products scheduled for release at the end of H1, and this is at a time when money coming available via the Standards Fund is set to rise by 45% in the year 2002/2003.

RM's investment in R&D is back on track, with FY01 seeing a 58% increase to £11.6m –equivalent to 4.8% of turnover – after a dip to 3.5% of turnover last year. This takes it back to the levels that RM has traditionally invested.

The engine of growth for RM in 2001 was services, which increased 30% to £66.9m, ahead of software products and the internet (up 21%) and PC and 3rd party products (up 8%). Services now accounts for close to 28% of total revenue, compared to 25% in FY00. Indeed, RM has invested significantly in building its services offering, all part of it long term strategy to reduce its dependence on its hardware and VAR activities which currently contribute just under half of total turnover. Some of RM's services business is project-based (i.e. installation, training) the remainder long-term contracted revenue, such as the 10-year PFI managed service for Dudley LEA.

Richard Girling, Chief Executive, expanded on this strategy saying that going forward RM is looking, where possible, to migrate more to annual subscriptions for software products. Coupled with the growth in services revenue, this will give greater visibility longer term, but, inevitably, will reduce profits in the short term. This has to be a sensible move.

In fact RM's strategy, and approach, is thoroughly sensible – look at its acquisition strategy of late, which has involved two small purchases (**3T Productions** and **Softease**) in as many years, and RM had worked with both prior to the acquisition. Further acquisitions, we were told, will continue to be reviewed as opportunities arise.

With a forward order book of c£110m and £21m cash at the year-end, RM is in an enviable position compared to many S/ITS companies right now.

Sensible it is, as for '*Boring*' – not for a number of years yet!

What's new...

A NEW TREND FOR 2002?

Another for the "I've got a new name" list?

New trend emerges.

Quote from press release:

"Gupta is, once again, Gupta...

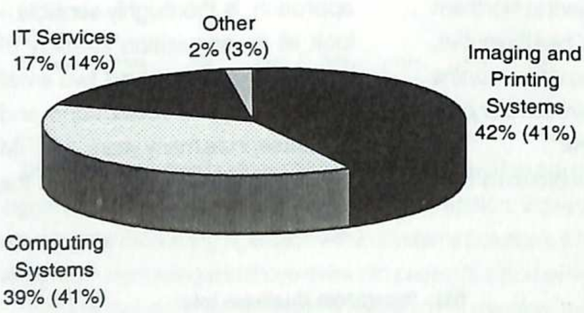
In February of this year, Centura's Software's eBusiness Division announced that it was being purchased by Platinum Equity, a $2.6 billion private equity technology conglomerate (March 2001). In October, we formally changed our name back to Gupta Technologies."

Maybe this is **THE** trend for 2002? **Xansa** changes its name back to FI Group? **Detica** changes its name to The Smith Group? **Clipserver** becomes real trendy and calls itself Clipserver.com?

SERVICES GROWING BUT IT'S A SLOW PROCESS

Hewlett Packard - 2001 (2000) Business mix

Total = $45.2bn



Hewlett-Packard has reported revenue for the year to 31st Oct. 01 down 7% to $45.2bn (c£32bn). Earnings from continuing operations (before extraordinary items, effects of changes in accounting principle and taxes) were $1.44bn (c£1bn) down 64% on the previous year. Diluted net earnings per share were down from $1.8 to $0.21.

The worst performing business was Computing Systems, revenue down 14% to $20.7bn and a $1bn earnings from operations became a whopping $450m loss. Imaging and Printing Systems were only down 5% (to $19.4bn) although earnings were down 25% to $1,987m. Imaging and Printing has once again become the largest slice of revenue (42%) and by far the major revenue earner.

In the IT Services business revenues grew 6% year on year to $7.6bn (17% of total revenue, up from 14% previous year). But even in the services area earnings dropped by 28% to $342m. There is more detail for Q4:

- Support revenues grew 9% over the same period in 2000.

- Outsourcing revenues were up 22% year-on-year (there it is again!)

- Consulting revenues grew 2% over the 2000 Q4 figure – a good effort, compared with many others (if CGEY is anything to go by, it would have been a lot worse if HP had gone through with the PwC deal).

HP's own outlook for 2002 is not bright: *"Market conditions continue to be difficult and the company is not counting on an economic recovery in 2002"*.

In Jul. 01, HP announced a workforce reduction to eliminate 6000 jobs which it has now undertaken in order to achieve annualised cost savings of $500m. The remaining workforce were no doubt be pleased to hear Carly Fiorina's announcement that *"in recognition of their efforts, we have awarded all employees and managers, other than the Executive Council, a special cash bonus of two days' salary"*.

Comment: These are just the rolled up four quarter results. As there is no additional detail yet, so we don't know how well UK/EMEA did compared to the rest of HP's business.

But there's plenty of fuel here for the anti HP/Compaq merger view (which includes us). For Q4, PC server revenues declined 44% year-over-year, commercial desktops declined 39% and home PC revenues declined 37% year-over-year. HP managed to generate profits in the PC market in North America while breaking even globally. Remember, Compaq also announced disastrous results in their server and PC business in Q3. Merger? Michael Dell has been having trouble disguising his glee!

On the other hand, whilst services are growing as a proportion of HP's business, it's a slow process. There is a long way to go to plug the $3bn shortfall in Computing Systems revenue in the last year. In any case, much of the service revenue appears to be low-value support activities – just 4.5% margin for Q4.

+25%
107p

GOOD HALF YEAR FOR FOCUS

Focus Solutions, *"the leading supplier of sales channel automation for the financial services industry"*, announced results for the six months to 30th Sep. 01. Turnover rocketed from a mere £828K to £2.29m - more than the entire revenue the previous full financial year. Pre-tax losses deepened by 17% to £1.43m resulting in a 5.7p loss per share. They still have £5.8m cash in the bank, down from £7.7m at the end of Mar. 01 (i.e. a cash burn of £1.9m for the half year). Founder and CEO John Streets was not too worried about the economic downturn, especially in the US, as *"(the US) represents a very small proportion of our total revenues and careful control of costs in line with revenue growth will ensure any effect is mitigated."*

Comment: Warwick based Focus develops tools for the life and pensions industry. Its flagship product *goal:proposal* is used by seven of the Top 10 UK life insurers, with Scottish Widows the latest in the fold. They also sell to IFAs and their products are incorporated into offerings from other S/ITS companies such as **AIT** and **CMG**. Focus seems to be doing rather well; which goes to show that there is always space for niche suppliers with the right products. The race is on, of course, to reach profitability before the cash runs out, but they look OK for up to another 18 months at current cash burn rate. That will hopefully see them through to the 'other side' of the downturn, but they will need to see revenue more than double to get there. Focus was established in 1995 and launched on AIM at a placing price of 195p in Mar. 00. Their shares ended Nov. at 107p, down 47% on the year and a 45% discount to the IPO price.

CSC UK MOTORING AGAIN

Computer Sciences Corp (CSC) has shown that the places to be right now are outsourcing and the public sector. If you can combine the two you are in even better shape. If your major customer is the US Defense Dept in a time of obviously increased military spend, then all the better. So saying, CSC saw total revenues grow 10.4% (13% in constant currency) to $5.48bn in the six months to 28th Sep. 01. However, pre-tax earnings slumped 46% to $167.3m, halving pre-tax margins to just 3.1%. Nonetheless, this was at least in line with expectations, and CSC shares rose 18% on the day.

Outsourcing was the star (now almost 50% of CSC's total revenues) and the financial services sector did particularly well too. But this was *"moderated by the slowdown in demand for commercial consulting and systems integration work in North America"*. Europe did particularly well with revenues up 21.9% at $1.41bn, 26% of the total.

CSC Chairman and CEO Van Honeycutt still sees *"some areas of softness in revenue growth in our lower margin product business in Asia"*, but estimates full year revenues will be *"up in the 9% to 11% range"*.

A couple of weeks after announcing these results, CSC announced that it received a five-year extension to its IT outsourcing agreement with United Technologies Corporation. The extension adds $1.1bn in value to the contract, which now runs until December 2014, bringing the total value to $3.7bn over 15 years. The original 10-year agreement was announced in Dec. 99.

Comment: We spoke to CSC UK COO Keith Wilman after these results were released and we understand that the UK 'did its bit' with revenue growth of some 20% even excluding the global JP Morgan contract. Profits look better than the rest of the business *"somewhat north of 8%"*. Growth was basically due to outsourcing, as CSC UK's consulting and systems integration business suffered - down 20% on the year. However, SI activity is starting to buck up although consulting is still under *"huge pressure on fee rates"*. This is entirely consistent with what we are finding elsewhere, notably in the IT staff agency (ITSA) market, where major clients are forcing fee rates down by 10% across the board. Outsourcing - and application services in particular - is the engine of growth for CSC UK and they expect to show year on year growth in H2 as revenues from recent 'mid-market' deals - totalling some £165m over 5 to 7 years - ramp up. These include David Lloyd Leisure, Gallaher Group, The Laurel Pub Company Limited and Magnox Electric. This is on the back of a £170m/7 year deal at Schroders signed in June and a £200m /5 year deal with AMP UK signed in March. It's really good to see CSC UK motoring again after what seemed to be an age in the pits!

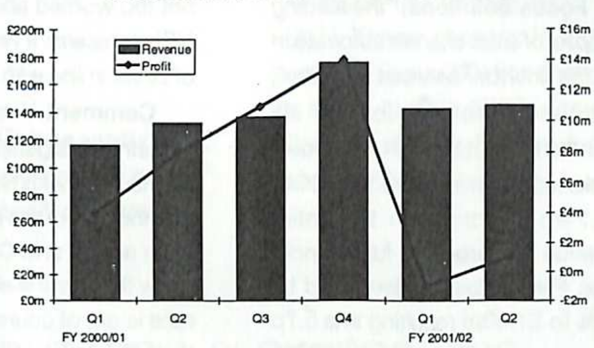
Growth in UK basically down to outsourcing

Syntegra

FEELING THE EFFECTS OF THE MARKET SLOWDOWN

BT has been in the news a lot this month, what with the Bonfield payoff controversy and the demerger of BT's wireless business and the creation of two separately listed companies; BT Group plc and mmO$_2$ plc. On November 8th the group announced Q2 turnover (to the end of September) up 5.6% to £5.3bn, but a PBT of £471m last year slumped to a loss of £1,349m. It was exceptional items, including things like ending the Concert venture, that made much of the difference, cutting £1.4bn from the bottom line – EBITDA was down 7% to £1,463m.

