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ovum HOLWAY

SYSTEMHOUSE

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

IT'S A TIME FOR 'MAKING DO'

Every year since we started publishing the Holway Report back in 1988 we have tried to find a theme that not only captured the current mood of the UK software and IT services market but also gave a taste of things to come. Usually the decision was pretty easy as there was always some 'defining event' that stood out during the year which begged a snappy headline, like *"the e-nd of e-"*, or *"the emperor's new clothes"*. But this year quite frankly we were wracking our brains.

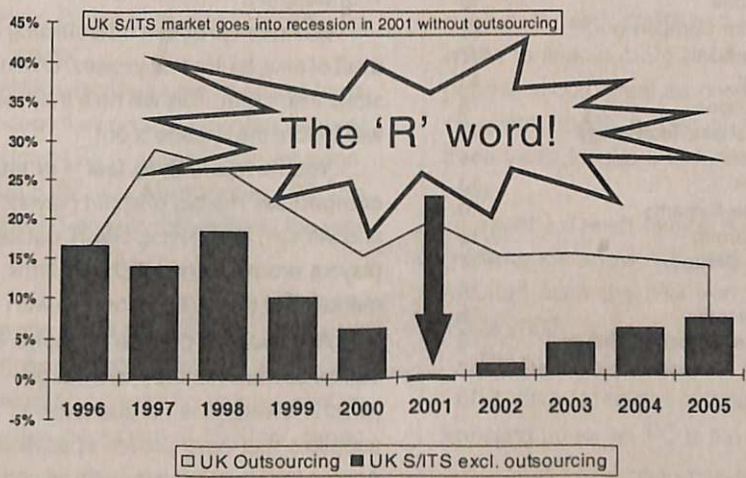
The obvious choice would have been something like *"outsourcing saves the day"* – **because without outsourcing, the UK software and IT services market would have gone into recession**. But as staggering as the implications of that statement really are, we think that we would have risked being seen as too *"Boring"* – in both senses of the word. And in any event, it rather describes the *effect* rather than the *cause* of current market conditions.

Then we thought about *"the year of the return on investment"* – hardly snappy, but much closer to the core of what's really happening in the market. The trouble is, ROI also suggests customers are putting *additional* investment into new systems and applications, which is not the message we are getting from industry. We got a lot closer with *"sweating the assets"* – as this really gets to the nub of the matter. Customers want to make their *existing* systems and applications work harder. But frankly that suggests a higher level of action and activity than we think *really* characterises what's going on in the market.

That led us to surmise, ***it's a time for 'making do'***.

OK, it's hardly 'in your face'. Actually, it's rather dull and uninspiring, with a certain air of resignation about it. But that's precisely how the market is today and how it will be for the foreseeable future. We think that the prevailing business sentiment towards IT is to *make the best job of it with whatever you have to hand*, with as little additional investment as possible. The call from the customers' board room is *"how can we make do with what we've got?"* rather than *"where do we go from here?"* The industry buzzword that sums it all up is *'application integration'*. **It's all about making installed systems and applications work better together ... and last longer.**

And where will the money come from to do this? From the cost reductions generated by outsourcing, not by 'new' investment. **Your customers will only be able to spend what they save** – not all of it, mind you. But not a penny more.



THE EFFECTS OF 'MAKING DO'

The effects of customers 'making do' are permeating through every fibre of the UK software and IT services market.

PROJECT SERVICES **work is steering towards integrating existing applications and databases** and interfacing them to the relatively small amount of new, internet-oriented applications that will continue to be developed. This is *not* the time for the implementation of brand new, end-to-end, enterprise-wide systems, irrespective of Larry Ellison's exhortations.

As a result, **activity in the *SOFTWARE PRODUCTS* market will increasingly revolve around middleware**.. But a word of warning. The holy grail of standardised applications and interfaces, such as those promoted by web services, remains a distant promise.

The market for ***SUPPORT SERVICES*** **is being driven by the need to 'keep the kit going for another year or two'**. But the demands of '24x7' operation, and the proliferation of new end-user devices should keep the major systems services players like Synstar in constant work.

Finally, and most importantly, **OUTSOURCING is increasingly the preferred way of 'making do'** – that is, by 'making others do' at lower cost. Outsourcing, particularly as part of a total 'design, build and run' contract, will be virtually the only way that customers will be able to afford to look beyond their noses while 'making do' within current budgets. This will apply to business process outsourcing as much, if not more, as it will to IT outsourcing.

If ever there was a *good* time for 'making do', it's probably now. The fact of the matter is that there really is no compelling event or technology that's likely to spur the industry on in the same way that we saw for Y2K, the internet, PCs, and so on. **There is no 'next big thing'!** The market you see is the market you get. So we all better get used to it.

IT ALL COMES BACK TO OUTSOURCING

As a result, we expect to see substantial shifts in the way that the UK software and IT services market behaves. These shifts mostly revolve around outsourcing. Here's how we see it:

· **The UK market for software and IT services will grow by less than 6% in 2002** but once again this is almost entirely due to outsourcing. Excluding the effects of inflation, the rest of the UK S/ITS market will once again decline this year. Indeed, over coming years, the UK market will become ever more dependent on outsourcing for its future growth.

· **The balance of power in the market will shift further towards the outsourcers.** This decade will see the outsourcers exert even greater influence on customers' IT strategy and expenditure. Indeed, for many smaller – and not so small – IT hardware, software and services suppliers, the question as to *"who are my customers"* will increasingly be a roll call with names the likes of EDS, IBM, Capita, and their ilk.

· **You will need to 'design' and 'build' if you want to 'run'**. It will no longer be enough to be 'just' an outsourcer. You will need either to partner with (if you're small) or acquire (if you're bigger) the 'front end' design-and-build capability, just like Xansa did (with OSI and Druid), ITNET did with French Thornton, etc.

· **Business process outsourcing is finally coming of age**. There will be a raft of new, and in many cases 'unusual' suspects (like Xchanging) wanting to stake their claim. This will be a truly massive market, eclipsing IT outsourcing well before the decade is out.

· **You have much to fear – or much to gain – from offshore services companies**. The big offshore players, like Tata Consultancy Services, Wipro and Infosys, are moving into IT outsourcing and BPO. Some other offshore players are partnering with UK firms (like Mastek with Capita) to enter this market. But they will not for long wish to play the 'back end of the horse'.

· **As always, it pays to be niche**. Even more so in a 'down' market, there can be as much safety – and margin – in being niche as there is in being huge (which nowadays is no guarantee of survival). In particular, those mid-sized suppliers that have proven specialisation in an industry vertical sector (like Anite in the travel industry) with an end-to-end 'design, build and run' solution, can survive and indeed prosper.

FOOD FOR THOUGHT

And here's something else to think about.

IBM's revenues went down in 2001, for the first time in eight years.

In a way, that says it all about the state of the world IT market. As the world's largest IT vendor, with revenues of some $86bn, and a range of products and services spanning virtually the entire IT spectrum, IBM is a microcosm of the world IT market. Its fortunes – and misfortunes – mirror to a large extent the mood of the market. And we'd have to say at the moment, the reflection in the mirror is rather murky.

Clearly, we are not out of the woods yet – not by a long mile.

Ovum Holway's new Market Trends report is now available as part of the new Holway@Ovum research service. Please contact Andrew Randles (ajr@ovum.com).

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INDICES (changes in Apr. 02)

Holway SCS	-2.5%	**4092**
Holway Internet	-2.4%	**2751**
FTSE IT (SCS)	-14.6%	**618**
techMARK 100	-12.0%	**1056**
FTSE 100	-2.0%	**5166**
Nasdaq Comp	-9.3%	**1688**

HOLWAY COMMENT

Beware the frosts of an early summer

On the leafy research park surrounding the university in Guildford, Surrey there resides a relatively small IT services company with a 25 year pedigree. If you had ever come across them at all you would probably know them as **The Smith Group**. But, as there is another rather more famous Smith Group, they recently changed their name to **Detica** (See review below).

25 years to build up revenues of £32m. *Hardly exciting you may think.* Indeed, as you will see in the review below, Detica is as close to getting a **SYSTEM**HOUSE *Boring* **Award** as you can get.

But Detica this month achieved something which has been as rare as hen's teeth for far too long. Despite having to reduce their pricing expectations by at least 10%, they completed an IPO on the main LSE at a reasonable valuation. The last time we saw any Main market S/ITS IPO was **Marlborough Stirling** over a year ago and, there were precious few IT consultancy IPO's in the year before that too.

But Beware...

The chart opposite shows joiners, leavers and a resulting "net" figure for IPOs over the last decade. *Surprise, surprise* the net line exactly mirrors the profits record of the UK S/ITS industry. The last time the net figure was negative was in the last major S/ITS industry downturn/recession of 1990-92. When the climate eased, we saw a raft of IPOs in 1994.

The many gardeners amongst our readers will know of the perils of planting out your tender plants before they have been hardened off and the risk of frost has past. Great they may look on a hot April day. Rather blacker after an early May late frost.

It is therefore depressing to reread the list of 1994 IPOs – which included Azlan, Cedar, Clinical, Division, DRS, JBA, MAID (became Dialog, became Smartlogik... *say no more*), OnDemand, Oxford Molecular, Superscape, Unipalm, Virtuality...all companies which have failed in various degrees (many fatally) since.

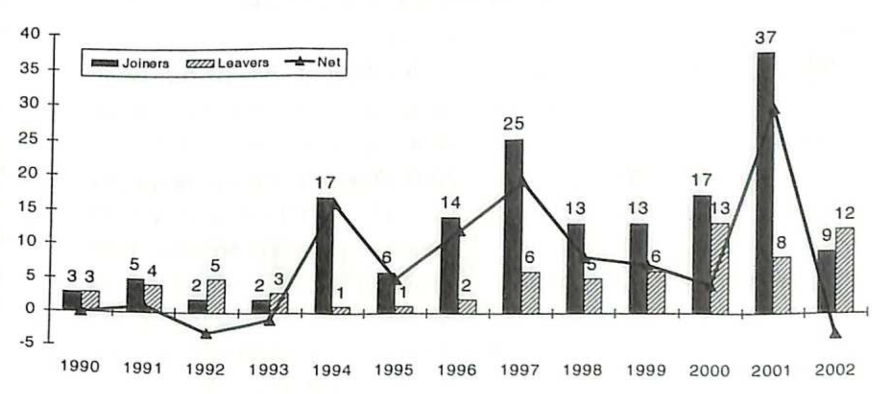
Indeed, we well remember two other 1994 IPOs. **CODA**, which we awarded a **SYSTEM**HOUSE *Boring* Award at the time (almost like Detica) and **MDIS** (now **Northgate**), which had been the subject of an MBO several years before (almost like Detica). Within a year of their IPOs both companies had issued profits warnings and finally both had to be rescued. The fallout from these IPOs put paid to any recovery in the new issue market. Indeed, **CMG** had been about to float in 1994 but had to pull this at both great expense and disappointment. It took another three years for the IPO famine to ease.

Feast followed famine and all readers will know the pain that resulted from the IPO frenzy of 1999/2000.

Prognosis

We know of several companies limbering up for an IPO in the next

Joiners and leavers from London Stock Exchange Main, AIM (and USM)



Year to end Q1 (31st March)

›iners/Leavers on the Main AND AIM (USM) markets

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few months. All are heavily invested by VCs. Will Detica's reception encourage others to join the queue? But are they tender annuals or hardened perennials?

In normal circumstances we would wholeheartedly welcome this new influx. Afterall, IPOs are the lifeblood of the industry. Over the last 20 years, for every IPO, there have been 100 trade sales. The trade sale market has tracked the IPO market - UP AND DOWN - much to the discomfort of the M&A brokers, like Broadview, of late.

But this is all a bit like a house buying chain. Lord and Lady Posh can't sell Posh Manor because 15 links down the chain a first time buyer can't get a mortgage on a £75K terraced house in Bristol. Put another way, Logica's share price REALLY is affected because no S/ITS company can effect an IPO, because no VC is prepared to invest in a small S/ITS company 'cos they don't know when they might ever get out, 'cos no "angels" are investing in or banks prepared to back startups.

Anyway, let's be selfish for once, we (as a research company) also always do better when there are lots of IPOs. Everyone wants our research then! Indeed, about a third of our clients are in financial services and – in one way or another – their "fortunes" are based on deals – from trade sales to IPOs to trading volumes on the Stock Exchange. At the moment they are mostly all doing...*rather badly*.

So more trading activity of every kind is to everyone's advantage.

BUT, as the UK economy knows to its cost, "Boom and Bust" is an even more bitter pill.

What we need?

What we need is a series of hardened and mature S/ITS IPOs following on with consistent earnings growth announcements. I.e. **PLEASE no profits warnings within months of an IPO**.

If we can avoid the awful experiences of 1994 and the hype of 1999/2000, maybe – just maybe – we might achieve our dream. A period when shares rise roughly in line with earnings *(no more, no less)*. If that "dream" was achieved investors would readily invest in IPOs which could deliver 30%+ earnings growth – just like Detica has done in the past.

That might sound ***Boring****...but it's a lot better than the Abbey National account we so famously recommended in January 2000!*

-2%
392p

"ALMOST BORING" DETICA COMES TO MARKET

Detica was setup in 1977 when their customer base was pretty much exclusively public sector/ national security systems with the Ministry of Defence being its most significant customer. But in the 1990s Detica started to apply its skills to the private sector too and have built an impressive reputation in the CRM sector with customers like Centrica, Hutchinson 3G, Lloydstsb and National Express.

In 1997, Detica was the subject of a Candover backed MBO, led by CEO Dr Tom Black. Prior to the IPO, Candover held 40% of the shares with directors/ senior management with 31% and the employee share trust the remaining 29%.

Almost Boring...

Detica has consistently made margins over 10%..increasing every year. Indeed, their whole financial record is decidedly *Boring*! Indeed we had hoped to be able to immediately award them a SYSTEMHOUSE Boring Award on their float day. As you can see from the chart, they almost got it but had a small reversal in 1995, just before the MBO. Regardless, it's a fine record!

A CAGR of 35% pa has been recorded over the last three years. In the year to 31st Mar. 2002, Detica increased revenues by 23% to £32.8m and PBT (before £1.5m exceptional float costs of £1.5m) increased by 26% to £5.9m. To save the batteries on your calculator that's a very impressive 18% margin and shows that well run "boutique" IT services companies are now regularly in the higher profit margin ranges – where the software products companies used to be!