Syntegra Quarterly Revenue and Profit FY01 and FY02



In the light of the breakup of the company, there was more detail about individual operations (or at least it's now more easily available) including **Syntegra**. Turnover for Q2 was up 8.9% on the previous year to £145m, but the £3m EBITDA is down from £11m and operating profit is just £1m, down from £8m for the same quarter last year. For the first six months of the financial year, revenue was up 15.7%, but EBITDA was £5m, compared with £18m, and the £1m operating loss in Q1 has been cancelled out by the profit in Q2 to reach break even so far.

Comment: Syntegra is certainly feeling the effects of the market slowdown as the reported 22% growth in revenue for Q1 (over the same period the previous year) was down to under 10% in Q2. Q1 also saw a slump into loss from a £4m profit for the same period in 2000/01. At least it didn't get any worse in Q2, indicating some effort to maintain margins.

Syntegra does have an advantage over many in that it has significant revenue in the public sector, which is holding up well in the current climate (see the front page of this edition of **SYSTEM**HOUSE). But it can't be much fun at Syntegra at the moment. The Ignite boss Alfred Mocket has departed for US IT services company AMS, Bonfield is leaving under a cloud, and BT's Group FD Philip Hampton, who joined in Dec. 00, is also to leave the company *'to seek new challenge'* – there can't be many greater challenges than BT! Syntegra could well have done without the distractions.

Footnote: We still maintain that Syntegra would be better off outside the BT camp - a view we expanded on in **SYSTEM**HOUSE *(Sep. 01).*

+30%
144p
azlan

"Y VIVA ESPANA!"

Europe came to **Azlan**'s rescue in its interim results for the six months ended 30th Sep. 01. Turnover increased 14% to £298.3m, PBT increased 48% to £8m and EPS rose 54% to 5.4p. The company reports that revenues in the UK have *"remained flat"*, but that the company has seen significant growth in Spain and Italy. Indeed 73% of its turnover now originates from Continental Europe (69% in 2000).

The revenue split between Azlan's three divisions - product distribution, training and services - has hardly changed from last year. The product distribution division grew by 15% and accounted for £265.3m (89%) of total revenues. The training division's growth of just 1% to £28.1m was *"below expectations"*, whilst the services division grew by 25% to £11.2m and accounted for 3.9% of total revenues.

Azlan's dependence upon its distribution business would normally give us cause for concern in the current economic climate, especially as Cisco and Nortel account for around 48% of the division's turnover and neither of these companies are enjoying particularly buoyant sales. However, Azlan has increased its distribution business (largely on the back of its success outside of the UK) and also reports that its operating margin has improved *"due to a combination of product mix and product value added services"*. However the pressure is on for the next six months. Whilst both revenue and profits are up on the comparable period last year, the company will have to have a very good next six months to equal or exceed its final year figures, which stood at £591.6m turnover and £16.1m PBT. The disappointing training figures are par for the course at the moment.

Business Activity	Turnover 2001 £m	Turnover 2000 £m
Distribution	265.3	231.2
Training	21.8	21.5
Services	11.2	9

Mergers & Acquisitions

Buyer	Seller	Seller Description	Acquiring	Price	Comment
Anite	Braid Hill Holdings	Public sector software	100%	£300K	Anite paid £200K up front, £100K will be based on profit/rev targets. Braid supports the Criminal Justice community.
Dimension Data Holdings	Planet CTI SA	Computer telephony integration specialist	100%	Euro2.4m	Intended to enhance DiData's ability to offer am extensive range of consultancy, project management and integration of customer interactive solutions
Knowledge Management Software	Custardcream.com	Portal developer	57%	£1.2m	KMS increased its shareholding in Custardcream to 92%. The company has been renamed KM Portals.
MBO of Freeloader.com	Cube8 Group	Games website	61%	£61	Cube8 retains 39% shareholding in the loss-making company. £350K of Cube8 cash invested in Freeloader.com has been converted into preference
NewMedia Spark	Sputz AG	Technology investor & incubator	54%	n/a	NMS will appoint a new supervisory board to run the Frankfurt-listed company.
Sopheon	Orbital Software Holdings	Knowledge Management s/w	100%	£18.4m	The merger between the two KM companies was on the basis of 8 new Sopheon shares for every 9 Orbital shares.
Time2Learn	Intellexis International Ltd	e-learning company	100%	£2.25m	AIM-listed Time2Learn funded the acquisition via a placing of 12m shares. It plans to change its name to Intellexis following the deal.
Torex	McKeown Software	Solutions for healthcare and retail sectors	100%	£11.75m	Torex paid £7.5m cash up front, and a further £2.25m in cash and shares in 2002 and 2003.
Travelware Information Systems Inc.	Integra (from Bond International)	Travel software	100%	n/a	Bond bought Integra in Sep. 97. It is now focusing on recruitment software.
Tribal Group	ADP Technical Ltd	Property and asset management service to local authorities	100%	£10m	Tribal paid £4.05m up front with the remainder deferred over the next four years.
Tikit Group	Aurra Consulting Ltd	Consultancy & Systems Integration to UK law firms	100%	£2.1m+310K initial consideration shares	Initial consideration of £636K + further initial consideration shares issued if pre tax trading results of Aurra from incorporation to 31 Dec. 01 and the year ending 31 Dec. 02 are not <£130K p/a. And £1.5m dependent on the financial performance of Aurra in the period to 30 June 2003.

Recent IPOs

Name	Activity	SCS or Dotcom Index	Index Class	Market	Issue Price	Market Cap.	IPO Date	Price end Nov 01	Premium/ Discount
Peerless Technology	New Media Investment	Dotcom	E-I	AIM	54p	£3.0m	20-Nov-01	51p	-6%

Forthcoming IPOs

Name	Activity	SCS or Dotcom Index	Index Class	Market	Issue Price	Est Mkt Cap.	IPO Date
Digital Brain	Online Education Service	SCS	CS	TBA	tbc	£50.0m	H2 2001
Immersive Education	Education Software developer	SCS	SP	TBA	tbc	£12.5m	Early 2002
Kinetic Information Systems	Financial Software	SCS	SP	MAIN	tbc	tbc	H2 2001
McClaren	IT Consultancy	SCS	CS	TBA	tbc	£25.0m	End 2001
System-C Healthcare	Healthcare IT Solutions	CSC	SP	TBA	tbc	tbc	2002

+94%
40p

EASYSCREEN STILL FINDING IT HARD GOING

EasyScreen which designs and markets software for trading on derivatives exchanges announced its interim results for the six months 30th Sep. 01. Revenues rose 29% to £1.2m, LBT 'improved' from £3.8m to £2.2m, and loss per share has also 'improved' from 8.23p to 4.7p. Commenting on the results, Chairman Philip Docker, said, "*I believe that the future for EasyScreen is extremely bright. I am confident that the Group is now fully on track to grow as a major force in our market*".

EasyScreen has had a disappointing couple of years. The pace of change over to electronic trading has been slower than the company anticipated especially in the US. Indeed £1.2m (96%) of the company's revenue is derived in the UK leaving just £51K (4%) from the US, the Far East has yet to leave the starting blocks.

Whilst the company has increased its revenues, profits have failed to materialise. Thus, in Sep. 01 the company had cash reserves of just £435K with outflows of £315K per month. To provide a prop to the company it received £2m on the issue of a five-year secured convertible bond to eSpeed that is "*estimated to fund working capital needs until profitability has been achieved*".

The company is looking at two initiatives to be its saving grace, whilst hoping that the US actually takes off. Firstly the e-Speed agreement which expanded EasyScreen's distribution across eSpeed's global private network and secondly the newly announced joint venture with **Refco Group Ltd**, to be called Refco EasySolutions. The Refco Group includes Refco Inc, "*the world's largest non-bank futures commission merchant*", and EasyScreen's 49% shareholding is expected to provide "*significant revenues for the group*"....*Once the venture becomes profitable*" – although this is not expected until late 2002. In the meantime its funds are going to be tightly squeezed.

Quoted Companies - Results Service

Note: Highlighted Names Indicate results announced this month.

Actinic plc

	Find - Sep99	Int 9 mos Jun 00	Find - Sep 00	Comparison
REV	£571,000	£1,437,000	£2,048,000	+258.7%
PBT	-£775,000	-£2,159,000	-£3,508,000	Loss both
EPS	-0.86p	-2.25p	-3.41p	Loss both

AFA Systems plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£2,172,000	£4,291,000	£4,077,000	+87.7%
PBT	-£420,000	-£2,609,000	-£1,417,000	Loss both
EPS	-2.20p	-11.90p	-5.60p	Loss both

Affinity Internet Holdings Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£4,138,000	£11,312,000	£10,796,000	+160.9%
PBT	-£3,436,000	-£26,050,000	-£14,944,000	Loss both
EPS	-20.40p	-125.80p	-56.20p	Loss both

AIT Group plc

	Find - Mar 00		Find - Mar 01	Comparison
REV	£21,693,000		£33,882,000	+56.2%
PBT	£3,651,000		£5,109,000	+39.9%
EPS	11.81p		16.22p	+37.3%

Alphameric plc

	Interim - May 00	Find - Nov 00	Interim - May 01	Comparison
REV	£22,007,000	£54,408,000	£24,743,000	+12.4%
PBT	£616,000	£3,891,000	-£2,245,000	Profit to loss
EPS	0.10p	1.96p	-2.20p	Profit to loss

Alterian plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£606,000	£2,078,000	£1,803,000	+197.5%
PBT	-£569,000	-£3,592,000	-£4,753,000	Loss both
EPS	-2.10p	-10.71p	-12.20p	Loss both

Anite Group plc

	Find - Apr 00		Find - Apr 01	Comparison
REV	£158,976,000		£192,418,000	+21.0%
PBT	£7,171,000		£7,096,000	-1.0%
EPS	1.30p		0.40p	-69.2%

Argonaut Games

	Find - Jul 00		Find - Jul 01	Comparison
REV	£4,359,000		£4,396,000	+0.8%
PBT	-£636,000		-£3,131,000	Loss both
EPS	-0.83p		-3.35p	Loss both

Autonomy Corporation plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£17,373,000	£45,118,620	£19,041,000	+9.6%
PBT	£3,657,000	£14,270,344	£7,278,000	+99.0%
EPS	1.98p	8.00p	3.30p	+66.7%

Aveva Group Plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£12,936,000	£28,100,000	£14,034,000	+8.5%
PBT	£2,335,000	£5,225,000	£1,130,000	-51.6%
EPS	9.29p	20.39p	4.26p	-54.1%

Axon Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£17,210,000	£42,737,000	£22,590,000	+31.3%
PBT	£2,803,000	£7,174,000	£3,566,000	+27.2%
EPS	3.40p	8.60p	4.40p	+29.4%

Azlan Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£261,700,000	£591,608,000	£298,300,000	+14.0%
PBT	£5,400,000	£16,132,000	£8,000,000	+48.1%
EPS	3.30p	10.20p	5.30p	+60.6%

Baltimore Technologies plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£25,704,000	£74,224,000	£39,432,000	+53.4%
PBT	-£20,659,000	-£94,185,000	-£550,334,000	Loss both
EPS	-5.50p	-23.10p	-110.80p	Loss both

Bond International Software plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£4,519,000	£9,376,878	£5,698,000	+26.1%
PBT	£141,000	£1,031,979	£443,000	+214.2%
EPS	0.55p	5.02p	2.17p	+294.5%

Business Systems Group Holdings plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£17,602,000	£37,707,000	£13,061,000	-25.8%
PBT	-£145,000	-£148,000	-£4,539,000	Loss both
EPS	-0.26p	-0.37p	-5.47p	Loss both

Capita Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£207,803,000	£453,348,000	£323,015,000	+55.4%
PBT	£13,745,000	£39,974,000	£20,954,000	+52.4%
EPS	1.29p	3.75p	1.90p	+47.3%

Cedar Group plc

	Find - Mar 00		Find - Mar 01	Comparison
REV	£27,054,000		£73,260,000	+170.8%
PBT	-£3,481,000		-£24,443,000	Loss both
EPS	-8.50p		-33.80p	Loss both

Charteris Plc

	Find - Jul 00		Find - Jul 01	Comparison
REV	£6,716,000		£13,276,000	+97.7%
PBT	£371,000		£828,000	+123.2%
EPS	0.85p		1.52p	+78.8%

o Clarity Commerce

	Interim - Sep 00	Find - Sep 01		Comparison
REV	£1,448,000	£3,552,000		n/a
PBT	-£502,000	-£1,111,000		n/a
EPS	-8.40p	-14.75p		n/a

Clinical Computing plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£1,331,000	£2,259,201	£1,176,000	-11.6%
PBT	£157,000	-£328,673	-£498,000	Profit to loss
EPS	0.60p	-1.30p	-1.99p	Profit to loss

CMG plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£349,400,000	£810,400,000	£456,700,000	+30.7%
PBT	£45,100,000	£83,100,000	-£10,200,000	Profit to loss
EPS	5.30p	7.80p	-2.60p	Profit to loss

Comino Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£9,447,000	£21,436,000	£9,310,000	-1.5%
PBT	£1,499,000	£3,233,000	-£1,441,000	Profit to loss
EPS	7.20p	16.30p	-6.50p	Profit to loss

Compass Software Group plc

	Interim - May 00	Find - Nov 00	Interim - May 01	Comparison
REV	£965,353	£2,383,095	£1,961,614	+103.2%
PBT	£53,723	£442,911	£91,481	+70.3%
EPS	0.49p	3.71p	0.47p	-4.1%

Compel Group plc

	Find - Jun 00		Find - Jun 01	Comparison
REV	£288,015,000		£235,731,000	-18.2%
PBT	£2,080,000		-£13,367,000	Profit to loss
EPS	8.50p		-47.00p	Profit to loss

Computacenter plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£927,487,000	£1,990,620,000	£1,175,570,000	+26.7%
PBT	£19,187,000	£55,571,000	£29,259,000	+52.5%
EPS	7.10p	20.80p	10.60p	+49.3%

DCS Group plc

	Find - Dec 99		Find - Dec 00	Comparison
REV	£164,910,000		£140,010,000	-15.1%
PBT	£8,129,000		-£14,451,000	Profit to loss
EPS	18.98p		-55.46p	Profit to loss

DRS Data & Research Services plc

	Interim - Jul 00	Find - Dec 00	Interim - Jul 01	Comparison
REV	£6,973,000	£11,653,000	£5,235,000	-24.9%
PBT	£313,000	£563,000	£315,000	+0.6%
EPS	0.72p	1.12p	0.68p	-5.6%

Delcam plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£8,302,280	£17,011,059	£9,004,030	+8.5%
PBT	£611,162	£1,642,845	£734,661	+20.2%
EPS	8.10p	19.60p	8.90p	+9.9%

Diagonal plc

	Interim - May 00	Find - Nov 00	Interim - May 01	Comparison
REV	£37,555,000	£82,735,000	£44,955,000	+19.7%
PBT	£1,745,000	£4,840,000	£2,920,000	+67.3%
EPS	1.32p	3.30p	1.71p	+29.5%

Dicom Group Plc

	Find - Jun 00		Find - Jun 01	Comparison
REV	£99,229,000		£140,290,000	+41.4%
PBT	£3,860,000		£7,471,000	+93.5%
EPS	11.80p		22.80p	+213%

Earthport Plc

	Find - Jun 99		Find - Jun 00	Comparison
REV	£1,075,072		£1,471,989	+36.9%
PBT	-£1,253,785		-£10,879,543	Loss both
EPS	n/a		n/a	n/a

Easynet Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£19,031,000	£41,742,000	£28,607,000	+50.3%
PBT	-£3,507,000	-£12,113,000	-£10,586,000	Loss both
EPS	-13.46p	-44.98p	-38.43p	Loss both

Easyscreen plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£969,022	£1,926,881	£1,245,696	+28.6%
PBT	-£3,767,777	-£7,582,291	-£2,188,965	Loss both
EPS	-8.23p	-16.49p	-4.70p	Loss both

ECsoft Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£34,705,000	£73,204,000	£34,119,000	-1.7%
PBT	£447,000	£1,370,000	£2,763,000	+518.1%
EPS	-4.20p	-4.80p	8.40p	Loss to Profit

Eidos plc

	Find - Mar 00		Find - Mar 01	Comparison
REV	£203,265,000		£169,767,000	-16.5%
PBT	£49,275,000		-£96,358,000	Profit to loss
EPS	22.80p		-93.90p	Profit to loss

Electronic Data Processing plc

	Interim - Mar 00	Find - Sep 00	Interim - Mar 01	Comparison
REV	£4,529,000	£8,353,000	£5,107,000	+12.8%
PBT	£1,004,000	£1,115,000	-£360,000	Profit to loss
EPS	2.56p	2.73p	-1.38p	Profit to loss

Epic Group plc

	Find - May 00		Find - May 01	Comparison
REV	£4,398,000		£8,041,000	+82.8%
PBT	£765,000		£1,569,000	+105.1%
EPS	3.12p		6.05p	+93.9%

Eurolink Managed Services plc

	Find - Mar 00		Find - Mar 01	Comparison
REV	£7,596,000		£8,269,000	+8.9%
PBT	£340,000		£390,000	+14.7%
EPS	2.19p		2.57p	+17.4%

Ffastfill Plc

	Find - Mar 00		Find - Mar 01	Comparison
REV	£3,250		£438,429	+13390.1%
PBT	-£968,986		-£5,105,274	Loss both
EPS	-3.77p		-12.69p	Loss both

Financial Objects plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£8,874,000	£18,369,000	£8,711,000	-1.8%
PBT	-£1,573,000	-£887,000	£937,000	Loss to Profit
EPS	-3.33p	-2.61p	1.22p	Loss to Profit

Flomerics Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£4,890,000	£11,763,000	£6,455,000	+32.0%
PBT	£41,000	£1,182,000	£110,000	+168.3%
EPS	0.20p	30.00p	0.60p	+200.0%

Focus Solutions Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£828,000	£2,273,000	£2,285,000	+63.8%
PBT	-£1,224,000	-£2,437,000	-£1,426,000	Loss both
EPS	-4.90p	-9.70p	-5.70p	Loss both

Gresham Computing plc

	Interim - Apr 00	Find - Oct 00	Interim - Apr 01	Comparison
REV	£23,325,000	£23,325,000	£12,864,000	-44.8%
PBT	-£2,540,000	-£4,273,000	-£721,000	Loss both
EPS	-6.06p	-9.38p	-1.71p	Loss both

Guardian IT plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£33,277,000	£86,397,000	£58,313,000	+75.2%
PBT	£2,823,000	£3,857,000	-£1,733,000	Profit to loss
EPS	2.56p	13.70p	-4.63p	Profit to loss

Harvey Nash Group plc

	Interim - Jul 00	Find - Jan 01	Interim - Jul 01	Comparison
REV	£93,190,000	£226,249,000	£126,359,000	+35.6%
PBT	£5,756,000	£12,971,000	-£1,103,000	Profit to loss
EPS	12.25p	24.63p	-3.79p	Profit to loss

Highams Systems Services Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£10,262,000	£20,662,000	£9,717,000	-5.3%
PBT	-£1,744,000	-£2,032,000	-£370,000	Loss both
EPS	-2.38p	-10.43p	-1.43p	Loss both

IBNet Plc

	Find - Jun 00		Find - Jun 01	Comparison
REV	£14,000		£402,000	+100.0%
PBT	-£595,000		-£24,445,000	Loss both
EPS	-1.50p		-44.48p	Loss both

I-Document Systems Plc

	Interim - Apr 00		Interim - Apr 01	Comparison
REV	£482,960		£459,379	-4.9%
PBT	-£91,973		-£474,551	Loss both
EPS	-0.19p		-0.41p	Loss both

ICM Computer Group plc

	Find - Jun 00		Find - Jun 01	Comparison
REV	£49,535,000		£66,678,000	+34.6%
PBT	£4,513,000		£4,668,000	+3.4%
EPS	15.40p		16.00p	+3.9%

IDS Group plc

	Find - Dec 99		Find - Dec 00	Comparison
REV	£13,614,000		£12,509,000	-8.1%
PBT	£1,125,000		-£28,596,000	Profit to loss
EPS	6.15p		-108.74p	Profit to loss