But did not have an easy ride to market. The prospectus had indicated a pring range of 440p-510p. (£95-£109m). in the end *"City institions gave its roadshow a cool reception"* (FT 25th Apr. 02). Detica shares were finally priced BELOW the bottom of the range - at 400p valuing Detica at £83. This represented a PSR of 2.5 and an historic P/E of 17.5. This was a lower than the averages for the market and was not the ringing endorsement for the sector that we had hoped. Indeed the shares ended their first day down 9p at 391p. 3.4m new shares and 5.4m existing shares were offered. £13.1m net new funds were raised but even

[continued on page five]

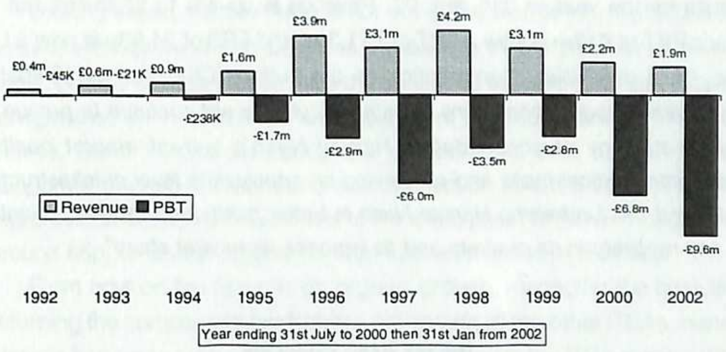
-4%
24p
SUPERSCAPE

VIRTUAL REALITY BUT TANGIBLE LOSSES

Superscape, *"designer, developer, and marketer of interactive 3D technology"*, has announced results for the year to 31st Jan. 02. Results are compared to the six months to 31st Jan. 01 as they have changed their financial year from July. Turnover was £1.9m (£1.4m to 31st Jan. 01), LBT was £9.6m (compared to £4.9m), and diluted loss per share was 25.9p (24.0p). 58% of its revenues for FY02 came from the UK where revenues increase by 59%, but in the USA things were not looking so healthy with a fall in revenues of 27% to £312K, and the company has yet to generate any revenues from Asia-Pac. CEO Kevin Roberts reported that, *"The Board is very encouraged by the reaction to our technology to date in the global wireless marketplace, and we are confident that revenues will gain momentum towards the end of 2003"*.

Comment: The sorry tale continues. Superscape has never yet made a profit., and this past year's

No signs of profits from Superscape!



losses are the worst ever – over five times revenues – and it's all organic! They change business strategies on a regular basis – starting life as Superscape VR (as in virtual reality software) and then when they couldn't make money from that they went on to 3D e-business software. That didn't pay either, so now they're into 3D technology for mobile phones.

What's the point, with mass market 3G still some years away (in our view)? And look what happened to Boo.com when it tried to do fancy 3D stuff on the 'wired' web! Superscape may well have great technology, but surely they would be better off in the R&D dept. of a bigger player, as their commercial nous is clearly left wanting. Superscape had £11m in the bank in Jan. 02 and precious few other assets, tangible or otherwise. Not surprisingly, the Board is *"working closely with its advisors on various options to ensure it has sufficient funds to secure its future strategic direction"*. Which one? Any investors back from their 1994 float must have surely lost the will to live by now. The shares finished the month at 24p (up 4.4%), but 7.7% down on the year , and a mere 12% of the 198p issue price.

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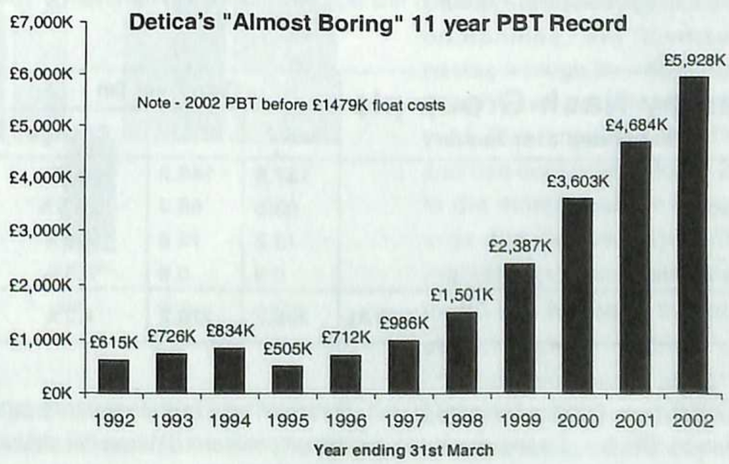
this will mainly be used to repay the Candover Pref shares (£6.6m) and £1.4m debt.

Detica did not get a Boring award or the welcome from the market they had expected. But with their financial track record, 80% of revenue coming from old established customers, an experienced management team, long term customer relationships and not all their eggs in one (market) basket...they do, we believe, have the attributes that are required to withstand life as a public company.

There certainly will be others observing Detica's reception with great and personal interest.

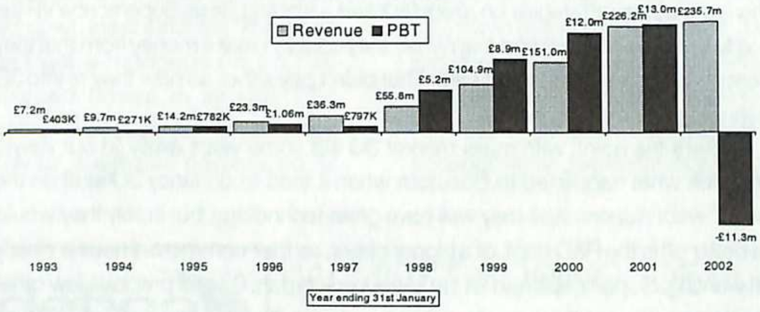


-25%
Harvey Nash
97p

HARVEY NASH *"DELIGHTED"* BY SHAREHOLDER SUPPORT

Harvey Nash, a leading supplier of IT staff to the UK market, has announced results for the year to 31st Jan. 02. Revenue is up 4% to £235.7m, but last year's PBT of £13m is now a LBT of £11.3m, and EPS of 24.63p is now a Loss Per Share of 39.38p. Commenting on the outlook Chairman Ian Kirkpatrick said: *"While trading conditions remain difficult, we will continue to pursue our stated strategy of consolidating Harvey Nash's current market position, maintaining critical mass and preserving an appropriate level of infrastructure. Following the fundraising Harvey Nash is better positioned to take advantage of any recovery in its markets and to increase its market share"*.

Harvey Nash Group plc
10 year Revenue and PBT Record
Relative to 1993



Comment: The results from Harvey Nash were keenly awaited by investors, competitors and analysts, partly because FY02 proved to be a particularly tricky year for the company – long regarded as a 'quality' player in the IT staff agency market. But also because the results also give a good indication of the current state of the ITSA market, here in the UK and overseas.

There were some bright spots in the results: unlike many ITSAs, Harvey Nash was able to report increased revenue, with continuing ops managing to inch forward 3%. The core Resourcing Services division that comprised contractor recruitment, permanent file search (i.e. not executive recruitment or interim management) and Resource Management, increased turnover by 10%

Harvey Nash Group plc	Turnover £m		
Year ended 31st January	2002	2001	Change
UK	137.8	146.2	-5.7%
Europe	83.8	66.4	26.3%
US	13.2	12.8	2.8%
Asia Pacific	0.9	0.8	3.5%
TOTAL	235.7	226.2	4.2%

to £205.7m. In addition, Harvey Nash's European operations delivered 26% growth to £83.8m. Europe proved to be the only region to remain profitable, albeit with operating profits down 30% to £2.8m.

Overall, activities in Europe, the US and Asia Pacific now account for slightly more than 41% of the company's total revenue, giving its access to higher margin markets. Turning to the balance sheet, things look a bit better, with the net debt position, which had reached £28m at the interim stage, back down at £21.5m (compared to £20.1m this time last year).

But the management admitted making some mistakes: Albert Ellis, Group FD, commented that, in hindsight, they paid too much for **Techpartners**, the US company acquired back in Apr. 00. The acquisition was Harvey Nash's springboard into the US market, but was bought *"at the top of the cycle"* for £15m, half of which was paid in cash. So, in common with many S/ITS companies that made acquisitions around that time, Harvey Nash has written of an amount for impairment of goodwill – in their case £5m (a third of the value!)

They have also decided to exit the Resource Management market (the holy grail for many ITSAs), because of *"changing market conditions"* (read lower contractor numbers, and further pressure from clients to reduce, or even dispense with, management fees).

This is a brave move by Harvey Nash, as Resource Management delivered c£19m revenues in 2001, mostly through its arrangement with CSC in the UK. But margins on this kind of business are perilously slim, and, as Albert Ellis, commented, they were becoming increasingly uncomfortable at having something approaching 10% of total revenues from the one client. When the 3-year relationship with CSC came up for review, Harvey Nash took the decision not to reduce prices to an *"uneconomic level"*.

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Exiting the deal has cost them dear: £1.5m to cover redundancies and invoices under dispute. Nevertheless, we think Harvey Nash has made the right decision – business like this is not worth having. If the operation cannot be run at a reasonable margin (and sub 1% does **not** seem reasonable to us), then they are better off concentrating on what they do well. Anyway, CSC has found a new supplier in **Alexander Mann** (a privately-owned ITSA), which, we presume, is comfortable with the terms.

Looking ahead, Harvey Nash is not out of the woods yet. Visibility is still limited, with demand and business confidence in the permanent market weak. But the company does have the continued support of its bank (having renegotiated its loan facilities and repayment schedule), and of investors. Indeed, David Higgins was delighted to report that 87% of shareholders supported the recent fundraising exercise, which raised some £14m. This has provided a much-needed boost to the share price, which was languishing around 65p, when the placing (at 63p) was announced in February.

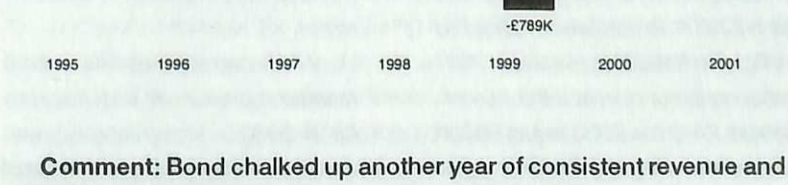
From now on the focus is on organic growth, managing the cash and returning the company to profitability. Along with all the other ITSAs, Harvey Nash is hoping to take advantage of any recovery in the ITSA market – but don't hold your breath!

-35%
45p

"Unusually difficult market conditions" says Bond

Bond International Software has released its results for the year to 31st Dec. 01, showing record turnover and profits. Turnover was up 21% to £11.4m (continuing operations grew 22% to £10.9m), PBT was up 22% to £1.3m and EPS increased from 5.02p to 6.11p. Commenting on the results Bond's Chief Exec, Steve Russell, said: "*2001 was another solid year of growth for the group.....early indications are that 2002 will prove a very difficult year, with losses expected in the first half, and recovery not coming through until the second half*".

Bond International Software plc
7 year Revenue and PBT Record
Relative to 1995



Comment: Bond chalked up another year of consistent revenue and profits growth in 2001, despite a decline in the US and UK markets for its core Adapt recruitment software. 2001 also saw a number of milestones: Bond sold its tourism software division, Integra, as it did not form part of the company's core operations and "*had become a distraction*". This was the right thing to do, as the division never managed to get above the half million mark. The company also launched a version of Adapt, aimed at HR departments, at the beginning of 2001, and has since started to offer it on an ASP basis. Already the product has two big names signed up: BPO specialist Xchanging, and Hays Personnel Services.

But it's the outlook that gives causes for concern. Bond's main customer base, recruitment companies, are themselves having a tough time right now so many have put their plans on hold. This impacted Bond's Q4 and has continued into H1 2002, to the extent that the company says the "*unusually difficult market conditions*" will cause it to dip into losses at the interim stage.

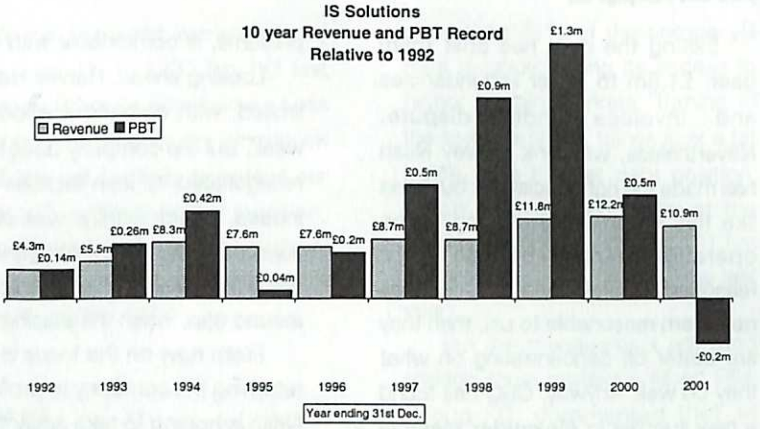
The comments about the outlook for 2002 sent the share price tumbling on the day of the results, and ended the month well below the IPO price of 65p (Dec. 97).

0%
25p
IS Solutions

NO SOLUTIONS IN SIGHT FOR IS

IS Solutions (consultancy, solutions and support) has reported results for the year-ended 31st Dec 01 in line with expectations. They show revenue down 11% to £10.9m, but even this includes 'acquisitions', which is actually a 26% share in Open Methods (project methodology and consultancy in the Internet arena). The fall would have been 18% otherwise, to just £10m. The PBT of £547K last year fell to an LBT of £222K this year and EPS went negative, down from 1.17p to (1.06p).

In what we can only assume were meant to be reassuring words, Chairman Barrie Clark said, *"We have seen a significant reduction in the number of competitors in our market place over the past 12 months and, although there is currently less business to compete for, prospective clients are looking for financial stability and a track record in suppliers – we have both and therefore believe that we are well positioned to take advantage of any recovery… It is your Board's belief that some form of recovery is likely in the second half of the year, although to what level remains to be seen".*



Comment - In line with our comments last year, it was the US operation, which is wholly reliant on project work, that caused much of the grief, with revenue down 57%, although reducing costs meant that it did at least break even. Most of the loss was in the UK. Fortunately, though, there is also an outsourcing capability in the UK and apparently the sales force was refocused on this area with some success, including a new contract to implement and manage the hosting strategy for Toshiba's European operation. The financial products business (AXL as was) has a high percentage of recurring revenue, so was less effected by market conditions.

Clearly it is still a very tough time for IS Solutions with no light at the end of the tunnel. A move more towards outsourcing can't be bad, but whether the company has the muscle to be a serious contender is doubtful. The company needs to do something pretty drastic to keep its head above water, though.

At the end of April the share price was 25p, compared with 134p when the company first floated on AIM in 1997.

+26%
17p
Wealth MANAGEMENT SOFTWARE

HITS HARD TIMES

Wealth Management Software (WMS) which provides integrated software for the management of investment, pensions, property and life databases has announced its preliminary results for the year ended 31st Dec. 01. Turnover fell 23% to £12m, LBT deepened significantly to £6.3m from £251K. Loss per share was 15.24p (0.67p in 2000). Commenting on the outlook, Paul Newton, Chairman, said, *"Whilst the financial services market remains challenging, we have seen a marked improvement in demand so far in 2002. To date we have booked five LISA contracts with a total licence value of £1.1m (total licence sales in 2001 were 0.7.m) and we hope that the modest recovery in our market will continue".*

In an *"uncertain market"* licence sales fell from £4.3m in 2000 to just £670K in 2001 (the company reports that it had anticipated selling c£9m of licences in 2001!). Professional services just about managed to hold its own with a very slight increase to £11.3m from £11.2m. From there it's a familiar story; headcount reductions - 34% to 165, Board restructure with the departure of MD and co company founder, Mike Whale, and the disposal of non-core businesses – these included, bizarrely, an estate agency business. The Group's plans for geographic expansion into Europe, that it touted in its 2000 report, seem to have come to naught – well, no mention was made of it this time round.

WMS reports that *"it's seen a marked improvement in demand so far in 2002"*. It's already booked contracts with a total licence value of £1.1m thereby exceeding the £670K achieved in total in 2001. Let's hope its aspirations are a little more realistic this year.

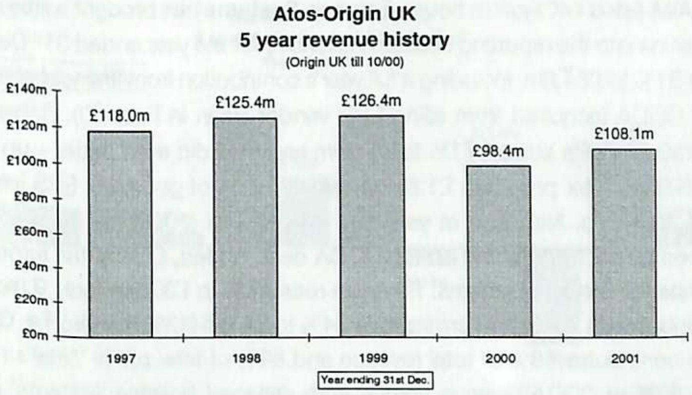
WORTHY RESULTS FROM ATOS-ORIGIN

European services firm **Atos-Origin**, has reported its first full results year since French **Atos** acquired Dutch **Origin** in Oct. 00. On a pro forma basis, total revenues increased 7% to Euros 3.04bn, operating income rose 49% to Euros 261m and net income rose 75% to Euros 123m.

UK revenues (almost all from what used to be Origin UK) rose 10% to £108m, and apparently the business is now profitable. Outsourcing grew a little faster than SI and now represents about 70%-75% of Atos-Origin's UK business.

Atos-Origin has the boosting of its UK and German operations *"the most important strategic priority"* though USA and Asia Pacific *"are key areas for expansion ... once we have consolidated our position in Europe"*.

Comment: We met up with Atos-Origin UK MD Paul Bingham and FD John Campbell just after these results were announced. They now only get about 5% of their business from 'old' Origin flagship clients ICI-as-was and ex-parent Philips, and they are winning new customers with larger value and longer term contracts. All good to hear. They started the year with about a year's revenue in the backlog, mostly outsourcing and AM, though it seems that their 'BPO' activities (actually voucher and credit card processing) are on the decline, but this is just a small part of their business. After the failed spin-off and IPO of 'old' Origin, the UK team seem to be finding their feet as the UK arm of the Atos family, and Bingham's outsourcing pedigree (EDS, Sema) should stand them in good stead. We see them as a 'worthy' rather than 'exciting' player, so they will have to fight hard for their fair share of the 'sub-megadeal' SI/outsourcing market.



-21%
23p

NOT CEO'S 'FIRST MARCH' INTO TROUBLED WATERS

The **Terence Chapman Group**, *"the specialist provider of business and IT consultancy services to the finance sector"*, has released results for the six months to 28th Feb. 02 revealing total turnover down 72% to £21.8m, and turnover from continuing operations down 62% (£5.9m of revenues in the six months to 28th Feb. 01 related to it disposed software products and services business, TCA Synergo). The first half on 2001 benefited from *"the significant impact of one particularly large project"*. A PBT in the comparable six months in 2001 was £2.2m, but this was converted to a loss of £2.7m in this reporting period. The loss included £2.2m of restructuring costs and exceptional items of £0.3m.

Sir Colin Southgate, Chairman, commented on the outlook, *"Fee and utilisation rates remain under pressure in what continues to be a highly competitive market environment and the Board believes that this will continue to impact revenues in the short-term. However, the restructuring of the business and the reduction in the cost base are expected to lead to some improvement in performance in the second half. Our current pipeline indicates a move towards an increase in the proportion of revenues from retail financial services and whist we are encouraged by some early signs of increasing client spending plans in this sector, this has yet to translate into increased monthly revenues"*.

Comment – Terence Chapman has been operating in a tough market and as a result has had to do some refocusing of its business. It has broadened its capability in the wholesale and investment banking business *"for when the sector recovers"* and invested in the growth sectors of wealth management and retail financial services.

The workforce must be pretty demotivated

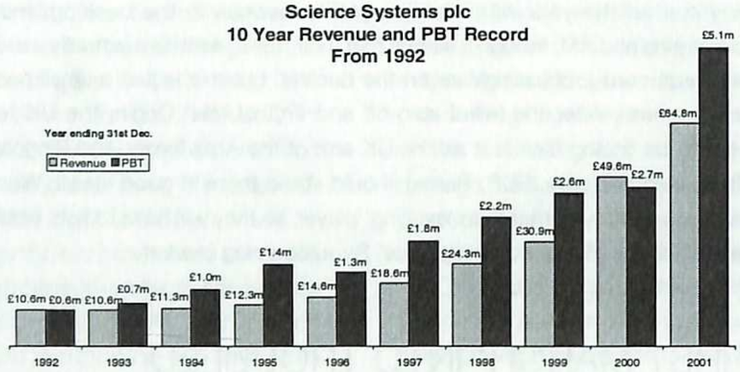
However, there doesn't seem to be much reason to be optimistic and by now the workforce, having been reduced from 171 to 137, must be pretty demotivated. New CEO, Andrew Jurczynski, has a challenging time ahead – but having been previously UK MD of now bankrupt **MarchFirst**, he has had plenty of experience in coping in this sort of environment.

+5%
465p
science systems

A LITTLE RAY OF SCIENTIFIC SUNSHINE

AIM-listed UK system house **Science Systems** has brought a little ray of sunshine into the reporting season. Revenues for the year ended 31st Dec. 01 rose 31% to £64.8m, including a full year's contribution from financial software firm CODA (acquired from ailing ERP vendor Baan in Feb. 00). Better still, operating profits soared 71% to £5.09m and PBT did even better - up 85% to £5.05m (after providing £1.8m for amortisation of goodwill). EPS jumped 80% to 11.7p. Net cash at year end was £3.3m (2000: net debt £2.8m) helped by a £1.3m refund on the CODA deal. Indeed, CODA has turned up trumps for Science Systems. Revenue rose 47% to £37.9m (only 9 months contribution in 2000) and profits rose 34% to £4.8m (13% margin), i.e. CODA now contributes 58% of total revenue and 69% of total profit! What's more, fully 80% of CODA revenue comes from services! Science Systems' other divisions did pretty well too, with Space returning to profit and "*excellent growth and margins*" in Utilities. However, margins fell in Gov't/Telcoms/Industrial mainly due to the telco downturn. Chairman Cliff Preddy sees the outlook as "*encouraging*" and although they have "*felt it prudent to plan...2002...consistent with our longer term historic trends*", he expects "*continued delivery of a good performance relative to the market*".

Science Systems plc
10 Year Revenue and PBT Record
From 1992



Comment: With a forward order book of over £50m with more than £20m in recurring service revenues (support and maintenance), we have to agree. Indeed, Science Systems has an unbroken record of profit improvement since its listing on AIM in Sep. 97. What a consistent performance in the current market! Buying CODA from Baan was a super move as it let them apply their services skills from the (then) core business to a popular financials package, and now the business is really motoring. Cliff Preddy must be feeling very proud. Science Systems shares are up 5.1% to 465p, a very pleasing 180% premium to its IPO price of 166p.

0%
60p
Spring

FD TAKES THE TOP SPOT AT SPRING

Spring - a leading UK IT staff agency - has announced results for the eight months to 31st Dec. 01 (their new year end). We reported on Spring's interims (to 31st Oct. 01) back in February, so there's not a lot more here, but for the record; turnover stands at £220.9m (all from continuing operations), LBT is £15m and loss per share is 9.15p. Commenting on the results, Richard Barfield (newly appointed CEO), said: "*Trading during the first quarter of 2002 is in line with our expectations. With increased focused on Spring's core businesses and a lower overall cost base, the Group is well positioned to continue its drive for improved shareholder value*".

Comment: The real news concerns the board changes. Jon Chait, who has held the posts of Chairman and CEO since May 00 (when Spring acquired Magenta, his internet software and tools business), has moved to non-exececutive Chairman, and Richard Barfield (who joined as Group Finance Director in Jun. 00, and was previously Group FD at Northgate), steps up to become CEO. Richard was briefly appointed to COO in March this year, but that post is now taken up by Bill Grubbs, formerly CEO of Spring IT Staffing (the core ITSA division of the group, which generates c75% of group revenue).

We are pleased to see Spring split the Chairman/CEO roles, and are not surprised to see another Group FD take up the top slot. Indeed, this has become a bit of a trend amongst the UK ITSAs - Nick Fazakerley moved from CFO to CEO at privately-owned Best, last July, and Phil Holt took up the reins at SBS, last September, having joined the company as Group FD in 1998. It all goes to show how important it is to have a strong grip on the purse strings in these difficult times.

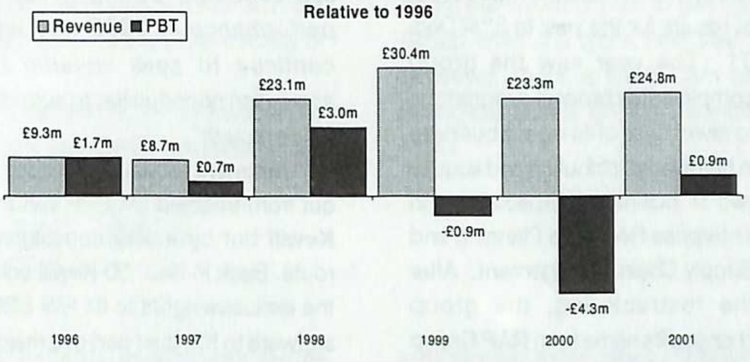
[continued on page eleven]

+5%
27p

NEEDING GREAT COURAGE

Gresham Computing, which specialises in the provision of enterprise solutions to the banking and finance communities, telecommunications and healthcare industries, has announced its preliminary results for the 14 month period ending 31st Dec. 01. Turnover rose 6% to £24.8m (so probably equates to a decrease if the results are compared like with like), and turnover from continuing operations for the period fell 2.5% to £18.3m. LBT 'improved' to £973K from £4.3m as did loss per share from 9.38p in 2000 to 3.32p. Commenting on the outlook, Chairman, Sid Green said, "..*Continued investment, combined with the difficult trading conditions experienced by all our businesses including SIM Group during the first quarter of 2002 is expected to result in an operating loss for 2002...We anticipate that our significant business opportunities will come on stream during the second half of 2002 and build in 2003*".

Gresham Computing plc
6 year Revenue and PBT Record
Relative to 1996



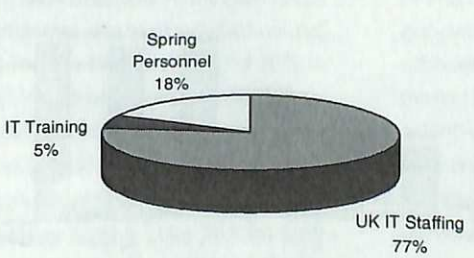
Note - 2001 results are for 14 months to 31st Dec.

Comment: Gresham is still trying to establish its grand plan. Following a spate of acquisitions four years ago, the company has undergone various restructures and it looks as if it's re-org time (again). This year saw the disposal of its SIM testing business, which should yield a profit on disposal of £5m. In addition the company closed its automated solutions business.

Sid Green notes that the "*strategy for recovery needs great courage*". We have to agree, its three focus areas, storage management, Casablanca (the group's EAI engine) and the quaintly named Real-Time Nostro (a collaboration with Cable and Wireless to provide on line access to real time information for the banking community)- are still work in progress. In storage management, the group reports that sales "*have not yet met expectations*", and whilst Real Time Nostro, presents possibly "*its most exciting opportunity*", the build of revenues will be slow, i.e. more of an opportunity in 2003 than 2002.

[continued from page ten]

Spring Group Plc
Turnover by business (8 months to 31st Dec. 01)



Talking of purse strings, Spring comments in its results announcement that group management and IT costs during the period "*remained high in relation to the scale of the Group's trading operations*" (something that Spring has been criticised a lot about recently). Actions have been taken to reduce staffing levels and costs within central functions, and the process is set to continue in H1. Meanwhile, trading in Spring's fledgling US ITSA division has "*continued to experience difficultly in attracting business from US corporate customers*", so the board is considering a number of alternative strategies. Our recommendation is find a niche, or get out and concentrate on the UK where Spring is a top three player. Spring's troublesome IT training division is implementing an action plan to restore it to profitability, but the cost reductions that have been taken have resulted in increased losses in the final two months of 2001.

But there's a glimmer of hope: Spring commented that the UK IT staffing market has recently begun to signal "*a reducing rate of decline*", and key performance indicators have "*stabilised*". In the ITSA market, this counts as good news.

-4%
12p

INCUBATING NICELY!

K3 Business Technology Group has released an upbeat set of results for the year to 31st Dec. 01. The year saw the group complete its disposal programme to divest itself of its legacy business in hardware distribution and acquire two IT businesses specialising in Enterprise Resource Planning and Supply Chain Management. After the restructuring, the group changed its name from **RAP Group** to K3 Business Technology Group.