Intelligent Environments Group plc

	Interim - Jun 00	Find - Dec 00	Interim Jun 01	Comparison
REV	£4,721,000	£8,810,556	£1,948,000	-58.7%
PBT	-£801,000	-£2,523,413	-£3,623,000	Loss both
EPS	-1.90p	-5.97p	-8.30p	Loss both

Innovation Group plc (The)

	Find - Sep 00		Find - Sep 01	Comparison
REV	£9,564,000		£57,754,000	+503.9%
PBT	£3,176,000		£3,073,000	-3.2%
EPS	2.40p		-1.30p	Profit to loss

Intercede Group plc

	Find - Mar 00		Find - Mar 01	Comparison
REV	£703,000		£2,014,000	+186.5%
PBT	-£867,000		-£1,125,000	Loss both
EPS	-7.40p		-8.80p	Loss both

Internet Business Group Plc

	Interim - Apr 00	Find - Oct 00	Interim - Apr 01	Comparison
REV	£988,000	£1,824,922	£757,000	-23.4%
PBT	£110,000	-£859,393	-£1,407,000	Profit to loss
EPS	0.29p	-1.88p	-2.67p	Profit to loss

IQ-Ludorum Plc

	Interim - Jun 00	Find - Dec 00	Interim Jun 01	Comparison
REV	£2,123,000	£2,146,000	£1,836,000	-13.5%
PBT	-£1,840,000	-£1,859,333	-£2,230,000	Loss both
EPS	-0.02	-3.85p	-0.04	Loss both

ISOFT Group plc

	Find - Apr 00		Find - Apr 01	Comparison
REV	£17,024,000		£31,131,000	+82.9%
PBT	£2,685,000		£5,310,000	+97.8%
EPS	0.97p		3.06p	+215.5%

I S Solutions plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£6,529,000	£11,237,000	£5,904,000	-9.6%
PBT	£482,000	£547,000	-£161,000	Profit to loss
EPS	1.35p	1.17p	-0.73p	Profit to loss

ITNET plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£75,705,000	£158,873,000	£87,590,000	+15.7%
PBT	-£3,131,000	-£1,423,000	£4,072,000	Loss to profit
EPS	-2.85p	-0.18p	3.47p	Loss to profit

Izodia Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£671,000	£2,697,000	£2,730,000	+306.9%
PBT	-£9,966,000	-£35,997,000	-£61,363,000	Loss both
EPS	-19.66p	-66.15	-139.63	Loss both

Jasmin plc

	Find - Mar 00		Find - Mar 01	Comparison
REV	£4,201,000		£3,982,000	-5.2%
PBT	-£1,052,000		-£449,000	Loss both
EPS	-22.34p		-9.50p	Loss both

Kalamazoo Computer Group plc

	Find - Mar 00		Find - Mar 01	Comparison
REV	£62,781,000		£48,276,000	-23.1%
PBT	-£6,933,000		-£4,287,000	Loss both
EPS	-11.70p		-6.90p	Loss both

Kewill Systems plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£33,160,000	£68,737,000	£24,399,000	-26.4%
PBT	£2,098,000	£3,279,000	-£55,069,000	Profit to loss
EPS	1.40p	0.50p	-71.90p	Profit to loss

Keystone Solutions Group

	Find - Mar 00		Find - Mar 01	Comparison
REV	£4,799,000		£4,477,000	-6.7%
PBT	-£165,000		-£8,408,000	Loss both
EPS	-0.40p		-13.40p	Loss both

Knowledge Management Software plc

	Find - Jun 00		Find - Jun 01	Comparison
REV	£2,091,986		£6,054,760	+189.4%
PBT	-£3,078,772		-£12,771,898	Loss both
EPS	-5.40p		-12.20p	Loss both

Knowledge Support Systems Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£895,739	£2,803,736	£512,658	-42.8%
PBT	-£425,722	-£2,116,580	-£4,582,815	Loss both
EPS	-0.60p	-3.00p	-6.20p	Loss both

Knowledge Technology Solutions Plc

	Find - Jun 00		Find - Jun 01	Comparison
REV	£128,580		£150,583	+17.1%
PBT	-£93,812		-£193,861	Loss both
EPS	n/a		-0.38p	Not comparable

Logica plc

	Find - Jun 00		Find - Jun 01	Comparison
REV	£847,400,000		£1,133,200,000	+33.7%
PBT	£98,100,000		£136,200,000	+38.8%
EPS	16.80p		20.60p	+22.6%

London Bridge Software Holdings plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£27,160,000	£56,702,000	£36,935,000	+36.0%
PBT	£3,344,000	£4,662,000	£2,362,000	-29.4%
EPS	1.31p	1.85p	0.84p	-35.9%

Lorien plc

	Interim - May 00	Find - Nov 00	Interim - May 01	Comparison
REV	£53,188,000	£111,588,000	£67,090,000	+26.1%
PBT	-£2,464,000	-£2,718,000	£537,000	Loss to profit
EPS	-14.10p	-12.10p	3.00p	Loss to profit

Lynx Group plc

	Find - Sep 00		Find - Sep 01	Comparison
REV	£250,482,000		£271,816,000	+8.5%
PBT	£6,106,000		-£5,454,000	Profit to loss
EPS	1.98p		-4.71p	Profit to loss

MMT Computing plc

	Find - Aug 00		Find - Aug 01	Comparison
REV	£37,734,000		£31,112,000	-17.5%
PBT	£5,976,000		-£2,792,000	Profit to loss
EPS	32.20p		-19.40p	Profit to loss

Macro 4 plc

	Find - Jun 00		Find - Jun 01	Comparison
REV	£38,671,000		£47,100,000	+21.8%
PBT	£10,611,000		£5,034,000	-52.6%
EPS	33.20p		9.40p	-71.7%

Manpower SoftWare plc

	Find - May 00		Find - May 01	Comparison
REV	£1,611,619		£2,769,667	+71.9%
PBT	-£2,790,867		-£740,126	Loss both
EPS	-27.73p		-5.10p	Loss both

Marlborough Stirling Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£22,707,000	£50,080,000	£33,688,000	+48.4%
PBT	£4,604,000	£8,337,000	£5,053,000	+9.8%
EPS	2.61p	2.80p	1.92p	-26.4%

MERANT plc

	Find - Apr 00		Find - Apr 01	Comparison
REV	£227,283,000		£215,433,000	-5.2%
PBT	-£35,369,000		-£50,046,000	Loss both
EPS	-24.90p		-37.90p	Loss both

Quoted Companies - Results Service

Note: Highlighted Names indicate results announced this month.

Microgen plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£13,760,000	£25,344,000	£11,020,000	-19.9%
PBT	-£2,808,000	-£3,086,000	£59,000	Loss to Profit
EPS	-4.70p	-5.20p	0.10p	Loss to Profit

Mission Testing Plc

	Find - Jun 00	Find - Jun 01	Comparison
REV	£6,048,205	£10,515,000	+73.9%
PBT	£500,000	£967,000	+93.4%
EPS	3.31p	4.43p	+33.8%

Misys plc

	Find - May 00	Find - May 01	Comparison
REV	£708,800,000	£858,500,000	+21.1%
PBT	£113,600,000	£97,100,000	-14.5%
EPS	14.20p	13.00p	-8.5%

Mondas plc

	Find - Apr 00	Find - Apr 01	Comparison
REV	£1,358,811	£2,702,141	+98.9%
PBT	-£857,573	-£1,504,042	Loss both
EPS	-6.80p	-9.50p	Loss both

Morse Holdings plc

	Find - Jun 00	Find - Jun 01	Comparison
REV	£506,316,000	£586,076,000	+15.8%
PBT	£22,919,000	£19,194,000	-16.3%
EPS	10.10p	7.70p	-23.8%

MSB International plc

	Interim - Jul 00	Find - Jan 01	Interim - Jul 01	Comparison
REV	£75,040,000	£157,760,000	£83,627,000	+11.4%
PBT	£25,000	£2,584,000	£416,000	+1564.0%
EPS	0.1p	7.50p	1.1p	+1000.0%

Myratech.net Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£853,000	£1,713,000	£1,055,000	+100.8%
PBT	-£446,000	-£1,599,000	-£1,239,000	Loss both
EPS	-1.80p	-6.00p	-4.50p	Loss both

Ncipher Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£5,489,000	£13,455,000	£8,118,000	+47.9%
PBT	-£1,073,000	-£1,790,000	-£1,449,000	Loss both
EPS	-1.35p	-2.18p	-1.30p	Loss both

NetBenefit plc

	Find - Jun 00	Find - Jun 01	Comparison
REV	£7,520,100	£6,353,000	-15.5%
PBT	-£4,591,000	-£21,663,000	Loss both
EPS	-0.32p	-134.40p	Loss both

Netstore plc

	Find - Jun 00	Find - Jun 01	Comparison
REV	£1,372,632	£3,563,923	+159.6%
PBT	-£4,894,738	-£11,829,902	Loss both
EPS	-7.57p	-13.32p	Loss both

Nettec plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£7,737,000	£17,311,000	£9,413,000	+21.7%
PBT	-£8,582,000	-£8,582,000	-£21,353,000	Loss both
EPS	-2.80p	-8.00p	-19.00p	Loss both

Northgate Information Solutions plc

	Find - Apr 00	Find - Apr 01	Comparison
REV	£125,578,000	£107,194,000	-14.6%
PBT	-£36,959,000	£2,200,000	Loss to Profit
EPS	-13.96p	0.55p	Loss to Profit

NSB Retail Systems plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£18,822,000	£40,930,000	£48,220,000	+156.2%
PBT	£2,150,000	-£7,700,000	-£39,407,000	Profit to loss
EPS	0.4p	-4.26p	-9.77p	Profit to loss

OneclickHR Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£1,327,199	£4,068,345	£2,704,900	+103.8%
PBT	-£710,558	-£2,664,741	-£1,178,243	Loss both
EPS	-1.80p	-5.90p	-2.30p	Loss both

Orbital Software Plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£365,604	£1,090,018	£214,127	-41.4%
PBT	-£2,262,414	-£5,873,568	-£4,051,704	Loss both
EPS	-1.65p	-0.27p	-0.09p	Loss both

Orchestream Holdings plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£577,000	£2,746,260	£6,949,000	+1104.3%
PBT	-£5,388,000	-£10,541,100	-£9,768,000	Loss both
EPS	-6.50p	-10.40p	-7.90p	Loss both