Group turnover decreased from £14.25m to £7.97m. However turnover from continuing operations increased from £305K to £6.8m, as a result of the new acquisitions which contributed £6.4m. LBT was £1.4m, compared to £5.2m in 2000. This was after post goodwill amortisation of £534K. Johan Claesson, Chairman, commented on the outlook, *"K3 has proved its ability to deliver its forecast operating profits from its current businesses against challenging market conditions. The Directors are confident of the group's performance in 2002 and will continue to seek suitable IT acquisition opportunities to support future growth"*.

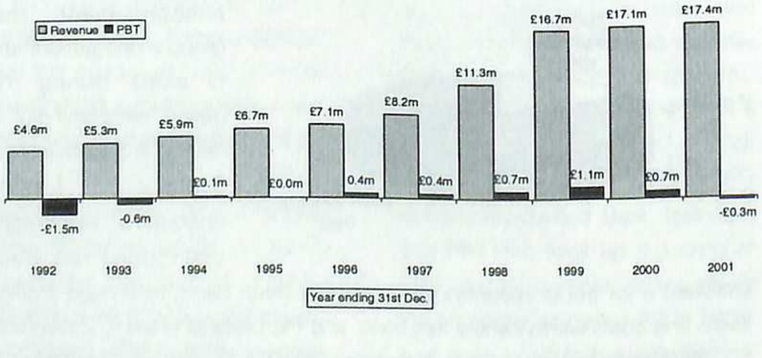
Comment - K3 is in effect a spin-out from troubled UK ERP vendor **Kewill** but by a very convoluted route. Back in Sep. 00 Kewill sold the exclusive rights to its IBS ERP software to K3, then part of a major Scandinavian consortium, for £800K. Then in Dec. 00, Kewill disposed of its UK ERP software operations to K3 for £100K cash (along with net liabilities of £1.2m). K3 then reversed into what had become a hardware distribution company, RAP, and moved from the main market to AIM, placing shares at 15p. The hardware businesses were almost immediately sold off and the company renamed to K3 Business Technology Group. They still have a legacy multimedia sports business, Touchline (films soccer matches for TV and the web), which they are looking to sell off, to leave them as a 'pure' ERP software supplier. We met K3's CEO Andy Makeham just a couple of months ago and he was very upbeat about K3's prospects. They've got about 90 staff (almost all from Kewill) and are actively looking for ERP-related acquisitions both to build up the business (e.g. in the process industry) and also to replace aging products (JobBOSS is still owned by Kewill and sold under licence). Their revenue stream is skewed towards services, with about half coming from maintenance contracts and another 25% from professional services. It's always going to be tough for 'little British battlers' like K3 in this very competitive ERP market (witness the woes at Kewill), so they'll have to dig a deep niche if they are to survive and prosper. With some two-thirds of the equity still in Swedish hands they are still very much in the 'incubate' stage, and we wish them well.

+57%
145p

SIRIUS GOES INTO THE RED

In a tough year, to 31st Dec. 01, **Sirius Financial Solutions** has released its results revealing a 1.3% increase in turnover to £17.4m. A pre-tax profit in 2000 of £727K was converted to a pre-tax loss of £281K and a diluted EPS of 4.4p was converted to a loss per share of 2.6p. Stephen Verrall, CE, commented on the optimistic outlook for the Group, *"In 2002, we have our strongest order book ever and are forecasting high growth. At this point in the year, we have committed professional services revenue, which is twice last year's total. We already have visibility of*

Sirius Group plc
10 year Revenue and PBT Record
Relative to 1992



two-thirds of our 2002 target revenue. In line with many other companies in the IT Sector we have reviewed our revenue recognition policy. This will result in much of the significant business, which we secured at the very end of 2001, being

[continued on page thirteen]

[continued from page twelve]

attributed to 2002 revenue. We anticipate this making 2002 an exceptional year."

Comment – On the revenue front it's slow progress. The 1.3% increase in 2001 was below the level achieved in 2000 at 2.4%. But overall Sirius did well to grow its revenue at all in a tough year for the financial services market, others such as Wealth Management Software have not been so fortunate. Recurring revenues remained static at £6.1m (34.9% of total turnover). But with an order book of £7.5m scheduled for delivery in 2002, Sirius already has visibility of revenues for the current year of £14.5m.

In 2001, it was the US which once again pulled the Group as a whole into the red. Performance was adversely affected by the level of investment in the US operation which reported a loss before goodwill amortisation of £557K. The UK performed better with profit before goodwill of £1.5m. The outlook for revenues is certainly bright but we would like to see the Group enter the black next year. However, there is still £7.3m of intangible assets on the balance sheet.

CHALLENGING TIMES

Indian offshore services company **Infosys** has had an excellent year despite the IT market downturn. Revenues for the year ended 31st Mar. 02 rose 32% to $545m, and pre-tax income did almost as well, increasing 31% to $192.4m. Infosys' business in Europe grew faster – revenue up 36% to $106.1m – and now represents 19.5% of total revenues (was 18.8%). But fastest growth came from 'RoW' – revenue up 54% to $40m. New CEO Nandan Nilekani observed that *"sales and ramp-up cycles have elongated and pricing pressure continues ... the outlook for the next 12 months will continue to be challenging"*.

Comment: Infosys is the second largest exporter of software and IT services in India, behind **Tata Consultancy Services.** We met CEO Nandan Nilekani at the end of last year in Bangalore and, as regular readers will know, came away very impressed. We have previously warned that the ambitions of these top players have no bounds and indeed Infosys is now taking the plunge into AM and BPO. Infosys have also signed up their first offshore IT AM clients including *"a leading financial services company"* and *"a leading networking equipment manufacturer"*. Their initial focus for BPO will be transaction processing and accounting services (so watch out EDS, Big 4, et al) as well as BPR, shared services and BI. They will target the financial services sector, which already generates some 37% of their total revenue. Indeed, a week after announcing these results Infosys launched a venture called **Progeon** with $20m of Citigroup's cash behind it. Infosys will hold the majority stake and the venture will offer " *a complete cost-effective solution based on service and technology outsourcing*" out of their "*state-of-the-art*" facility in Bangalore. We think UK players like **Xansa** (acquired Indian **IIS Infotech**) and **Capita** (partners with Indian **Mastek**) have the right idea – and a few others do too. With 12% of India's offshore business coming from the UK, local players with no offshore strategy or defence really do have to start looking over their shoulders.

WIPRO AND SATYAM NOT FAR BEHIND

Two other Top Five Indian S/ITS companies also reported 2001 results. **Wipro** saw total revenue rise 10% to $696m, of which nearly 90% comes from IT services. Operating income also rose 10% to $170m. Export revenue (excluding Asia/Pac) grew 26% to c$460m putting them in third spot behind Infosys. About 25% of Wipro's revenue comes from Europe.

Fourth ranked **Satyam Computer Services** did better on revenue growth than both Wipro and Infosys, growing total revenue 34% to $414.5m. However, they made an operating loss of $63.5m, 36% worse than the previous year, not helped by a c$100m charge for goodwill amortisation and impairment. Some 95% of Satyam's revenue comes from offshore services of which c10% comes from Europe. Interestingly, Satyam became the first Indian offshore player to establish a beachhead in mainland China – they are setting up a software development centre to service the China and related market. They are also setting up a subsidiary to get into BPO. Like Infosys, Satyam will target financial back office processes as well as transaction processing and call centres. Nonetheless, Satyam chairman B. Ramalinga Raju sees the near term as *"challenging, as slow ramp-up from new customers, longer sales cycles, intense competition and pricing pressures characterise the present market situation"*.

Comment: Of course, the offshore players are just as exposed to the market downturn as everyone else, but this doesn't really affect the legitimacy of their business proposition. Indeed, we don't think it will be too long before we see the first of these players (probably Tata) reaching $1bn in revenues – and some of that will be on the back of outsourcing and BPO rather than 'just' application development services.

+11%
8p
nettec

NETTEC RETRENCHES AFTER £36M LOSS.

Nettec, which *"designs, builds and manages corporate portals"* (what we called an e-business services company a year or so ago), has released results for the year to 31st Dec. 01. Turnover is down 5% to £16.4m and turnover from continuing operations down 61% to £6.7m. LBT deepened from £8.6m to £36.1m - this included exceptional losses of £5.9m relating to redundancy costs (£1.2m), vacant property provisions (£3.3m), restructuring costs (£0.7m) and a write down of the value of IT equipment (£0.7m). Also included in the losses was amortisation and write-off of goodwill totalling £23.1m. Diluted loss per share was 30.9p compared to 8.8p in 2000.

The main theme to come out with the results is the re-focusing and consolidation of the business. The company has now completely pulled out of continental Europe and the UK operation has also been downsized through a 60% reduction in billable headcount and the relocation to one office in Kingston (rather than the previous four offices in London). The UK headcount is now just 65. David Haxby, Chairman, commented, *"In 2002, the Board will be focusing on achieving stability to provide the foundations for profitable growth in future years. Our primary objective is to reach breakeven during the year although this will be at a somewhat lower level of sales from continuing operations than was achieved in 2001"*.

Comment - 2001 was inevitably going to be a difficult year for Nettec. Despite all the signs, it seriously overestimated growth in the e-services market which led to a *"large number of companies competing in a relatively small area"*. Perhaps the only comfort is that a lot of those companies are no longer with us at all! With hindsight, the post-flotation expansion into France was unlikely to be a winner, niche or global was our mantra for e-business services companies and this was neither. But Nettec has bitten the bullet and made some tough decisions in pulling out of France. In addition the cost reduction programme has produced welcome annualised cost savings of £10m.

Even so, the company is still seeing slow demand in its continuing operations and we cannot support Nettec's expectations of an upturn in the digital solutions market in 2002. Companies are unlikely to embark on major new development projects until at least the end of 2002, if not 2003, so Nettec will face another challenging year.

However, the float in 2000 raised £44m, of which there is around £16m left. Haxby signs off the Chairman's statement with the comment that *"Your board is fully aware of the Group's significant cash balance and will continue to look at all ways to maximise shareholder value"*.

steria

STERIA-OIDS FOR INTEGRIS?

Steria, the French IT services firm that bought most of the non-French activities of Integris from Bull, has reported its results for the year ended 31st Dec. 01. Total revenue rose 31% to EUR509m – organic growth was 20%. Net profit before goodwill amortisation was up 36% to EUR22.8m, giving a net margin of 4.5%, but this takes account of the internal charges incurred in the acquisition of Bull's European services business. At the operating level the margin was 7.1%, up from 6.3%. EPS (also excluding goodwill) was up 31% to EUR1.5.

The company has apparently doubled revenues in three years and, with Integris on board, Steria claims to be the 8th largest services group in Europe (behind CSC). Outsourcing now accounts for 40% of total revenue, up from 36% in 2000, but that is going to jump next year when Integris' figures are included. Steria estimates revenue of EUR630m for Integris in 2001. We understand that Integris UK turned over about EUR330m (say £200m-£210m) in 2001 of which about 75% came from outsourcing.

Comment: In spite of Bull's best efforts to drive itself out of business, Integris is still (just) a top 20 player in the UK outsourcing market. Now that it has escaped from Bull's death-grip into the (hopefully) safer hands of Steria, maybe we'll see more of Integris in the future.

Certainly Steria has acquired a UK services operation with just the right profile in the current climate – mainly outsourcing and with a public sector emphasis – both thriving sectors. In the UK, 58% of Integris' revenue is in the public sector, though their 'second suit' is in the less buoyant finance and banking industry. In any case, Integra will need to get its act together under new parentage pretty quickly (not always an easy job and Steria apparently runs a tight ship) as the market won't wait. They look like they are pitching themselves in Fujitsu Services territory (i.e. mainly infrastructure design, build, run) – but if Fujitsu can really get motoring again, Integris might find life harder.

Steria has forecast pro forma revenue in 2002 (including all the Integris business in the UK in 2001) of around EUR1.13bn, with an operating margin of 5% (before profit sharing).

Mergers & Acquisitions

Buyer	Seller	Seller Description	Acquiring	Price	Comment
Anite Public Sector	Micro Surveys Property Systems Ltd (MSPS)	Mobile working applications	100%	max£8m	Anite paid initial consideration of £1m (40% cash, 60% in shares), with an earnout of £7m payable at six monthly intervals (in shares or loan notes) based on operating profits. MSPS will be integrated into Anite Public Sector.
Applied Psychology Research Ltd	Smartlogik	Knowledge products	100%	max £2.65m	APR paid £1.75m cash up front, for the trade and certain assets of Smartlogik. The balance is dependent upon the sales through to end Sep. 02. APR also settled Smartlogik's liabilities of c£200K.
Capita	City Financial Group	Independent fund administrator	100%	max £4.6m	Capita paid an initial £3.6m (cash and shares) with a possible further £1m to follow, for the UK's largest third party fund administrator.
ECsoft	CMG (Danish ICT services)	ICT services in Denmark	100%	£1.2m	The Danish operation contributed £4.8m turnover in 2001, but made an operating loss of £0.6m.
Focus Solutions	MPO Group Inc	e-based solutions for the insurance sector	100%	max £4.2m	Focus acquired its US partner for an initial consideration of £727K (cash and shares), and deferred consideration of £3.5m based upon MPO's results in FY03, 04 and 05.
Kewill Systems	Globeflow SA	SCM software	100%	£560K	Kewill paid cash for the SCM specialist which has operations in Spain, Germany and the UK.
MBO	365 (hardware services)	Hardware services	100%	max £500K	365 is to concentrate on providing speech solutions to large corporates. Hardware Services turned over £8m in the year to 31st Mar.01 and made operating losses, pre goodwill, of £2.1m.
MBO	ECsoft (German operations)	Managed Services division in Germany	100%	Nominal sum	ECsoft sold its loss-making Gernan operation to the management for a nominal consideration.
Parity	Northern Ireland IT training division of Service & Systems Solutions Ltd (Sx3)	IT training	100%	max £200K	Parity will pay a max of £200K, based on revenues in the year following acquisition. Parity already has a presence in Northern Ireland.
The Innovation Group	Intellectual property of ITL from InterX and subsidiary ITL	e-commerce software	100%	£8.3m	TIG paid an initial cash consideration of £300K to InterX and £1m to ITL, with a further £7m payable to ITL dependant upon sales over the next two years. ITL's IPR includes the right to use te name InterX.
Warthog	42-Bit AB	Swedish games software developer	100%	£413K	Warthog paid an initial £413K in shares, with a further 706K shares issued over the next 2 years subject to performance.

Forthcoming IPOs

Name	Activity	SCS or Dotcom Index	Index Class	Market	Est Issue Price	Est Mkt Cap.	IPO Date
Spectel	Video conferencing softw are	SCS	SP	MAIN	206p	£136.0m	May-02
System-C Healthcare	Healthcare IT Solutions	CSC	SP	TBA	tbc	£36.0m	2002
theoilsite.com	e-procurement exchange	Dotcom	B2B	AIM	tbc	£5.0m	2002
Xchanging	Support Services	SCS	CS	MAIN	tbc	£1.0bn	2002

Recent IPOs

Name	Activity	SCS or Dotcom Index	Index Class	Market	Issue Price	Market Cap.	IPO Date	Price end Nov 01	Premium/ Discount
Detica	CRM Consultancy & Systems Integration	SCS	CS	Main	400p	£88.0m	30-Apr-02	392p	-2%

-28%

8p

gladstone

NOT MUCH TO BE GLAD ABOUT AT GLADSTONE

Gladstone, provider of membership software for the leisure sector, has announced interim results for the six months to 28th Feb. 02. Comparisons with previous periods are pretty meaningless as the company spun out its e-learning operations (Transware) in 2001, and has changed its year- end. But, for the record, the company turned over £4m in the recent six months (all UK), made a LBT of £3.4m and Loss Per Share of 9.74p.

Comment: Gladstone's losses included £1.75m comprising amortisation of goodwill (from the acquisition of Membertrack in Oct. 00 and DLG Software Services in Dec. 00), costs associated with the termination of a property lease, and compensation to directors for loss of office. But even allowing for these 'exceptional items', Gladstone was loss-making at the operating level.

Gladstone's troubles were compounded by a possible liability for tax on share options exercised by the previous Chairman and FD prior to the demerger, and the company has made a provision of £180K to cover the potential liability. In the meantime, Gladstone is having discussions with its legal advisors regarding responsibility for tax. To cut costs the company has closed the Egham office and reduced headcount by 110. It plans to move from the main market to AIM in May.

Ben Merrett (CEO), Simon Preston (Chairman) and the rest of the management team who took control some 5 months ago, have their work cut out to return the business to profitability. Preston said that Gladstone intends to return to the market to raise further finance to "*strengthen the balance sheet and exploit future opportunities*". With very little cash left in the bank (£234K), and £1.1m net liabilities, they had to do something to raise funds! All in all, it's a pretty sad state of affairs for this small software company.

Quoted Companies - Results Service

Note: Highlighted Names indicate results announced this month.

AFA Systems plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£4,291,000		£8,136,000	+89.6%
PBT	-£2,609,000		-£14,619,000	Loss both
EPS	-11.90p		-56.90p	Loss both
Affinity Internet Holdings Plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£11,312,000		£52,765,000	+366.5%
PBT	-£26,050,000		-£30,090,000	Loss both
EPS	-125.80p		-109.81p	Loss both
AIT Group plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	Comparison
REV	£14,218,000	£33,882,000	£22,346,000	+57.2%
PBT	£2,003,000	£5,109,000	£2,676,000	+33.6%
EPS	6.49p	16.22p	8.56p	+31.9%
Alphameric plc				
	Find - Nov00		Find - Nov01	Comparison
REV	£54,408,000		£56,848,000	+4.5%
PBT	£3,891,000		-£1,677,000	Profit to loss
EPS	1.96p		-2.39p	Profit to loss
Alterian plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	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				
	Interim - Oct00	Find - Apr01	Interim - Oct01	Comparison
REV	£85,665,000	£192,418,000	£95,220,000	+11.2%
PBT	£3,041,000	£7,096,000	£1,964,000	-35.4%
EPS	0.20p	0.40p	-0.50p	Profit to loss
Argonaut Games				
	Interim - Jan01	Find - Jul01	Interim - Jan02	Comparison
REV	£1,451,000	£4,396,000	£9,271,000	+538.9%
PBT	-£1,634,000	-£3,131,000	£4,027,000	Loss to Profit
EPS	-1.75p	-3.35p	3.82p	Loss to Profit
Autonomy Corporation plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£45,118,620		£36,271,000	-19.6%
PBT	£14,270,344		£9,146,896	-35.9%
EPS	8.00p		5.00p	-37.5%
Aveva Group Plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	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				
	Find - Dec00		Find - Dec01	Comparison
REV	£42,737,000		£42,762,000	+0.1%
PBT	£7,174,000		£5,464,000	-23.8%
EPS	8.60p		6.70p	-22.1%
Azlan Group plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	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				
	Find - Dec00		Find - Dec01	Comparison
REV	£69,371,000		£70,421,000	+1.5%
PBT	-£99,038,000		-£659,711,000	Loss both
EPS	-24.20p		-131.80p	Loss both
Bond International Software plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£9,376,878		£11,365,995	+21.2%
PBT	£1,031,979		£1,256,609	+21.8%
EPS	5.02p		6.11p	+21.7%
Business Systems Group Holdings plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	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				
	Find - Dec00		Find - Dec01	Comparison
REV	£453,348,000		£641,940,000	+41.6%
PBT	£39,974,000		£53,026,000	+32.7%
EPS	3.75p		4.67p	+24.5%
Charteris Plc				
	Interim - Jan01	Find - Jul01	Interim - Jan02	Comparison
REV	£4,829,000	£13,276,000	£8,725,000	+80.7%
PBT	£61,000	£828,000	£591,000	+868.9%
EPS	0.14p	1.52p	0.90p	+542.9%
Clarity Commerce plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	Comparison
REV	£1,448,000	£3,552,000	£2,428,000	n/a
PBT	-£502,000	-£1,111,000	-£276,000	n/a
EPS	-8.40p	-14.75p	-2.84p	n/a
Clinical Computing plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£2,259,201		£2,179,894	-3.5%
PBT	-£328,673		-£1,369,934	Loss both
EPS	-1.30p		-5.50p	Loss both
CMG plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£810,400,000		£920,400,000	+13.6%
PBT	£83,100,000		-£588,800,000	Profit to loss
EPS	7.80p		-99.60p	Profit to loss
Comino Group plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	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				
	Find - Nov00		Find - Nov01	Comparison
REV	£2,383,095		£4,266,677	+79.0%
PBT	£442,911		£356,253	-19.6%
EPS	3.71p		1.61p	-56.6%
Compel Group plc				
	Interim - Dec00	Find - Jun01	Interim - Dec01	Comparison
REV	£162,688,000	£235,731,000	£32,003,000	-80.3%
PBT	-£1,866,000	-£13,367,000	-£258,000	Loss both
EPS	-4.70p	-47.00p	-0.90p	Loss both
Computacenter plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£1,990,620,000		£2,093,423,000	+5.2%
PBT	£55,571,000		£34,900,000	-37.2%
EPS	20.80p		9.90p	-52.4%
DCS Group plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£140,010,000		£104,900,000	-25.1%
PBT	-£14,451,000		-£4,600,000	Loss both
EPS	-55.46p		-22.58p	Loss both

Delcam plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£17,011,059		£18,248,122	+7.3%
PBT	£1,642,845		£853,565	-48.0%
EPS	19.60p		9.70p	-50.5%
Detica Group Plc				
	Find - Mar00		Find - Mar01	Comparison
REV	£20,860,000		£26,602,000	+27.5%
PBT	£3,603,000		£4,684,000	+30.0%
EPS	n/a		n/a	n/a
Diagonal plc				
	Find - Nov00		Find - Nov.01	Comparison
REV	£82,735,000		£82,182,000	-.7%
PBT	£4,840,000		£4,256,000	-12.1%
EPS	3.30p		2.26p	-31.5%
Dicom Group Plc				
	Interim - Dec00	Find - Jun01	Interim - Dec01	Comparison
REV	£67,530,000	£140,290,000	£75,622,000	+12.0%
PBT	£3,735,000	£7,471,000	£4,216,000	+12.9%
EPS	11.10p	22.80p	12.30p	+10.8%
Dimension Data Plc				
	Find - Sep00		Find - Sep01	Comparison
REV	£1,281,383,000		£1,474,501,000	+15.1%
PBT	-£33,441,000		-£1,152,888,000	Loss both
EPS	-96.70p		-11.16p	Loss both
DRS Data & Research Services plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£11,653,000		£10,054,000	-13.7%
PBT	£563,000		£665,000	+18.1%
EPS	1.12p		1.36p	+21.4%
Easynet Plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£41,742,000		£71,276,000	+70.8%
PBT	-£12,113,000		-£292,667,000	Loss both
EPS	-44.98p		-440.50p	Loss both
ECsoft Group plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£73,204,000		£59,327,000	-19.0%
PBT	£1,370,000		-£18,345,000	Profit to loss
EPS	-4.80p		-169.70p	Loss both
Eidos plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	Comparison
REV	£37,414,000	£169,767,000	£31,046,000	-17.0%
PBT	-£82,348,000	-£96,358,000	-£27,435,000	Loss both
EPS	-65.40p	-93.90p	-21.80p	Loss both
Electronic Data Processing plc				
	Find - Sep00		Find - Sep01	Comparison
REV	£8,353,000		£10,408,000	+24.6%
PBT	£1,115,000		-£306,000	Profit to loss
EPS	2.73p		-1.14p	Profit to loss
Epic Group plc				
	Interim - Nov00	Find - May01	Interim - Nov01	Comparison
REV	£3,712,000	£8,041,000	£3,308,000	-10.9%
PBT	£567,000	£1,569,000	£205,000	-63.8%
EPS	2.20p	6.05p	0.70p	-68.2%
Eurolink Managed Services plc				
	Find - Mar00		Find - Mar01	Comparison
REV	£7,596,000		£8,269,000	+8.9%
PBT	£340,000		£390,000	+14.7%
EPS	2.19p		2.57p	+17.4%
Eyretel Plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	Comparison
REV	£18,945,000	£39,362,000	£24,151,000	+27.5%
PBT	-£2,461,000	-£2,325,000	£146,000	Loss both
EPS	-2.14p	-2.19p	n/a	Not comparable
Financial Objects plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£18,369,000		£17,526,000	-4.6%
PBT	-£887,000		£1,046,000	Loss to Profit
EPS	-2.61p		0.84p	Loss to Profit
Flomerics Group plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£11,763,000		£12,875,000	+9.5%
PBT	£1,182,000		£308,000	-73.9%
EPS	6.00p		1.72p	-71.3%
Focus Solutions Group plc				
	Find - Mar01		Find - Mar02	Comparison
REV	£2,273,000		£5,073,000	+123.2%
PBT	-£2,437,000		-£2,590,000	Loss both
EPS	-9.70p		-10.30p	Loss both
Gladstone Plc				
	Interim - Dec00	Find - Jun01	Interim - Feb02	Comparison
REV	£6,418,033	£6,022,092	£4,020,569	-37.4%
PBT	-£4,541,865	-£16,336,496	-£3,380,671	Loss both
EPS	-14.90p	-47.45p	-9.74p	Loss both
Glotel Plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	Comparison
REV	£81,358,000	£165,367,000	£60,142,000	-26.1%
PBT	£3,524,000	£757,000	-£2,054,000	Profit to loss
EPS	5.90p	1.40p	-3.90p	Profit to loss
Gresham Computing plc				
	Find -Oct00		Find - Dec01	Comparison
REV	£23,325,000		£24,761,000	+6.2%
PBT	-£4,273,000		-£973,000	Loss both
EPS	-9.38p		-3.32p	Loss both
Guardian iT plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£85,186,000		£114,679,000	+34.6%
PBT	-£224,000		-£94,538,000	Loss both
EPS	-5.20p		-136.50p	Loss both
Harrier Group Plc				
	Interim - Jun00	Find - Dec00	Interim - Jun01	Comparison
REV	£4,868,437	£11,163,749	£10,214,100	+109.8%
PBT	-£309,858	-£1,325,523	-£412,077	Loss both
EPS	-1.26p	-2.69p	-1.29p	Loss both
Harvey Nash Group plc				
	Find - Jan01		Find - Jan02	Comparison
REV	£226,249,000		£235,720,000	+4.2%
PBT	£12,971,000		-£11,346,000	Profit to loss
EPS	24.63p		-39.38p	Profit to loss
Highams Systems Services Group plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	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
Horizon Technology Group Plc				
	Find - Jun00		Find - Jun01	Comparison
REV	£180,417,000		£249,091,000	+38.1%
PBT	£6,915,000		-£10,037,000	Profit to loss
EPS	7.86c		-15.30c	Profit to loss