Parity plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£139,241,000	£269,228,000	£130,367,000	-6.4%
PBT	£6,538,000	£12,810,000	-£1,468,000	Profit to loss
EPS	2.73p	5.53p	-0.48p	Profit to loss

Patsystems plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£1,091,000	£2,524,000	£2,617,000	+139.9%
PBT	-£3,835,000	-£9,612,000	-£5,502,000	Loss both
EPS	-3.50p	-8.30p	-4.00p	Loss both

Planit Holdings plc

	Find - Apr 00	Find - Apr 01	Comparison
REV	£13,304,000	£19,070,000	+43.3%
PBT	£2,483,000	£2,720,000	+9.5%
EPS	2.30p	2.00p	-13.0%

Protogana plc (was Recognition Systems)

	Find - Sep 00	Find - Sep 01	Comparison
REV	£8,620,000	£8,766,000	+1.7%
PBT	-£4,749,000	-£10,238,000	Loss both
EPS	-5.40p	-9.00p	Loss both

PSD Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£41,132,000	£88,549,000	£41,974,000	+2.0%
PBT	£10,011,000	£21,385,000	£5,529,000	-44.8%
EPS	27.30p	57.00p	13.80p	-49.5%

QA plc (was Skillsgroup)

	Interim - May 00	Find - Nov 00	Interim - May 01	Comparison
REV	£78,000,000	£140,700,000	£30,200,000	-61.3%
PBT	-£1,800,000	-£17,400,000	£400,000	Loss to Profit
EPS	-2.20p	-18.40p	-0.50p	Loss both

QSP Group plc

	Interim - Jun 00	Find - Dec 00	Interim Jun-01	Comparison
REV	£19,747,000	£40,959,000	£14,480,000	-26.7%
PBT	-£2,987,000	-£4,652,000	-£6,230,000	Loss both
EPS	-3.30p	-5.20p	-6.60p	Loss both

Quantica plc

	Interim - May 00	Find - Nov 00	Interim - May 01	Comparison
REV	£9,278,000	£23,753,000	£16,717,000	+80.2%
PBT	£1,463,000	£3,768,000	£1,596,000	+9.1%
EPS	2.71p	6.80p	2.75p	+1.5%

RM plc

	Find - Sep 00	Find - Sep 01	Comparison
REV	£207,560,000	£241,916,000	+16.6%
PBT	£9,528,000	£15,207,000	+59.6%
EPS	7.90p	11.20p	+41.8%

Raft International Plc

	Interim - Apr 00	Find - Oct 00	Interim - Apr 01	Comparison
REV	£4,191,000	£9,173,000	£5,027,000	+19.9%
PBT	-£64,000	£171,000	-£5,000	Loss both
EPS	-0.17p	0.19p	-0.12p	Loss both

Rage Software plc

	Find - Jun 00	Find - Jun 01	Comparison
REV	£3,331,000	£5,731,000	+72.1%
PBT	-£6,736,000	-£17,054,000	Loss both
EPS	-2.40p	-5.28p	Loss both

RDL Group Plc

	Interim - Mar 00	Find - Sep 00	Interim - Mar 01	Comparison
REV	£8,116,000	£16,246,000	£21,226,000	+161.5%
PBT	£519,000	£1,092,000	£1,093,000	+110.6%
EPS	3.09p	6.70p	4.51p	+46.0%

Retail Decisions plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£7,198,000	£17,674,000	£10,699,000	+48.6%
PBT	-£1,671,000	-£2,292,000	-£548,000	Profit to loss
EPS	-1.27p	-1.64p	-0.48p	Profit to loss

RexOnline plc

	Find - Apr 00	Find - Apr 01	Comparison
REV	£658,000	£2,006,000	+204.9%
PBT	-£326,000	£216,000	Loss to Profit
EPS	-4.50p	2.80p	Loss to Profit

Riversoft Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£986,000	£5,168,843	£3,268,000	+231.4%
PBT	-£9,199,000	-£26,641,044	-£19,890,000	Loss both
EPS	-16.10p	-32.70p	-8.20p	Loss both

Rolfe & Nolan plc

	Find - Feb 00	Find - Feb 01	Comparison
REV	£22,856,000	£25,592,000	+12.0%
PBT	£1,838,000	-£1,013,000	Profit to loss
EPS	9.30p	-7.50p	Profit to loss

Royalblue Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£25,500,000	£57,383,000	£34,693,000	+36.1%
PBT	£3,037,000	£6,918,000	£2,025,000	-33.3%
EPS	6.00p	13.70p	3.70p	-38.3%

Sage Group plc

	Interim - Mar 00	Find - Sep 00	Interim - Mar 01	Comparison
REV	£202,528,000	£412,153,000	£229,649,000	+13.4%
PBT	£53,992,000	£108,748,000	£59,156,000	+9.6%
EPS	2.94p	5.92p	3.18p	+8.3%

SBS Group plc

	Interim - Feb 00	Find - Aug 00	Interim - Feb 01	Comparison
REV	£22,866,000	£46,444,000	£23,106,000	+1.0%
PBT	£124,000	£285,000	-£388,000	Profit to loss
EPS	0.90p	2.10p	-3.20p	Profit to loss

Science Systems plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£21,298,000	£49,624,000	£32,970,000	+54.8%
PBT	£1,251,000	£2,732,000	£2,599,000	+107.8%
EPS	3.40p	6.50p	6.40p	+88.2%

SDL plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£11,578,000	£29,730,000	£16,747,000	+44.6%
PBT	£269,000	£1,059,000	-£2,770,000	Profit to loss
EPS	0.09p	0.93p	-6.50p	Profit to loss

ServicePower Technologies plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£1,151,000	£3,292,000	£1,351,000	+17.4%
PBT	-£2,697,000	-£3,928,000	-£1,991,000	Loss both
EPS	-5.88p	-8.10p	-3.90p	Loss both

Sherwood International plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£24,097,000	£54,277,000	£26,847,000	+11.4%
PBT	£2,548,000	£6,634,000	-£1,445,000	Profit to loss
EPS	5.10p	13.00p	-2.60p	Profit to loss

Sirius Financial Plc (was Policy Master Group)

	Interim - Jun 00	Find - Dec 00	Interim Jun 01	Comparison
REV	£8,100,000	£17,135,457	£9,093,000	+12.3%
PBT	£29,000	£727,215	£115,000	+296.6%
EPS	0.10p	4.40p	0.20p	+100.0%

Smartlogik Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£12,707,000	£57,642,000	£1,738,000	-86.3%
PBT	-£910,000	-£131,694,000	-£10,438,000	Loss both
EPS	-0.60p	-79.20p	-6.00p	Loss both

Sopheon plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£3,098,000	£7,763,000	£6,068,000	+95.9%
PBT	-£3,387,000	-£11,045,000	-£12,565,000	Loss both
EPS	-9.90p	-33.40p	-32.50p	Loss both

Spring Group plc

	Find - Apr 00	Find - Apr 01	Comparison
REV	£396,106,000	£374,448,000	-5.5%
PBT	-£6,420,000	-£3,547,000	Loss both
EPS	-5.09p	-2.39p	Loss both

Staffware plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£18,241,000	£37,857,000	£19,127,000	+4.9%
PBT	£2,667,000	£3,042,000	-£3,369,000	Profit to loss
EPS	12.90p	10.40p	-24.10p	Profit to loss

StatPro Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£1,278,000	£3,172,000	£3,031,000	+148.2%
PBT	-£1,985,000	-£4,879,000	-£2,326,000	Loss both
EPS	-8.30p	-18.40p	-7.80p	Loss both

Stilo International Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£59,000	£86,000	£571,000	+867.8%
PBT	-£243,000	-£736,000	-£1,038,000	Loss both
EPS	-48.60p	-4.54p	-2.33p	Loss both

Superscape plc

	Interim - Jul 00	Interim - Jul 01	Comparison
REV	£1,445,000	£1,343,000	-7.1%
PBT	-£3,920,000	-£4,607,000	Loss both
EPS	-11.80p	-12.60p	Loss both

SurfControl plc

	Find - May 00	Find - Jun 01	Comparison
REV	£9,519,000	£27,839,000	+192.5%
PBT	-£16,259,000	-£60,940,000	Loss both
EPS	-81.86p	-207.78p	Loss both

Synigence Plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£1,089,700	£1,984,010	£155,518	-85.7%
PBT	£60,201	-£750,018	-£2,788,678	Profit to loss
EPS	0.20p	-2.80p	-6.50p	Profit to loss

Synstar plc

	Find - Sep 00	Find - Sep 01	Comparison
REV	£235,911,000	£238,198,000	+1.0%
PBT	£4,954,000	-£21,296,000	Profit to loss
EPS	0.60p	-13.80p	Profit to loss

Systems Integrated Research plc

	Find - May 00	Find - May 01	Comparison
REV	£1,536,000	£1,654,000	+7.7%
PBT	£215,000	£307,000	+42.8%
EPS	1.25p	1.93p	+54.4%

Systems International Group plc

	Find - Jun 00	Find - Jun 01	Comparison
REV	£17,952,851	£26,344,520	+46.7%
PBT	£218,355	£454,531	+108.2%
EPS	0.47p	0.78p	+66.0%

Systems Union plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£15,686,000	£53,778,000	£36,756,000	+134.3%
PBT	-£96,515,000	-£105,924,000	£679,000	Loss to Profit
EPS	-115.00p	-125.30p	0.60p	Loss to Profit

Telecity Plc

	Find - Dec 99	Find - Dec 00	Comparison
REV	£3,362,000	£14,053,000	+318.0%
PBT	-£3,450,000	-£12,686,000	Loss both
EPS	-6.80p	-21.80p	Loss both

Telework Systems plc

	Find - Mar 00	Find - Mar 01	Comparison
REV	£17,363,000	£21,947,000	+26.4%
PBT	£2,705,000	£4,173,000	+54.3%
EPS	1.04p	1.36p	+31.2%

TelMe.com plc

	Find - Mar 00	Find - Mar 01	Comparison
REV	£13,974,000	£18,089,000	+29.4%
PBT	-£2,105,000	-£2,083,000	Loss both
EPS	-3.00p	-2.80p	Loss both

Terence Chapman Group plc

	Find - Aug 00	Find - Aug 01	Comparison
REV	£30,917,000	£32,020,000	+3.6%
PBT	£4,136,000	£8,124,000	+96.4%
EPS	4.66p	6.30p	+35.2%