Host Europe Plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£4,160,000		£9,529,000	+129.1%
PBT	-£14,364,000		-£34,417,000	Loss both
EPS	-1.78p		-3.38p	Loss both
iRevolution Plc				
	Find - Apr00		17mths to Sep01	Comparison
REV	£1,997,000		£6,433,000	Not comparable
PBT	£308,000		-£4,153,000	Not comparable
EPS	1.00p		-14.50p	Not comparable
IS Solutions plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£11,237,000		£10,873,000	-3.2%
PBT	£547,000		-£222,000	Profit to loss
EPS	1.17p		-1.06p	Profit to loss
ICM Computer Group plc				
	Interim - Dec00	Find - Jun01	Interim - Dec01	Comparison
REV	£31,520,000	£66,678,000	£32,384,000	+2.7%
PBT	£1,773,000	£4,668,000	£1,923,000	+8.5%
EPS	6.10p	16.00p	6.60p	+8.2%
IDS Group plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£12,855,000		£35,355,000	+175.0%
PBT	-£28,250,000		-£18,138,000	Loss both
EPS	-107.42p		-31.96p	Loss both
Innovation Group plc (The)				
	Find - Sep00		Find - Sep01	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
Intelligent Environments Group plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£8,810,556		£3,111,584	-64.7%
PBT	-£2,523,413		-£6,979,561	Loss both
EPS	-5.97p		-13.53p	Loss both
Intercede Group plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	Comparison
REV	£1,140,000	£2,014,000	£471,000	-58.7%
PBT	-£313,000	-£1,125,000	-£1,190,000	Loss both
EPS	-2.90p	-8.80p	-7.30p	Loss both
IQ-Ludorum Plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£2,146,000		£4,192,000	+95.3%
PBT	-£1,859,333		-£5,308,000	Loss both
EPS	-3.85p		-6.66	Loss both
iSOFT Group plc				
	Interim - Oct00	Find - Apr01	Interim - Oct01	Comparison
REV	£11,124,000	£31,131,000	£22,763,000	+104.6%
PBT	£1,340,000	£5,310,000	£3,491,000	+160.5%
EPS	0.72p	3.06p	2.04p	+183.3%
ITNET plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£158,873,000		£176,446,000	+11.1%
PBT	-£1,423,000		£10,467,000	Loss to profit
EPS	-0.18p		9.12p	Loss to profit
Izodia Plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£2,697,000		£3,828,000	+41.9%
PBT	-£35,997,000		-£73,555,000	Loss both
EPS	-66.15		-156.33	Loss both
Jasmin plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	Comparison
REV	£1,653,000	£3,982,000	£3,233,000	+95.6%
PBT	-£490,000	-£449,000	£325,000	Loss to profit
EPS	-10.37p	-9.50p	6.72p	Loss to profit
K3 Business Technology Group Plc				
	Find -Dec00		Find - Dec01	Comparison
REV	£14,250,000		£7,972,000	-44.1%
PBT	-£5,191,000		-£1,373,000	Loss both
EPS	-29.20p		-3.60p	Loss both
Kewill Systems plc				
	Interim - Sep00	Find - Mar01	Interim - Sep01	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				
	Interim - Sep00	Find- Mar01	Interim - Sep01	Comparison
REV	£1,989,000	£4,477,000	£2,841,000	+125.1%
PBT	-£3,173,000	-£8,408,000	-£2,026,000	Loss both
EPS	-7.70p	-13.40p	1.61p	Loss both
Knowledge Management Software plc				
	Interim - Dec00	Find - Jun01	Interim - Dec01	Comparison
REV	£2,947,556	£6,054,760	£4,110,971	+39.5%
PBT	-£5,773,764	-£12,771,898	-£6,200,776	Loss both
EPS	-5.51p	-12.20p	-5.39p	Loss both
Knowledge Support Systems Group plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£2,803,736		£1,020,520	-63.6%
PBT	-£2,116,580		-£9,768,556	Loss both
EPS	-3.00p		-12.17p	Loss both
Logica plc				
	Interim - Dec00	Find - Jun01	Interim - Dec01	Comparison
REV	£505,000,000	£1,133,200,000	£600,200,000	+18.9%
PBT	£57,900,000	£136,200,000	£61,600,000	+6.4%
EPS	9.10p	20.60p	9.00p	-1.1%
London Bridge Software Holdings plc				
	Find - Dec00		Find - Dec01	Comparison
REV	£56,702,000		£74,070,000	+30.6%
PBT	£4,662,000		£4,725,000	+1.4%
EPS	1.85p		1.73p	-6.5%
Lorien plc				
	Find - Nov00		Find - Nov01	Comparison
REV	£111,588,000		£139,028,000	+24.6%
PBT	-£2,718,000		£1,997,000	Loss to profit
EPS	-12.10p		8.10p	Loss to profit
Macro 4 plc				
	Interim - Dec00	Find - Jun01	Interim - Dec01	Comparison
REV	£21,952,000	£47,100,000	£19,393,000	-11.7%
PBT	£1,554,000	£5,034,000	-£3,505,000	Profit to loss
EPS	1.00p	9.40p	-15.60p	Profit to loss
Manpower SoftWare plc				
	Find - May00		Find - May01	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				
	Find - Dec00		Find - Dec01	Comparison
REV	£50,080,000		£73,369,000	+46.5%
PBT	£8,337,000		£9,277,000	+11.3%
EPS	2.80p		2.90p	+3.6%

Note: The companies listed on pages 20-23 are those companies in our S/ITS index with revenue of >£2m. Also included in our index are: **Actinic, Atlantic Global, BSoftB, Earthport, Easyscreen, Ffastfil, I-Document Systems, Internet Business Group, Knowledge Technology Solutions, Myratech.net, Netcall, PC Medics Group, Software for Sport, Stilo International, Superscape, Systems Integrated, Ultrasis Group**

Quoted Companies - Results Service

Note: Highlighted Names indicate results announced this month.

MERANT plc

	Final - Apr 00		Final - 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

Mettoni Group Plc

	14 Feb - 31 Dec 00		Interim - Jun 01	Comparison
REV	£3,962,000		£13,593,000	Not comparable
PBT	-£1,398,000		-£1,444,000	Not comparable
EPS	-2.30p		1.10p	Not comparable

Microgen plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£25,344,000		£21,009,000	-17.1%
PBT	-£3,086,000		£251,000	Loss to Profit
EPS	-5.20p		2.80p	Loss to Profit

Minorplanet Systems Plc

	Final - Aug 00		Final - Aug 01	Comparison
REV	£17,300,000		£52,900,000	+205.8%
PBT	£700,000		£5,300,000	+657.1%
EPS	0.78p		7.89p	+911.5%

Mission Testing Plc

	Interim - Dec 00	Final - Jun 01	Interim - Dec 01	Comparison
REV	£4,988,000	£10,515,000	£9,028,000	+81.0%
PBT	£195,000	£967,000	£637,000	+226.7%
EPS	1.01p	4.43p	2.39p	+136.6%

Misys plc

	Interim - Nov 00	Final - May 01	Interim - Nov 01	Comparison
REV	£413,000,000	£858,500,000	£480,200,000	+16.3%
PBT	£37,400,000	£97,100,000	£2,300,000	-93.9%
EPS	4.70p	13.00p	-0.10p	Profit to loss

MMT Computing plc

	Final - Aug 00		Final - 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

Mondas plc

	Interim - Oct 00	Final - Apr 01	Interim - Oct 01	Comparison
REV	£881,263	£2,702,141	£1,729,088	+96.2%
PBT	-£466,426	-£1,504,042	-£1,184,379	Loss both
EPS	-3.40p	-9.50p	-5.90p	Loss both

Morse Holdings plc

	Interim - Dec 00	Final - Jun 01	Interim - Dec 01	Comparison
REV	£307,986,000	£586,076,000	£226,001,000	-26.6%
PBT	£13,804,000	£19,194,000	-£3,385,000	Profit to loss
EPS	6.30p	7.70p	-4.80p	Profit to loss

MSB International plc

	Final - Jan 01		Final - Jan 02	Comparison
REV	£157,760,000		£145,987,000	-7.5%
PBT	£2,584,000		£1,889,000	-26.9%
EPS	7.50p		6.40p	-14.7%

Ncipher Plc

	Final - Dec 00		Final Dec 01	Comparison
REV	£13,455,000		£14,367,000	+6.8%
PBT	-£1,790,000		-£3,237,000	Loss both
EPS	-2.18p		-2.80p	Loss both

NetBenefit plc

	Interim - Dec 00	Final - Jun 01	Interim - Dec 01	Comparison
REV	£2,656,000	£6,353,000	£3,004,000	+13.1%
PBT	-£15,103,000	-£21,663,000	-£633,000	Loss both
EPS	-93.40p	-134.40p	-3.40p	Loss both

Netstore plc

	Interim - Dec 00	Final - Jun 01	Interim - Dec 01	Comparison
REV	£1,152,321	£3,563,923	£1,733,293	+50.4%
PBT	-£5,425,820	-£11,829,902	-£3,775,783	Loss both
EPS	-6.14p	-13.32p	-4.23p	Loss both

Nettec plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£17,311,000		£16,416,000	-5.2%
PBT	-£8,582,000		-£36,066,000	Loss both
EPS	-8.00p		-30.90p	Loss both

Northgate Information Solutions plc

	Interim - Oct 00	Final - Apr 01	Interim - Oct 01	Comparison
REV	£55,681,000	£107,194,000	£44,628,000	-19.9%
PBT	-£1,255,000	£2,200,000	£4,102,000	Loss to Profit
EPS	-0.43p	0.55p	1.39p	Loss to Profit

NSB Retail Systems plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£31,771,000		£93,818,000	+195.3%
PBT	-£16,505,000		-£89,319,000	Loss both
EPS	-7.87p		-22.63p	Loss both

OneclickHR Plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£4,083,781		£5,818,605	+42.5%
PBT	-£2,366,348		-£2,114,778	Loss both
EPS	-5.20p		-4.10p	Loss both

Orchestream Holdings plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£2,746,200		£14,784,000	+438.3%
PBT	-£10,541,300		-£35,017,000	Loss both
EPS	-10.40p		-30.70p	Loss both

Parity plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£269,228,000		£246,930,000	-8.3%
PBT	£12,810,000		-£3,265,000	Profit to loss
EPS	5.53p		-2.03p	Profit to loss

Patsystems plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£2,524,000		£5,811,000	+130.2%
PBT	-£9,612,000		-£15,161,000	Loss both
EPS	-7.80p		-11.40p	Loss both

Planit Holdings plc

	Interim - Oct 00	Final - Apr 01	Interim - Oct 01	Comparison
REV	£9,119,000	£19,070,000	£9,766,000	+7.1%
PBT	£980,000	£2,720,000	£916,000	-6.5%
EPS	0.80p	2.00p	0.70p	-12.5%

Protogana plc

	Final - Sep 00		Final - 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

	Final - Dec 00		Final - Dec 01	Comparison
REV	£88,549,000		£71,672,000	-19.1%
PBT	£21,385,000		£4,815,000	-77.5%
EPS	57.00p		10.20p	-82.1%

QA plc (was Skillsgroup)

	Final - Nov 00		Final - Nov 01	Comparison
REV	£140,700,000		£55,300,000	-60.7%
PBT	-£17,400,000		£1,200,000	Loss both
EPS	-18.40p		-0.80p	Loss both

Quantica plc

	Final - Nov 00		Final - Nov 01	Comparison
REV	£23,753,000		£33,418,000	+40.7%
PBT	£3,768,000		£2,860,000	-24.1%
EPS	6.80p		4.93p	-27.5%

Raft International Plc

	Final - Oct 00		Final - Oct 01	Comparison
REV	£9,173,000		£9,468,000	+3.2%
PBT	£171,000		-£826,000	Profit to loss
EPS	0.19p		-1.32p	Profit to loss

Rage Software plc

	Interim - Dec 00	Final - Jun 01	Interim - Dec 01	Comparison
REV	£2,696,000	£5,731,000	£5,807,000	+115.4%
PBT	-£7,995,000	-£17,054,000	-£8,485,000	Loss both
EPS	-2.53p	-5.28p	-2.38p	Loss both

RDL Group Plc

	Final - Sep 00		Final - Sep 01	Comparison
REV	£16,246,000		£43,618,000	+168.5%
PBT	£1,092,000		£1,990,000	+82.2%
EPS	6.70p		7.93p	+18.4%

Retail Decisions plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£17,674,000		£22,195,000	+25.6%
PBT	-£2,292,000		-£2,895,000	Loss both
EPS	-1.78p		-2.15p	Loss both

RexOnline plc

	Interim - Oct 00	Final - Apr 01	Interim - Oct 01	Comparison
REV	£923,000	£2,006,000	£1,338,000	+45.0%
PBT	-£70,000	£216,000	-£874,000	Loss both
EPS	1.10p	2.80p	-7.00p	Profit to loss

Riversoft Plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£5,168,843		£6,515,238	+26.0%
PBT	-£26,641,044		-£39,415,841	Loss both
EPS	-39.90p		-16.30p	Loss both

RM plc

	Final - Sep 00		Final - 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%

Rolfe & Nolan plc

	Final - Feb 00		Final - 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

	Final - Dec 00		Final - Dec 01	Comparison
REV	£57,383,000		£66,253,000	+15.5%
PBT	£6,918,000		£4,197,000	-39.3%
EPS	13.70p		6.00p	-56.2%

Sage Group plc

	Interim - Mar 01	Final - Sep 01	Interim - Mar 02	Comparison
REV	£229,649,000	£484,137,000	£279,821,000	+21.8%
PBT	£59,156,000	£121,317,000	£65,146,000	+10.1%
EPS	3.18p	6.59p	3.50p	+10.1%

SBS Group plc

	Final - Aug 00		Final - Aug 01	Comparison
REV	£46,444,000		£45,402,000	-2.2%
PBT	£285,000		-£3,621,000	Profit to loss
EPS	2.10p		-39.50p	Profit to loss

Science Systems plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£49,624,000		£64,820,000	+30.6%
PBT	£2,732,000		£5,054,000	+85.0%
EPS	6.50p		11.70p	+80.0%

SDL plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£29,730,000		£33,659,000	+13.2%
PBT	£1,059,000		-£5,098,000	Profit to loss
EPS	0.93p		-11.56p	Profit to loss

ServicePower Technologies plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£3,292,000		£3,150,000	-4.3%
PBT	-£3,928,000		-£2,700,000	Loss both
EPS	-8.10p		-4.90p	Loss both

Sherwood International plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£54,277,000		£56,513,000	+4.1%
PBT	£6,634,000		-£11,012,000	Profit to loss
EPS	13.00p		-25.60p	Profit to loss

Sirius Financial Plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£17,135,457		£17,373,850	+1.4%
PBT	£727,215		-£281,000	Profit to loss
EPS	4.40p		-2.60p	Profit to loss

Smartlogik Plc

	Interim - Jun 00	Final - 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

	Final - Dec 00		Final - Dec 01	Comparison
REV	£7,763,000		£13,963,000	+79.9%
PBT	-£11,945,000		-£34,631,000	Loss both
EPS	-33.40p		-76.20p	Loss both

Spring Group plc

	Final - Apr 01		8 months to Dec 01	Comparison
REV	£374,448,000		£220,916,000	-41.0%
PBT	-£3,547,000		-£15,021,000	Loss both
EPS	-2.39p		-9.15p	Loss both

Staffware plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£37,857,000		£38,230,000	+1.0%
PBT	£3,042,000		-£3,250,000	Profit to loss
EPS	10.60p		-26.00p	Profit to loss

StatPro Group plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£3,172,000		£6,174,000	+94.6%
PBT	-£4,879,000		-£4,742,000	Loss both
EPS	-18.40p		-15.30p	Loss both

SurfControl plc

	Interim Nov 00	Final - Jun 01	Interim - Dec 01	Comparison
REV	£10,682,000	£27,839,000	£16,725,000	+56.6%
PBT	-£25,234,000	-£60,940,000	-£27,067,000	Loss both
EPS	-88.78p	-207.78p	-89.31p	Loss both

Synstar plc

	Final - Sep 00		Final - 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 Union plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£53,778,000		£78,385,000	+45.8%
PBT	-£105,924,000		£2,189,000	Loss to Profit
EPS	-125.30p		1.90p	Loss to Profit

Telecity Plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£14,053,000		£32,628,000	+132.2%
PBT	-£12,686,000		-£35,392,000	Loss both
EPS	-21.80p		-25.20p	Loss both

Telework Systems plc

	Interim - Sep 00	Final - Mar 01	Interim - Sep 01	Comparison
REV	£10,409,000	£21,947,000	£8,343,000	-19.8%
PBT	£2,757,000	£4,173,000	-£1,800,000	Profit to loss
EPS	1.09p	1.36p	-0.80p	Profit to loss

Terence Chapman Group plc

	Interim - Feb 01	Final - Aug 01	Interim - Feb 02	Comparison
REV	£21,830,000	£32,020,000	£6,021,000	-72.4%
PBT	£2,247,000	£8,124,000	-£2,748,000	Profit to loss
EPS	2.32p	6.30p	-3.59p	Profit to loss

Tikit Group plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£9,310,000		£9,123,000	-2.0%
PBT	£876,000		£1,006,000	+14.8%
EPS	5.48p		6.10p	+11.3%

Torex plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£88,425,000		£132,206,000	+49.5%
PBT	£5,133,000		£8,915,000	+73.7%
EPS	9.00p		9.90p	+10.0%

Total Systems plc

	Interim - Sep 00	Final - Mar 01	Interim - Sep 01	Comparison
REV	£1,584,209	£3,849,292	£2,838,066	+79.1%
PBT	£156,071	£717,337	£772,911	+395.2%
EPS	1.04p	4.90p	5.11p	+391.3%

Totalise Plc

	Final - Apr 00		Final - 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

Touchstone Group plc

	Interim - Sep 00	Final - 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 Group plc

	Interim - Nov 00	Final - May 01	Interim - Nov 01	Comparison
REV	£8,328,000	£15,656,000	£10,475,000	+25.8%
PBT	£1,085,000	£3,183,000	£771,000	-28.9%
EPS	5.25p	17.12p	3.12p	-40.6%

Transeda Plc

	Interim - Dec 00	Final - Jun 01	Interim - Dec 01	Comparison
REV	£2,413,000	£6,510,000	£3,528,000	+46.2%
PBT	£46,000	£592,000	-£259,000	Profit to loss
EPS	0.08p	0.66p	-0.43p	Profit to loss

Transware Plc

	Interim - Dec 00	Final - Jun 01	Interim - Dec 01	Comparison
REV	£4,313,635	£10,417,322	£6,284,764	+45.7%
PBT	£452,647	£1,550,188	£622,147	+37.4%
EPS	1.11p	3.59p	1.40p	+26.1%

Triad Group plc

	Interim - Sep 00	Final - 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	3.41p	11.74p	4.10p	+20.2%

Tribal Group Plc

	Interim - Sep 00	Final - 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

	Interim - Jun 00	Final - Dec 00	Interim - Jun 01	Comparison
REV	£3,889,000	£6,952,000	£2,768,000	-28.8%
PBT	-£496,000	-£865,000	-£599,000	Loss both
EPS	-0.26p	-0.45p	-0.31p	Loss both

Universe Group Plc

	Interim - Jun 00	Final - Dec 00	Interim - Jun 01	Comparison
REV	£21,963,000	£48,477,000	£27,281,000	+24.2%
PBT	£111,000	£577,000	£431,000	+288.3%
EPS	-0.60p	-0.4	0.10p	Loss to Profit

Vega Group plc

	Interim - Oct 00	Final - Apr 01	Interim - Oct 01	Comparison
REV	£18,249,000	£35,661,000	£17,572,000	-3.7%
PBT	-£1,332,000	-£5,882,000	-£332,000	Loss both
EPS	-5.79p	-26.87p	-1.90p	Loss both

VI Group plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£5,642,000		£6,456,000	+14.4%
PBT	£465,000		£726,000	+56.1%
EPS	1.05p		2.12p	+101.9%

Vocalis Group plc

	Interim - Sep 00	Final - 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

	Interim - Sep 00	Final - Mar 01	Interim - Sep 01	Comparison
REV	£1,779,168	£3,782,386	£4,770,285	+168.1%
PBT	£150,638	£314,150	£35,816	-76.2%
EPS	n/a	0.65p	0.03p	n/a

Wealth Management Software plc

	Final - Dec 00		Final - Dec 01	Comparison
REV	£15,533,000		£12,009,000	-22.7%
PBT	-£251,000		-£6,346,000	Loss both
EPS	-0.67p		-15.24p	Loss both

Xansa plc

	Interim - Oct 00	Final - Apr 01	Interim - Oct 01	Comparison
REV	£182,212,000	£391,235,000	£269,230,000	+47.8%
PBT	-£5,746,000	£652,000	£848,000	Loss to Profit
EPS	-3.35p	-4.22p	-3.46p	Loss both

XKO Group plc

	Interim - Sep 00	Final - 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

	Final - Dec 00		Final - Dec 01	Comparison
REV	£5,758,000		£5,276,000	-8.4%
PBT	-£4,000,000		-£1,571,000	Loss both
EPS	-0.08p		-4.83p	Loss both

Note: The companies listed on pages 20-23 are those companies in our S/ITS index with revenue of >£2m. Also included in our index are: **Actinic, Atlantic Global, BSoftB, Earthport, Easyscreen, Ffastfil, I-Document Systems, Internet Business Group, Knowledge Technology Solutions, Myratech.net, Netcall, PC Medics Group, Software for Sport, Stilo International, Superscape, Systems Integrated, Ultrasis Group**

Holway/SYSTEMHOUSE SCS Share Prices and Capitalisation

	SCS Cat.	Share Price 30-Apr-02	Capitalisation 30-Apr-02	Historic P/E	PSR Ratio Cap./Rev.	SCSI Index 30-Apr-02	Share price move since 28-Mar-02	Share price % move in 2002	Capitalisation move since 28-Mar-02	Capitalisation move (£m) in 2002
AFA Systems	SP	£0.70	£16.7m	Loss	2.01	583	-9.09%	-23.50%	-£1.30m	-£5.02m
Affinity Internet Holdings	CS	£1.94	£60.2m	Loss	1.11	14885	-16.23%	-36.03%	-£9.60m	-£21.47m
AIT Group	CS	£4.73	£97.6m	24.6	2.87	3150	-7.80%	-43.41%	-£7.80m	-£71.90m
Alphameric	SP	£1.13	£114.8m	63.6	2.02	516	8.70%	3.21%	£9.20m	£3.60m
Alterian	SP	£0.61	£23.7m	Loss	11.41	303	-0.82%	-17.69%	-£0.20m	-£5.10m
Anite Group	CS	£1.19	£376.7m	18.7	1.88	693	-17.71%	-30.50%	-£50.70m	-£112.59m
Argonaut Games	SP	£0.55	£53.2m	22.2	11.98	568	-9.17%	-12.80%	-£4.80m	-£4.18m
Autonomy Corporation	SP	£3.63	£439.9m	72.6	12.75	111	-11.63%	10.93%	-£83.50m	£28.20m
Aveva Group	SP	£4.06	£67.3m	20.7	2.45	2030	3.84%	-8.04%	£1.10m	-£7.40m
Axon Group	CS	£1.63	£89.1m	25.6	1.97	929	-6.61%	-7.14%	-£0.20m	-£0.70m
Azlan Group	R	£1.59	£176.7m	12.8	0.29	689	11.62%	18.73%	£21.80m	£31.10m
Baltimore Technologies	SP	£0.08	£38.4m	Loss	0.56	795	-16.22%	-49.18%	-£9.00m	-£39.78m
Bond International	SP	£0.45	£7.9m	7.4	0.57	692	-35.25%	-40.00%	-£2.07m	-£2.83m
Business Systems	CS	£0.06	£4.7m	Loss	0.12	48	-32.35%	-57.41%	-£2.22m	-£6.24m
Capita Group	CS	£3.82	£2,682.8m	51.5	4.00	103195	-8.01%	-22.13%	-£107.60m	-£547.38m
Charteris	CS	£1.18	£42.9m	39.4	3.23	1306	3.52%	32.77%	£1.40m	£10.60m
Clarity Commerce	SP	£0.79	£11.0m	Loss	3.06	632	5.33%	-13.66%	£0.60m	-£1.64m
Clinical Computing	SP	£0.30	£7.2m	Loss	3.39	238	-7.81%	-1.67%	-£0.88m	-£0.38m
CMG	CS	£1.77	£1,178.9m	Loss	1.19	4883	-32.44%	-27.16%	-£446.80m	-£310.36m
Comino	SP	£1.65	£23.3m	34.6	1.06	1269	-6.25%	-2.94%	-£1.00m	-£0.20m
Compass Software	SP	£0.80	£9.3m	20.7	2.16	533	-1.23%	-13.04%	-£0.11m	-£1.42m
Compel Group	R	£0.89	£27.6m	Loss	0.12	712	5.33%	5.33%	£1.40m	£1.40m
Computacenter	R	£3.26	£620.9m	17.4	0.29	487	-9.19%	-5.51%	-£44.40m	-£18.53m
DCS Group	CS	£0.37	£10.6m	Loss	0.09	608	62.22%	28.07%	£4.97m	£3.46m
Delcam	SP	£1.75	£10.1m	14.8	0.58	673	12.90%	22.38%	£0.75m	£1.40m
Detica	CS	£3.92	£86.4m	37.6	3.25	979	-2.13%	-2.13%	-£1.60m	-£1.60m
Diagonal	CS	£0.91	£81.6m	15.7	0.97	1323	-14.55%	-11.22%	-£12.40m	-£8.80m
Dicom Group	R	£4.31	£90.5m	12.9	0.64	1321	-3.15%	1.65%	-£2.10m	£2.20m
Dimension Data	R	£0.61	£811.4m	Loss	0.53	108	4.74%	-28.11%	£64.40m	-£276.60m
DRS Data & Research	SP	£0.21	£7.8m	20.4	0.71	186	0.00%	34.43%	£0.70m	£2.52m
Easynet	CS	£1.45	£89.9m	Loss	2.15	40	-7.94%	-45.08%	-£7.80m	-£73.80m
ECSoft Group	CS	£3.25	£58.8m	Loss	0.64	180	-30.85%	-35.96%	£3.80m	-£0.55m
Eidos	SP	£1.29	£190.0m	Loss	1.05	6447	-9.15%	-28.33%	-£6.90m	-£59.61m
Electronic Data Processing	SP	£0.45	£11.3m	Loss	1.06	1378	-3.23%	-10.00%	-£0.20m	-£1.30m
Epic Group	CS	£0.70	£19.2m	15.9	2.18	662	3.73%	-20.57%	£2.20m	-£2.90m
Eurolink Managed Services	CS	£0.43	£4.5m	40.7	0.54	430	0.00%	-4.44%	£0.00m	-£0.21m
Eyretel	SP	£0.56	£84.9m	Loss	2.18	560	-15.15%	-23.29%	-£16.10m	-£26.80m
Financial Objects	SP	£0.57	£20.6m	13.8	1.27	246	-29.81%	-31.93%	-£11.00m	-£11.99m
Flomerics Group	SP	£0.84	£12.2m	36.7	0.95	3231	9.09%	5.00%	£1.00m	£0.60m
Focus Solutions Group	SP	£0.49	£12.6m	Loss	2.41	249	-25.38%	-52.68%	-£3.70m	-£13.10m
Gladstone	SP	£0.08	£3.2m	Loss	0.52	206	-28.26%	-40.00%	-£1.13m	-£1.53m
Glotel	A	£0.63	£23.7m	44.6	0.00	325	-16.67%	52.44%	-£4.70m	£8.20m
Gresham Computing	CS	£0.27	£12.9m	Loss	0.52	288	4.90%	3.88%	£0.60m	£0.42m
Guardian iT	CS	£0.79	£55.1m	5.8	0.48	310	46.30%	-49.03%	£17.40m	-£53.04m
Harrier Group	CS	£0.34	£10.0m	Loss	0.86	261	-5.63%	-34.31%	-£0.20m	-£4.20m
Harvey Nash Group	A	£0.97	£56.2m	7.0	0.22	551	-24.90%	-19.58%	£17.30m	£20.30m
Highams Systems Services	A	£0.10	£1.9m	Loss	0.09	264	0.00%	-35.59%	£0.00m	-£1.03m
Horizon Technology	R	£0.22	£12.5m	Loss	0.05	79	0.00%	-31.75%	£0.00m	-£5.90m
Host Europe	CS	£0.02	£14.3m	Loss	1.50	530	0.00%	-22.68%	-£2.50m	-£5.80m
I S Solutions	CS	£0.25	£6.3m	35.6	0.57	932	0.00%	-23.08%	£0.00m	-£1.87m
ICM Computer Group	CS	£2.29	£45.2m	13.0	0.68	1269	-3.18%	-23.83%	-£1.50m	-£14.11m
IDS Group	SP	£0.59	£34.4m	Loss	0.95	650	-28.22%	21.88%	-£12.30m	£6.90m
Innovation Group	SP	£1.44	£288.1m	Loss	4.74	629	-14.03%	-60.00%	-£30.40m	-£379.70m
Intelligent Environments	SP	£0.05	£6.2m	Loss	1.88	48	-15.09%	-14.29%	-£0.65m	£3.10m
Intercede Group	SP	£0.48	£7.8m	Loss	3.86	792	21.79%	-14.41%	£1.39m	-£1.31m
IQ-Ludorum	SP	£0.06	£4.4m	Loss	0.73	73	10.00%	-55.10%	£0.40m	-£5.40m
iRevolution	CS	£0.14	£6.2m	13.5	3.08	303	-12.90%	-34.15%	-£0.91m	-£3.19m
iSOFT Group	SP	£2.89	£333.6m	42.4	10.91	2623	1.05%	12.04%	-£2.30m	£30.61m
ITNET	CS	£2.05	£149.3m	16.7	0.83	586	-12.95%	-17.51%	-£19.50m	-£28.63m
Izodia (was Infobank)	SP	£0.57	£33.3m	Loss	8.82	9048	17.53%	80.95%	£5.00m	£14.92m
Jasmin	SP	£2.57	£11.3m	Loss	3.04	1710	10.32%	1.79%	£0.40m	-£0.58m
K3 Business Technology	SP	£0.12	£6.1m	Loss	0.73	88	-4.17%	-14.81%	£0.00m	-£0.76m
Kewill Systems	SP	£0.44	£42.8m	87.5	0.00	865	127.27%	1.16%	£28.10m	£9.80m
Keystone Solutions Group	SP	£0.10	£0.2m	Loss	0.17	111	8.11%	-28.57%	£0.00m	-£15.79m
Knowledge Management Software	SP	£0.04	£4.9m	Loss	0.81	33	-37.04%	-63.83%	-£2.88m	-£8.66m
Knowledge Support Systems Group	SP	£0.14	£11.1m	Loss	10.36	64	-6.67%	-21.13%	£0.00m	-£2.02m
Logica	CS	£3.18	£1,443.5m	11.8	1.25	4348	-31.05%	-50.39%	-£614.50m	-£1,416.62m
London Bridge Software	SP	£1.46	£262.2m	28.5	3.33	3638	-14.91%	-18.49%	-£28.00m	-£40.70m
Lorien	A	£0.86	£16.8m	9.1	0.12	855	2.40%	35.71%	£0.40m	£4.50m
Macro 4	SP	£1.29	£28.4m	13.8	0.57	520	-10.10%	-48.91%	-£1.40m	-£24.10m
Manpower SoftWare	SP	£0.13	£3.2m	Loss	1.15	137	1.92%	-47.00%	£0.12m	-£2.75m
Marlborough Stirling	SP	£1.66	£367.1m	27.1	5.19	1182	-15.35%	-19.27%	-£82.90m	-£99.60m