Tikit Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£4,877,000	£9,310,000	£4,704,000	-3.5%
PBT	£505,000	£876,000	£450,000	-10.9%
EPS	3.40p	5.48p	3.10p	-8.8%

Torex plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£34,905,000	£88,425,000	£61,954,000	+77.5%
PBT	£1,791,000	£5,133,000	£3,860,000	+115.5%
EPS	3.70p	9.00p	5.10p	+37.8%

Totalise Plc

	Find - Apr 00	Find - Apr 01	Comparison
REV	£870,217	£4,284,893	+392.4%
PBT	-£1,946,395	-£4,359,241	Loss both
EPS	-15.35p	-11.25p	Loss both

Total Systems plc

	Find - Mar 00	Find - Mar 01	Comparison
REV	£1,958,040	£3,849,292	+96.6%
PBT	-£579,589	£717,337	Loss to Profit
EPS	-3.97p	4.90p	Loss to Profit

Touchstone Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£5,490,000	£11,807,000	£6,121,000	+11.5%
PBT	£410,000	£1,481,000	£606,000	+47.8%
EPS	2.50p	9.80p	3.80p	+52.0%

Trace Computers plc

	Find - May 00	Find - May 01	Comparison
REV	£17,067,000	£15,656,000	-8.3%
PBT	£2,311,000	£3,183,000	+37.7%
EPS	11.64p	17.12p	+47.1%

Transeda Plc

	Find - Jun 00	Find - Jun 01	Comparison
REV	£4,052,000	£6,510,000	+60.7%
PBT	-£3,000	£592,000	Loss to Profit
EPS	0.00p	0.66p	Loss to Profit

Triad Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£25,003,000	£52,783,000	£24,182,000	-3.3%
PBT	£1,265,000	£4,511,000	£1,519,000	+20.1%
EPS	3.4p	11.74p	4.10p	+20.2%

Tribal Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	
REV	£4,086,000	£24,088,000	£15,344,000	+275.5%
PBT	£177,000	£2,841,000	£761,000	+329.9%
EPS	n/a	4.00p	3.95p	n/a

Ultima Networks plc

	Find - Dec 99	Find - Dec 00	Comparison
REV	£12,541,000	£6,952,000	-44.6%
PBT	-£783,000	-£865,000	Loss both
EPS	-0.44p	-0.45p	Loss both

Ultrasis Group plc

	Interim - Jan 00	Find - Jul 00	Interim - Jan 01	Comparison
REV	£1,055,000	£986,000	£133,000	-87.4%
PBT	-£1,839,000	-£4,984,000	-£2,432,000	Loss both
EPS	-0.90p	-2.40p	-1.00p	Loss both

Vega Group plc

	Find - Apr 00	Find - Apr 01	Comparison
REV	£40,201,000	£35,661,000	-11.3%
PBT	£4,843,000	-£5,882,000	Profit to loss
EPS	17.17p	-26.87p	Profit to loss

Virtual Internet Plc

	Interim - Apr 00	Find - Oct 00	Interim - Apr 01	Comparison
REV	£2,539,924	£6,259,257	£3,975,209	+56.5%
PBT	-£4,247,334	-£7,998,119	-£4,594,660	Loss both
EPS	-19.71p	34.81p	-18.58p	Loss both

VI Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£2,699,000	£5,642,000	£3,083,000	+14.2%
PBT	£259,000	£465,000	£324,000	+25.1%
EPS	0.68p	1.05p	0.94p	+38.2%

Vocalis Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£2,008,000	£2,701,000	£1,223,000	-39.1%
PBT	-£2,478,000	-£7,144,000	-£1,968,000	Loss both
EPS	-5.60p	-15.82p	-4.25p	Loss both

Warthog Plc

	Find - Mar 00	Find - Mar 01	Comparison
REV	£2,406,039	£3,782,386	+57.2%
PBT	£214,212	£314,150	+46.7%
EPS	0.50p	0.65p	+30.0%

Wealth Management Software plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£7,320,000	£15,533,000	£6,356,000	-13.2%
PBT	-£215,000	-£251,000	-£3,246,000	Loss both
EPS	-0.87p	-0.67p	-7.85p	Loss both

Xansa plc

	Find - Apr 00	Find - Apr 01	Comparison
REV	£307,696,000	£391,235,000	+27.1%
PBT	£17,391,000	£652,000	-96.3%
EPS	3.91p	-4.22p	Profit to loss

XKO Group plc

	Interim - Sep 00	Find - Mar 01	Interim - Sep 01	Comparison
REV	£20,197,000	£38,211,000	£20,433,000	+1.2%
PBT	-£2,311,000	-£19,611,000	-£4,777,000	Loss both
EPS	-10.10p	-85.30p	-25.30p	Loss both

Xpertise Group plc

	Interim - Jun 00	Find - Dec 00	Interim - Jun 01	Comparison
REV	£2,919,000	£5,758,000	£2,936,000	+0.6%
PBT	-£228,000	-£4,000,000	-£231,000	Loss both
EPS	-0.76p	-0.08p	-0.74p	Loss both

Holway/SYSTEMHOUSE SCS Share Prices and Capitalisation

	SCS Cat.	Share Price 30-Nov-01	Capitalisation 30-Nov-01	Historic P/E	PSR Ratio Cap./Rev.	SCSI Index 30-Nov-01	Share price move since 31-Oct-01	Share price % move in 2001	Capitalisation move since 31-Oct-01	Capitalisation move (£m) in 2001
Actinic	SP	£0.05	£5.8m	Loss	2.90	59	-9.52%	-87.66%	-£0.62m	-£41.56m
AFA Systems	SP	£1.07	£25.2m	Loss	5.87	888	28.31%	-23.38%	£6.04m	-£6.90m
Affinity Internet Holdings	CS	£3.25	£87.6m	Loss	7.74	24962	318.71%	-33.09%	£66.69m	-£30.90m
AIT Group	CS	£6.83	£138.5m	40.1	4.09	4550	30.00%	-42.41%	£31.89m	-£102.10m
Alphameric	SP	£0.87	£88.2m	23.0	1.62	397	30.08%	-68.49%	£20.32m	-£191.80m
Alterian	SP	£0.75	£29.2m	Loss	14.05	373	17.32%	-68.63%	£4.30m	-£63.90m
Anite Group	CS	£1.35	£387.4m	24.1	2.01	789	31.71%	-19.88%	£93.19m	-£61.70m
Argonaut Games	SP	£0.66	£60.1m	Loss	13.66	682	0.77%	-0.76%	£0.42m	-£620.60m
Autonomy	SP	£3.54	£445.7m	44.3	9.07	108	20.41%	-81.64%	£75.58m	-£1,982.23m
Aveva Group	SP	£4.29	£72.6m	22.2	2.58	2145	26.55%	-22.07%	£15.18m	-£19.30m
Axon	CS	£2.01	£103.2m	17.0	2.41	1149	34.90%	-73.47%	£26.74m	-£274.80m
Azlan Group	R	£1.44	£157.1m	11.3	0.27	626	29.73%	-20.22%	£36.00m	-£36.80m
Baltimore Technologies	SP	£0.20	£102.5m	Loss	1.38	2051	5.26%	-94.20%	£5.14m	-£1,646.50m
Bond International	SP	£0.76	£10.8m	11.2	1.15	1162	7.09%	29.06%	£0.70m	£2.43m
Business Systems	CS	£0.14	£10.9m	Loss	0.29	113	-18.18%	-83.13%	-£2.50m	-£53.90m
Capita Group	CS	£4.69	£3,090.0m	67.8	7.71	126780	7.82%	-6.20%	£223.79m	-£165.00m
Cedar Group	SP	£0.14	£10.8m	Loss	0.15	133	-41.05%	-95.48%	-£7.40m	-£227.30m
Charteris	CS	£0.88	£32.0m	57.9	2.41	972	19.05%	-30.83%	£5.13m	-£12.00m
Clarity Commerce	SP	£0.90	£12.5m	Loss	3.47	720	10.43%	-33.82%	£1.20m	-£0.30m
Clinical Computing	SP	£0.36	£8.9m	Loss	3.94	286	18.33%	33.96%	£1.38m	£2.26m
CMG	CS	£2.38	£1,459.0m	24.3	1.80	6566	10.70%	-73.41%	£141.44m	-£4,028.00m
Comino	CS	£1.83	£25.2m	37.5	1.18	1404	11.28%	-64.39%	£2.58m	-£44.50m
Compass Software	SP	£0.92	£10.7m	30.1	4.49	613	0.00%	-50.27%	£0.00m	-£9.10m
Compel Group	R	£0.85	£26.2m	Loss	0.11	676	18.18%	3.68%	£4.04m	£0.90m
Computacenter	R	£3.26	£603.3m	11.7	0.30	486	38.51%	-2.84%	£167.73m	-£9.10m
DCS Group	CS	£0.33	£8.1m	Loss	0.06	542	-4.41%	-65.79%	-£0.37m	-£14.86m
Delcam	SP	£1.45	£8.8m	6.9	0.52	558	1.75%	-30.95%	£0.23m	-£3.68m
Diagonal	CS	£0.81	£71.5m	10.1	0.86	1178	20.00%	-58.99%	£11.91m	-£94.60m
Dicom Group	CS	£4.63	£96.3m	12.9	0.69	1418	23.33%	0.98%	£18.20m	£0.90m
DRS Data & Research	SP	£0.15	£5.3m	13.8	0.65	139	7.02%	19.61%	£0.35m	£0.87m
Earthport	SP	£0.29	£30.0m	Loss	20.39	208	0.00%	-79.20%	£0.00m	-£111.98m
Easynet	CS	£2.85	£176.7m	Loss	4.23	78	80.38%	-35.96%	£78.73m	£51.60m
Easyscreen	SP	£0.40	£17.6m	Loss	9.14	234	93.90%	-33.19%	£8.54m	-£8.70m
ECSoft	CS	£5.58	£65.2m	Loss	1.00	309	24.58%	-8.61%	£12.81m	-£6.20m
Eidos	SP	£2.36	£327.6m	Loss	1.93	11807	11.44%	9.88%	£33.68m	£106.60m
Electronic Data Proc	SP	£0.53	£13.2m	19.4	1.58	1607	15.38%	-23.91%	£1.80m	-£4.90m
Epic	CS	£1.13	£28.5m	17.7	3.54	1071	34.73%	-67.53%	£7.38m	-£56.00m
Eurolink	CS	£0.38	£3.9m	14.8	0.47	375	-21.05%	-47.18%	£3.41m	-£3.48m
Ffastfill	SP	£0.05	£2.3m	Loss	5.18	42	5.26%	-94.29%	£0.11m	-£37.81m
Financial Objects	SP	£0.76	£29.6m	Loss	1.61	328	49.50%	-25.62%	£9.77m	-£9.00m
Flomerics Group	SP	£0.86	£12.5m	12.6	1.06	3308	4.24%	-36.30%	£0.55m	-£7.10m
Focus Solutions	SP	£1.07	£26.9m	Loss	11.83	549	25.15%	-47.29%	£5.40m	-£24.10m
Gresham Computing	CS	£0.26	£12.6m	Loss	0.54	280	8.33%	5.05%	£1.00m	£1.30m
Guardian iT	CS	£4.40	£307.1m	33.2	3.55	1725	24.82%	-53.93%	£61.06m	-£359.50m
Harvey Nash Group	A	£1.33	£39.6m	10.1	0.18	757	6.00%	-84.73%	£2.24m	-£213.70m
Highams Systems Servs	A	£0.16	£3.1m	Loss	0.15	438	53.66%	-30.00%	£1.08m	-£1.32m
I S Solutions	CS	£0.33	£8.1m	23.9	0.72	1211	-5.80%	-82.89%	-£0.50m	-£39.38m
IBNet	SP	£0.09	£5.1m	Loss	12.73	168	-26.00%	-87.41%	-£1.79m	-£34.99m
ICM Computer	CS	£2.95	£58.4m	17.4	0.88	1639	4.42%	35.63%	£2.53m	£16.20m
I-Document Systems	SP	£0.17	£21.5m	Loss	27.04	21	3.08%	19.73%	£0.60m	£4.20m
IDS Group	SP	£0.58	£32.5m	Loss	2.60	639	18.56%	-66.37%	£5.15m	-£64.10m
Innovation Goup	SP	£2.98	£551.9m	Loss	9.55	1299	11.21%	-62.81%	£85.34m	-£479.10m
Intelligent Environments	SP	£0.07	£4.0m	Loss	0.46	72	0.00%	-83.73%	£0.00m	-£13.58m
Intercede Group	SP	£0.51	£8.3m	Loss	4.14	850	-2.86%	-15.00%	-£0.25m	-£1.46m
Internet Business Group	CS	£0.04	£2.7m	Loss	1.47	106	240.00%	-71.67%	£1.89m	-£5.05m
IQ-Ludorum	SP	£0.13	£10.4m	Loss	4.85	173	4.00%	-72.92%	£0.40m	-£27.60m
iSOFT Group	SP	£3.04	£357.7m	68.7	11.49	2764	8.96%	48.29%	£29.38m	£127.90m
ITNET	CS	£2.62	£187.6m	Loss	1.37	749	19.36%	99.24%	£30.43m	£95.20m
Izodia (was Infobank)	SP	£0.40	£23.4m	Loss	8.68	6350	11.11%	-85.45%	£2.35m	-£137.20m
Jasmin	SP	£1.99	£9.3m	Loss	2.34	1323	3.66%	55.69%	£0.33m	£3.34m
Kalamazoo Computer	CS	£0.10	£4.4m	Loss	0.09	293	57.69%	-37.88%	£1.61m	-£2.68m
Kewill Systems	SP	£0.60	£45.7m	120.0	0.66	1186	20.00%	-81.25%	£7.56m	-£198.10m
Keystone	SP	£0.16	£18.6m	Loss	4.13	181	0.00%	-53.24%	£0.00m	£3.90m
Knowledge Management	SP	£0.13	£15.0m	Loss	2.48	100	-8.77%	-83.90%	-£1.41m	-£69.70m
Knowledge Support	SP	£0.24	£17.3m	Loss	7.89	107	42.42%	-93.63%	£5.09m	-£255.00m
Knowledge Technology	SP	£0.07	£5.3m	Loss	34.90	1400	16.67%	40.00%	£0.75m	£1.47m
Logica	CS	£7.74	£3,459.0m	31.3	3.05	10600	4.03%	-55.77%	£134.03m	-£4,276.00m
London Bridge Software	SP	£2.00	£338.6m	43.0	5.97	4988	57.71%	-39.55%	£123.95m	-£221.40m
Lorien	A	£0.56	£10.9m	Loss	0.10	555	-1.77%	-27.45%	-£0.20m	-£4.10m
Lynx Holdings	R	£1.04	£180.7m	Loss	0.66	2588	29.38%	16.95%	£41.02m	£42.50m
Macro 4	SP	£2.60	£54.1m	9.8	1.15	1048	-10.34%	-71.11%	-£6.20m	-£133.10m
Manpower SoftWare	SP	£0.16	£3.7m	Loss	1.34	160	-11.43%	-41.51%	-£0.48m	£0.09m
Marlborough Stirling	CS	£1.95	£442.8m	33.9	8.84	1389	24.68%	38.93%	£156.63m	£194.30m
MERANT	SP	£0.93	£124.8m	Loss	0.58	447	7.56%	-2.63%	£8.73m	-£17.00m
Microgen Holdings	CS	£1.08	£54.7m	Loss	2.16	459	19.44%	-65.04%	£8.90m	-£101.80m
Mission Testing	CS	£1.68	£28.7m	26.1	5.75	614	11.67%	-38.64%	£3.00m	-£14.38m

Note: Main SYSTEMHOUSE SCS Index set at 1000 on 15th April 1989. Any new entrants to the Stock Exchange are allocated an index of 1000 based on the issue price. The SCS Index is not weighted; a change in the share price of the largest company has the same effect as a similar change for the smallest company.
Category Codes: CS= Computer Services SP = Software Product R = Reseller A = IT Agency O = Other