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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-Apr-02	Capitalisation 30-Apr-02	Historic P/E	PSR Ratio Cap./Rev.	SCSI Index 30-Apr-02	Share price move since 28-Mar-02	Share price % move in 2002	Capitalisation move since 28-Mar-02	Capitalisation move (£m) in 2002
MERANT	SP	£1.07	£124.1m	Loss	0.58	517	-9.32%	-3.17%	-£35.10m	-£25.03m
Mettoni Group	CS	£0.13	£5.3m	Loss	1.29	120	4.00%	-36.59%	£0.00m	-£3.36m
Microgen	CS	£0.75	£49.9m	13.6	2.30	321	-14.29%	-26.83%	-£6.40m	-£2.23m
Minorplanet Systems	SP	£2.87	£212.0m	36.4	3.96	5851	-8.17%	-4.02%	-£16.00m	£6.30m
Mission Testing	CS	£0.98	£18.0m	16.3	3.35	357	-17.02%	-40.00%	-£2.20m	-£9.89m
Misys	SP	£2.56	£1,500.5m	18.4	1.72	3185	-12.70%	-21.23%	-£188.60m	-£371.12m
MMT Computing	CS	£1.13	£13.2m	Loss	0.44	670	3.21%	2.27%	£0.00m	-£0.10m
Mondas	SP	£0.25	£5.0m	Loss	1.85	333	6.38%	-9.09%	£0.30m	-£0.50m
Morse	R	£1.91	£13.2m	15.2	0.02	764	-1.55%	0.53%	-£235.30m	-£230.10m
MSB International	A	£0.72	£15.4m	11.8	0.10	379	-8.28%	-14.79%	-£0.60m	-£1.80m
Ncipher	SP	£0.83	£105.1m	Loss	7.32	332	-8.79%	4.40%	-£10.10m	£4.50m
NetBenefit	CS	£0.10	£1.6m	Loss	0.25	49	-9.30%	-25.00%	-£0.16m	-£0.52m
Netstore	CS	£0.16	£14.5m	Loss	4.14	103	1.64%	-22.50%	£0.00m	-£3.18m
Nettec	CS	£0.08	£9.2m	Loss	0.56	31	11.11%	-31.82%	£0.92m	-£4.32m
Northgate Information Solutions	CS	£0.27	£80.8m	8.8	0.72	104	28.57%	-19.40%	£20.70m	-£14.99m
NSB Retail Systems	SP	£0.29	£87.9m	Loss	0.97	2500	-2.54%	17.35%	-£5.50m	£10.31m
OneclickHR	SP	£0.36	£19.4m	Loss	3.34	900	-1.37%	-14.29%	£0.20m	-£2.70m
Orchestream	SP	£0.08	£9.8m	Loss	0.66	41	-37.50%	-63.41%	-£5.90m	-£17.01m
Parity	A	£0.48	£76.7m	Loss	0.30	7917	-2.06%	-3.06%	£2.30m	£1.53m
Patsystems	SP	£0.09	£11.7m	Loss	1.90	79	-19.05%	-19.05%	-£1.90m	-£1.95m
Planit Holdings	SP	£0.55	£45.7m	17.9	2.40	2292	20.88%	0.00%	£7.90m	£0.00m
Protagona (was Recognition)	SP	£0.03	£8.7m	Loss	0.99	36	0.00%	-37.50%	£0.00m	-£5.27m
PSD Group	A	£4.20	£105.4m	30.5	1.47	1909	21.74%	-8.20%	£18.80m	-£9.40m
QA (was Skillsgroup)	CS	£0.42	£38.1m	Loss	2.50	186	0.00%	-9.78%	£1.50m	-£2.50m
Quantica	A	£0.74	£26.5m	11.8	0.86	593	4.26%	33.64%	-£1.20m	£4.90m
Raft International	SP	£0.09	£5.9m	Loss	0.61	139	6.06%	-14.63%	£0.49m	-£0.82m
Rage Software	SP	£0.03	£12.4m	Loss	1.98	106	-15.38%	-65.63%	-£0.80m	-£18.67m
RDL Group	A	£0.29	£7.2m	2.7	0.13	317	-31.33%	-47.22%	-£0.98m	-£3.24m
Retail Decisions	SP	£0.16	£45.7m	Loss	2.00	213	6.78%	-17.11%	£4.20m	£16.45m
RexOnline	A	£0.38	£5.1m	13.6	2.49	452	16.92%	-5.00%	£0.78m	-£0.20m
Riversoft	SP	£0.11	£25.4m	Loss	3.90	112	-6.67%	-12.50%	-£1.80m	-£3.60m
RM	SP	£0.73	£68.0m	5.8	0.28	2071	-8.23%	-69.47%	-£6.10m	-£154.90m
Rolfe & Nolan	SP	£0.56	£8.4m	Loss	0.32	667	-5.08%	-32.12%	£0.08m	-£3.20m
Royalblue Group	SP	£5.18	£159.9m	33.0	2.38	3044	-17.86%	-15.51%	-£32.00m	-£24.50m
Sage Group	SP	£1.98	£2,394.6m	28.4	5.18	76154	-12.39%	-13.35%	-£468.80m	-£499.90m
SBS Group	A	£0.22	£3.0m	Loss	0.06	215	104.76%	0.00%	£2.07m	£1.07m
Science Systems	CS	£4.65	£117.2m	23.3	2.36	3605	5.08%	-10.58%	£5.70m	-£13.80m
SDL	CS	£0.68	£36.2m	Loss	1.07	450	2.27%	-0.74%	£0.80m	£7.49m
ServicePower	SP	£0.16	£8.2m	Loss	2.48	155	-3.13%	-31.11%	£0.00m	-£3.32m
Sherwood International	SP	£1.37	£66.2m	Loss	1.11	4564	3.40%	3.79%	£5.70m	£7.14m
Sirius Financial (was Policymaster)	SP	£1.45	£21.5m	Loss	1.41	967	56.76%	48.72%	£5.90m	£5.90m
Smartlogik	SP	£0.00	£0.7m	Loss	0.01	2	-50.00%	-87.50%	-£1.10m	-£5.23m
Sopheon	SP	£0.15	£13.6m	Loss	0.90	212	34.09%	-49.14%	£4.23m	-£11.13m
Spring Group	A	£0.60	£89.4m	Loss	0.40	661	0.00%	-23.23%	£0.00m	-£27.00m
Staffware	SP	£4.30	£64.2m	Loss	1.62	1911	-3.37%	28.36%	£0.10m	£16.02m
StatPro Group	SP	£0.34	£10.5m	Loss	1.75	419	-17.28%	-22.09%	-£2.50m	-£3.40m
SurfControl (was JSB)	SP	£5.48	£183.2m	Loss	9.87	2738	-11.34%	11.17%	-£3.00m	£34.70m
Synstar	CS	£0.65	£107.2m	Loss	0.44	391	11.21%	-6.52%	£13.00m	-£4.90m
Systems Union (was Freecom)	SP	£0.90	£92.9m	23.2	1.19	692	-3.74%	7.78%	-£3.60m	£6.80m
Telecity	CS	£0.11	£21.1m	Loss	1.54	14	2.38%	-17.31%	£0.00m	-£5.00m
Telework Systems	SP	£0.19	£33.4m	27.3	1.52	0	-7.50%	-54.32%	-£2.70m	-£39.70m
Terence Chapman Group	CS	£0.23	£16.9m	Loss	0.49	167	-21.05%	-45.12%	-£3.20m	-£12.05m
Tikit Group	CS	£1.14	£13.2m	16.4	1.45	987	-0.87%	-0.87%	-£0.10m	-£0.10m
Torex Group	CS	£7.32	£307.1m	29.7	2.44	14204	-2.92%	0.55%	-£24.70m	-£13.20m
Total Systems	SP	£1.05	£10.9m	11.6	2.82	1972	-15.38%	-19.92%	-£1.90m	-£2.70m
Totalise	CS	£0.05	£3.2m	Loss	0.75	214	0.00%	5.88%	£0.00m	£0.18m
Touchstone Group	SP	£1.22	£12.2m	8.3	1.03	1157	-6.54%	-9.33%	-£0.90m	-£1.30m
Trace Group	SP	£0.77	£11.6m	6.5	0.68	612	8.51%	-19.05%	£0.90m	-£2.80m
Transeda	SP	£0.15	£10.1m	14.0	1.55	290	-4.92%	-40.82%	-£0.50m	-£6.64m
Transware	CS	£0.29	£11.1m	7.4	0.98	368	-21.92%	-36.67%	-£1.90m	-£4.40m
Triad Group	CS	£0.72	£18.2m	5.6	0.34	530	-4.67%	-23.53%	-£0.90m	-£5.60m
Tribal Group	CS	£3.53	£162.1m	43.5	6.62	2136	6.82%	8.46%	£12.90m	£43.70m
Ultima Networks	R	£0.02	£4.3m	Loss	0.61	55	-2.17%	0.00%	£0.00m	£0.00m
Universe Group	SP	£0.32	£9.4m	Loss	0.19	1400	-12.50%	-18.18%	-£1.34m	-£2.04m
Vega Group	CS	£0.78	£14.3m	Loss	0.40	635	-16.22%	-44.64%	-£2.70m	-£11.50m
VI group	SP	£0.24	£5.0m	11.3	0.79	480	2.13%	-20.00%	£0.00m	-£2.57m
Vocalis Group	SP	£0.06	£9.0m	Loss	3.22	66	-16.67%	-10.71%	-£1.37m	£5.80m
Warthog	SP	£0.40	£18.4m	61.5	4.87	930	9.59%	-5.88%	£1.60m	£0.60m
Wealth Management Software	SP	£0.17	£7.1m	Loss	0.59	131	25.93%	9.68%	£1.47m	£0.63m
Xansa (was F.I. Group)	CS	£1.64	£538.3m	Loss	1.36	4192	-29.98%	-53.81%	-£223.50m	-£616.28m
XKO Group	SP	£0.45	£12.2m	Loss	0.31	297	-2.20%	-12.75%	£0.00m	-£1.50m
Xpertise Group	CS	£0.04	£3.3m	Loss	0.55	160	-20.00%	-20.00%	-£0.36m	£1.69m

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TECHMARK HITS ALL TIME LOW

TechMARK was launched at a notional 2000 but had risen to around 2400 by the time of its official launch on 3rd Nov 99. Its high point was in early Mar. 00 when it hit 5700. Before April, it had hit its lowest point (1064) on 21st Sep. 01, i.e. in the aftermath of Sept. 11th. However, on 29th Apr. 02, we saw the TechMARK hit an all time low of 1055.

The worst performing S/ITS sector this month was the computer services/system house sector with an average share price fall of 4.9%. Unusually, the average share price of the ITSAs was up 5.6% but this was boosted by a recovery by **SBS**, which saw its share price fall 43% last month, and increase 105% this month to 22p.

Also putting in a good performance was **Kewill Systems** with an increase in its share price of 127% to 44p after it advised shareholders of a strong final quarter to its financial year. Another significant increase came from **Guardian IT** (up 46%), after it confirmed US-based **SunGard**'s offer for the company.

Terence Chapman's share price was the worst performing this month - down 21% to 23p - following its results announcement. But also falling (by 18% to 119p), despite an upbeat trading statement, was **Anite Group**. Mid-April, there were rumours that **Amey** was preparing to table a bid for the company. Unsurprisingly, this never came to fruition.

TechMARK100 from launch to end Apr. 02

30-Apr-02		
	SCSI Index	**4092.29**
	FTSE IT (SCS) Index	**618.40**
	techMARK 100	**1055.78**
	FTSE 100	5165.60
	FTSE AIM	833.40
SCSI Index =1000 on 15th April 1989	FTSE SmallCap	2571.95

Changes in Indices	SCSI Index	FTSE 100	techMARK 100	FTSE IT SCS Index	FTSE AIM Index	FTSE Small Cap
Month (01/04/02 to 30/04/02)	-2.49%	-2.01%	-12.02%	-14.59%	-0.81%	+1.11%
From 15th Apr 89	+309.23%	+151.54%				
From 1st Jan 90	+344.77%	+118.70%				
From 1st Jan 91	+478.11%	+139.10%				
From 1st Jan 92	+291.66%	+107.20%				
From 1st Jan 93	+156.60%	+81.47%				+85.39%
From 1st Jan 94	+145.11%	+51.11%				+37.63%
From 1st Jan 95	+172.97%	+68.51%				+47.27%
From 1st Jan 96	+81.20%	+40.02%	+33.77%		-12.59%	+32.47%
From 1st Jan 97	+52.84%	+25.42%	+15.43%		-14.62%	+17.81%
From 1st Jan 98	+34.84%	+0.59%	+10.67%	-38.16%	-15.99%	+11.18%
From 1st Jan 99	+3.83%	-12.19%	-27.49%	-57.23%	+3.97%	+24.19%
From 1st Jan 00	-64.32%	-25.46%	-72.06%	-83.37%	-56.88%	-16.97%
From 1st Jan 01	-51.12%	-16.99%	-58.85%	-68.27%	-42.04%	-19.20%
From 1st Jan 02	-14.71%	-0.99%	-28.31%	-26.76%	-7.17%	-0.28%

End Apr 02	Move since 1st Jan 99	Move since 1st Jan 00	Move since 1st Jan 01	Move since 1st Jan 02	Move in Apr 02
System Houses	-11.9%	-65.7%	-53.8%	-16.8%	-4.9%
IT Staff Agencies	-59.2%	-64.5%	-43.5%	2.0%	5.6%
Resellers	28.2%	-38.2%	-18.3%	-9.1%	0.7%
Software Products	56.2%	-62.4%	-72.7%	-12.1%	2.6%
Holway Internet Index	175.1%	-66.5%	-50.8%	-11.0%	-2.4%
Holway SCS Index	3.9%	-64.3%	-51.1%	-14.7%	-2.5%

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