Holway/SYSTEMHOUSE SCS Share Prices and Capitalisation

	SCS Cat.	Share Price 30-Nov-01	Capitalisation 30-Nov-01	Historic P/E	PSR Ratio Cap./Rev.	SCSI Index 30-Nov-01	Share price move since 31-Oct-01	Share price % move in 2001	Capitalisation move since 31-Oct-01	Capitalisation move (£m) in 2001
Misys	SP	£3.25	£1,872.0m	18.0	2.18	4043	25.00%	-50.76%	£374.84m	-£1,929.00m
MMT Computing	CS	£1.45	£17.5m	Loss	0.56	863	-13.43%	-72.51%	-£2.79m	-£46.30m
Mondas	SP	£0.26	£5.2m	Loss	1.93	347	20.93%	-35.00%	£0.90m	-£2.80m
Morse	R	£1.93	£246.6m	9.9	0.42	770	24.19%	-49.01%	£48.10m	-£230.20m
MSB International	A	£0.80	£16.3m	21.9	0.10	421	9.59%	-30.43%	£1.40m	-£7.20m
Myratech.net	CS	£0.03	£0.8m	Loss	0.44	21	-63.33%	-89.00%	-£1.30m	-£5.98m
Ncipher	SP	£0.93	£117.7m	Loss	8.75	372	19.23%	-65.93%	£19.00m	-£227.30m
NetBenefit	CS	£0.14	£2.2m	Loss	0.34	68	-20.59%	-89.41%	-£0.56m	-£18.24m
Netstore	CS	£0.19	£16.8m	Loss	4.72	127	26.67%	-76.69%	£3.50m	-£55.20m
Nettec	CS	£0.11	£13.5m	Loss	0.78	46	-6.38%	-62.71%	-£0.87m	-£18.20m
Northgate Information Solutions	CS	£0.39	£111.5m	28.5	1.04	150	28.93%	-43.27%	£25.01m	-£80.90m
NSB Retail Systems	SP	£0.28	£88.7m	Loss	2.17	2435	23.08%	-83.28%	£16.64m	-£304.80m
OneclickHR	SP	£0.45	£23.7m	Loss	5.83	1125	4.65%	50.00%	£1.10m	£0.40m
Orbital Software	SP	£0.26	£11.4m	Loss	10.46	176	50.00%	-74.75%	£3.77m	-£33.90m
Orchestream	SP	£0.36	£46.4m	Loss	16.90	192	51.06%	-87.09%	£15.71m	-£289.40m
Parity	A	£0.59	£90.5m	18.3	0.34	9833	-13.87%	-49.57%	-£14.53m	-£89.00m
Patsystems	SP	£0.12	£15.3m	Loss	6.06	110	-9.62%	-88.59%	-£1.60m	-£115.60m
Planit	SP	£0.44	£36.1m	14.7	1.89	1813	19.18%	-58.17%	£5.76m	-£49.00m
Protogana (was Recognition)	SP	£0.06	£18.3m	Loss	2.08	82	4.55%	-97.94%	-£0.91m	-£234.90m
PSD	A	£4.65	£116.7m	9.9	1.32	2114	15.53%	-51.31%	£15.64m	-£123.00m
QA (was Skillsgroup)	CS	£0.47	£41.1m	Loss	0.29	209	12.05%	-66.18%	£4.47m	-£80.30m
QSP	SP	£0.07	£7.0m	Loss	0.17	92	0.00%	-76.86%	£0.00m	-£20.18m
Quantica	A	£0.55	£21.6m	7.2	0.91	444	14.58%	0.00%	£2.70m	£0.00m
Raft International	SP	£0.10	£6.6m	46.8	0.72	159	53.85%	-84.13%	£2.30m	-£35.44m
Rage Software	SP	£0.10	£37.7m	Loss	6.58	385	-11.11%	-6.98%	-£2.07m	£3.40m
RDL	A	£0.74	£14.2m	6.6	0.87	822	-8.64%	-57.71%	£1.80m	-£12.60m
Retail Decisions	SP	£0.21	£31.5m	Loss	1.78	277	7.89%	-83.40%	£4.38m	-£137.70m
RexOnline	A	£0.41	£5.4m	11.6	2.69	488	2.50%	-57.51%	£0.12m	-£0.98m
Riversoft	SP	£0.20	£47.2m	Loss	9.13	207	44.44%	-79.26%	£14.51m	-£176.80m
RM Group	SP	£2.40	£225.2m	21.4	0.93	6857	0.00%	-57.89%	-£0.05m	-£307.20m
Rolfe & Nolan	SP	£0.97	£13.6m	Loss	0.53	1149	-1.03%	-75.32%	-£0.12m	-£41.50m
Royalblue Group	SP	£7.25	£218.3m	57.0	3.80	4265	31.82%	-30.95%	£52.71m	-£97.80m
Sage Group	SP	£2.39	£3,025.0m	38.2	7.34	91827	13.15%	-22.17%	£352.33m	-£861.00m
SBS Group	A	£0.22	£2.0m	15.8	0.04	215	-15.69%	-78.50%	-£0.36m	-£7.14m
Science Systems	CS	£4.90	£123.5m	28.0	2.49	3798	5.95%	-1.01%	£7.00m	-£1.20m
SDL	CS	£0.76	£31.8m	81.7	1.07	503	7.86%	-79.68%	£2.29m	-£115.30m
ServicePower	SP	£0.25	£12.8m	Loss	3.89	250	2.04%	-64.03%	£0.26m	-£22.70m
Sherwood International	SP	£1.47	£65.7m	11.3	1.21	4897	24.58%	-53.63%	£12.93m	-£69.50m
Sirius Financial (was Policymaster)	SP	£0.98	£15.6m	9.3	0.91	650	34.48%	-70.45%	£4.00m	-£36.20m
Smartlogik	SP	£0.03	£8.1m	Loss	0.14	25	0.00%	-88.30%	£0.00m	-£32.62m
Sopheon	SP	£0.29	£24.7m	Loss	3.18	417	3.57%	-81.88%	£12.57m	-£38.80m
Spring Group	A	£0.81	£121.7m	Loss	0.33	900	18.25%	-8.47%	£18.80m	-£11.20m
Staffware	SP	£4.89	£70.4m	47.0	1.86	2173	47.07%	-65.07%	£23.16m	-£126.60m
StatPro	SP	£0.50	£16.1m	Loss	5.08	625	2.04%	-28.06%	£0.31m	-£4.30m
Stilo International	SP	£0.14	£6.0m	Loss	69.88	270	12.50%	-78.23%	£0.67m	-£21.58m
Superscape VR	SP	£0.26	£9.5m	Loss	4.39	131	8.33%	-89.56%	£0.73m	-£81.14m
SurfControl (was JSB)	SP	£5.59	£168.4m	Loss	3.99	2793	45.63%	-51.96%	£52.79m	-£177.50m
Synigence	CS	£0.14	£6.3m	Loss	3.17	269	-20.00%	-73.08%	-£1.56m	-£15.82m
Synstar	CS	£0.56	£91.0m	Loss	0.38	339	16.67%	17.89%	£12.99m	£13.80m
Systems Integrated	SP	£0.38	£5.0m	9.5	3.04	326	19.05%	20.97%	£0.81m	£0.88m
Systems International	CS	£0.20	£6.5m	47.1	0.25	348	0.00%	-46.67%	-£0.00m	-£6.33m
Systems Union (was Freecom)	SP	£0.83	£85.1m	Loss	142.07	635	16.20%	17.86%	£11.85m	£12.90m
Telecity	CS	£0.13	£25.1m	Loss	1.79	16	-24.24%	-97.71%	-£11.10m	-£360.76m
Telework Systems	SP	£0.44	£78.5m	18.1	3.58	0	31.82%	-77.04%	£18.90m	-£263.50m
Telme.com	CS	£0.07	£5.2m	Loss	0.29	42	-16.13%	-79.37%	-£0.99m	-£19.92m
Terence Chapman	CS	£0.53	£37.4m	8.4	1.17	393	27.71%	-66.88%	£8.11m	-£71.20m
Tikit Group	CS	£1.08	£12.2m	18.2	1.31	935	-0.92%	-6.52%	-£0.10m	-£0.80m
Torex Group	CS	£7.28	£320.3m	35.5	3.62	14126	9.81%	24.36%	£32.98m	£71.10m
Totalise	CS	£0.05	£3.2m	Loss	0.75	214	5.88%	-67.86%	£0.61m	-£4.25m
Total Systems	CS	£1.21	£12.5m	21.8	3.25	2274	17.56%	35.39%	£1.85m	£3.24m
Touchstone	SP	£1.21	£12.2m	8.3	1.03	1152	15.24%	2.98%	£1.70m	£0.70m
Trace Computers	CS	£0.97	£14.7m	8.3	0.86	772	15.57%	19.14%	£2.00m	£2.80m
Transeda	SP	£0.26	£17.8m	20.9	2.74	520	4.00%	-47.74%	£0.74m	-£15.60m
Triad Group	CS	£0.92	£23.3m	7.1	0.44	678	7.65%	-57.44%	£1.65m	-£31.50m
Tribal Group	CS	£3.17	£115.5m	38.5	4.79	1921	13.21%	33.76%	£18.62m	£34.62m
Ultima	R	£0.02	£4.3m	Loss	0.62	55	0.00%	-52.63%	£0.43m	-£4.81m
Ultrasis	CS	£0.04	£25.1m	Loss	25.46	87	21.43%	-62.22%	£4.50m	-£0.70m
Vega Group	CS	£1.80	£33.1m	Loss	0.93	1475	-1.37%	-53.55%	-£0.52m	-£38.20m
VI group	SP	£0.23	£5.8m	0.7	0.89	329	21.05%	-31.34%	£1.01m	-£1.01m
Virtual Internet	CS	£0.24	£5.0m	13.6	0.89	470	-7.84%	-80.89%	-£0.43m	-£24.88m
Vocalis	SP	£0.09	£3.9m	Loss	1.46	89	-27.66%	-93.86%	-£1.50m	-£60.07m
Warthog	SP	£0.54	£22.4m	83.1	5.93	1244	20.22%	24.42%	£3.80m	£3.40m
Wealth Management	SP	£0.09	£3.8m	Loss	0.24	69	-14.29%	-91.82%	-£0.63m	-£42.42m
Xansa (was F.I. Group)	CS	£3.28	£1,068.0m	Loss	2.73	8397	7.73%	21.75%	£76.57m	£210.20m
XKO	CS	£0.38	£10.2m	Loss	0.27	253	18.75%	-86.55%	£1.60m	-£65.70m
Xpertise	CS	£0.06	£1.9m	Loss	0.32	240	84.62%	-66.67%	£0.86m	-£3.75m

Note: Main **SYSTEM**HOUSE SCS Index set at 1000 on 15th April 1989. Any new entrants to the Stock Exchange are allocated an index of 1000 based on the issue price. The SCS Index is not weighted; a change in the share price of the largest company has the same effect as a similar change for the smallest company.
Category Codes: CS= Computer Services **SP** = Software Product **R** = Reseller **A** = IT Agency **O** = Other

ALL INDICES RISE FOR A SECOND MONTH

For the second month in a row, all our indices have managed an increase. Our own SCS Index rose by 16.3%, whilst the FTSE IT SCS Index rose by 14.9%. The S/ITS (software and IT services) stocks seem to be recovering better than the rest - the FTSE100 managed only a 3.3% increase in the month.

All categories of S/ITS companies saw an increase in their average share prices. The IT services companies fared the best with a 34% increase, closely followed by the resellers (none of which saw a decrease in share price). Even the IT Staff Agencies - with their average share price 60% lower than in Jan 99 - saw an increase of 7%.

Leading the risers this month was **Affinity Internet Holdings**. We have watched with interest as this company's share price has steadily increased this month. It finished the month up 319% and we are still none the wiser as to the reason. A fellow internet services company, **Internet Business Group**, also saw a hefty 240% increase in its share price, albeit to just 4p. Could there be a merger in the air?

The biggest fallers were **Myratech.net**, "*systems integrators to the small and medium business sector*", down 63% to 3p, and **Cedar Group** down 41% to 14p.

30-Nov-01		
	SCSI Index	**4972.19**
	FTSE IT (SCS) Index	**886.09**
	techMARK 100	**1501.90**
	FTSE 100	5203.60
	FTSE AIM	896.10
SCSI Index = 1000 on 15th April 1989	FTSE SmallCap	2594.41

Changes in Indices	SCSI Index	FTSE 100	techMARK 100	FTSE IT SCS Index	FTSE AIM Index	FTSE Small Cap
Month (01/11/01 to 30/11/01)	+16.26%	+3.25%	+10.13%	+14.93%	+5.40%	+11.95%
From 15th Apr 89	+397.22%	+153.39%				
From 1st Jan 90	+440.40%	+120.30%				
From 1st Jan 91	+602.42%	+140.86%				
From 1st Jan 92	+375.87%	+108.72%				
From 1st Jan 93	+212.01%	+82.81%				+87.00%
From 1st Jan 94	+197.81%	+52.22%				+38.84%
From 1st Jan 95	+231.66%	+69.75%				+48.56%
From 1st Jan 96	+120.15%	+41.05%	+90.29%		-6.01%	+33.63%
From 1st Jan 97	+85.71%	+26.35%	+64.20%		-8.20%	+18.84%
From 1st Jan 98	+63.83%	+1.33%	+57.43%	-11.39%	-9.67%	+12.15%
From 1st Jan 99	+26.15%	-11.54%	+3.15%	-38.72%	+11.79%	+25.28%
From 1st Jan 00	-56.65%	-24.91%	-60.26%	-76.17%	-53.63%	-16.25%
From 1st Jan 01	-40.61%	-16.37%	-41.46%	-54.54%	-37.68%	-18.50%

End Oct 01	Move since 1st Jan 98	Move since 1st Jan 99	Move since 1st Jan 00	Move since 1st Jan 01	Move in Nov 01
System Houses	65.0%	6.8%	-58.4%	-44.0%	34.1%
IT Staff Agencies	-65.0%	-58.1%	-63.6%	-42.0%	7.3%
Resellers	29.7%	37.9%	-33.6%	-12.1%	23.3%
Software Products	120.3%	88.3%	-54.7%	-67.1%	13.6%
Holway Internet Index		221.1%	-60.9%	-42.6%	13.2%
Holway SCS Index	63.8%	26.2%	-56.6%	-43.8%	16.3%

Erratum

In November's **SYSTEM**HOUSE there was an error in the PSR Ratio column of the SCS Share Prices and Capitalisation table on Pages 18-19. If anyone would like the amended spreadsheet sent to them, please e-mail *g.otoole@ovumholway.com*

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