ovum

April 2006

Available by subscription only

ISSN 0967-2583

SYSTEMHOUSE

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

2006: THE STORY SO FAR

Three months into the year, and three months before we publish our next major Market Trends update, now is a good time to take stock of S/ITS market developments in 2006 so far.

All in all, the signs are encouraging for S/ITS suppliers in the UK. We're seeing many of the spending trends that we detected in the second half of 2005 now driving healthy volumes of work. The regulatory burden is helping, especially for the bigger players in financial services, as are the high levels of M&A activity among customers. Mergers are prompting some large-scale reorganisations and creating the need for infrastructure consolidation and renewal. We're also continuing to see a lot of interest around business intelligence and analytics across most private sector verticals.

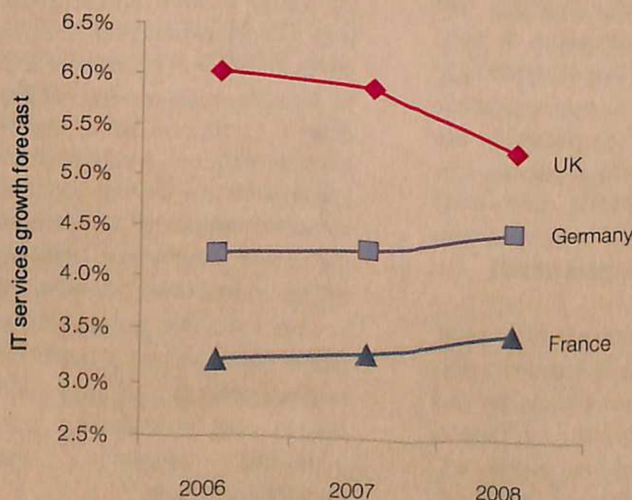
Overall, as we expected, CIOs are opening up the purse strings for initiatives that drive revenue growth, corporate agility, time-to-market and competitive advantage. This return of the 'IT growth agenda' is a significant and positive shift compared to the overriding 'spend to save' approach of two or three years ago.

Keeping the industry busy

These factors are contributing to high levels of utilisation in IT services. Meanwhile, hiring of permanent staff is on the up for quite a few of the players we've spoken to recently. It's the first time since the dotcom crash that we've heard such positive reports on recruitment. And yes we do mean staff both onshore and offshore.

But the demands on the workforce are evolving rapidly. We believe the revival of

UK growth most attractive among major European markets, for now...



Source: Ovum

[continued on page two]

Contents

IN THIS ISSUE

Axon	5
Cobalt	8
CODASciSys	4
Computacenter	7
DRS	6
Horizon	6
K3	9
Lorien	12
Microgen	10
Morse	3
Parity	11
Retail sector	13

OTHER ARTICLES

Recent & forthcoming tech IPOs	15
This month's M&A activity	15
Share prices in March	16
Results service	18
March S/ITS index analysis	20

INDICES
(changes in March 2006)

Ovum S/ITS Index	**+2.4%**	**5281**
FTSE IT (SCS)	**-1.4%**	**583**
techMARK 100	**+1.25%**	**1488**
Nasdaq Comp	**+2.6%**	**2339**

[continued from front page]

the growth agenda in IT is actually helping to accelerate end users' requirements in two key areas: genuinely innovative solutions as opposed to vanilla IT, and deep vertical domain expertise. Without these elements in the mix, particularly onshore, it's hard to help a customer create competitive advantage over other players in its sector. So innovation-minded sector specialists, whether they be in the UK, India or Eastern Europe, should be in demand and gainful employment for some years to come.

Revisiting the forecasts

Given what we are seeing in the market, do we expect to raise our forecasts for 2006 and beyond? In IT services, where we've predicted UK growth of between 5% and 6% from now until 2009, we suspect not. That's largely because, while we can point to a number of positive factors and changing attitudes among end users, CIOs keep telling us that cost containment remains the overarching objective. The fact is that innovative, growth-generating work is being funded by cuts elsewhere and by the use of blended offshore-onshore rates to bring pricing down.

The efficiency versus effectiveness dilemma

There is a real tension at play here. On the one hand, CIOs are being tasked to find and implement initiatives that have a tangible impact on the revenue and market share of the organisation. On the other, they are being told to improve efficiency and reduce IT costs. These two challenges are not necessarily incompatible, but they are putting CIOs and their departments under a lot of strain.

Remuneration is a key issue in this regard. The premium rates paid to the UK's IT workers by default, compared to other professions, are long gone. Big pay rises are a thing of the past too. According to the latest Labour Force Survey, salary rises averaged just 1.7% in 2005 in the (admittedly broad) category of 'IT and related activities'. Any rise this year is likely to be similarly modest. But we are once again demanding innovative, even risk-taking, behaviour from many IT professionals in order to deliver the growth agenda. The answer to driving such behaviour, while controlling costs, is a growing emphasis on performance-related pay. Suppliers can entirely sympathise - they are facing the same tensions, and indeed the same solution.

Software surprises

If our IT services forecasts look about right, the one area where we may have to adjust the projections is the UK software market. That's because we've recently carried out analysis of the major vendors' results globally and found higher than expected growth in 2005, which looks like it should be carried forward. It appears that applications and infrastructure software both did rather better than estimated. We originally had UK growth in 2005 in each segment at 3.5% and 4.5% respectively. We'll look into this topic in more detail in the coming weeks and address it in Market Trends 2006.

Big contracts hard to find

Further evidence for sticking with our IT services projections comes from contract activity in the year so far. All in all, it's been a relatively quiet first quarter, with only a handful of major UK contract announcements. And most of these have been either re-signs (for example CSC renewing Schroders among others) or a switch of supplier (as in Getronics' desktop deal at Barclays). HCL's infrastructure win at Dixons also caught our eye as another sign that the major Indian players are sometimes now able to compete for genuine outsourcing business.

BPO continues to provide a good chunk of the new opportunities, including Rochdale's £200 million outsource to Mouchel Parkman and Agilisys. Meanwhile Capita has been picking up the pace of its signings, not least with a £300 million deal at Zurich. BPO also provided the biggest disappointment, however, in the shape of Walsall's cancellation of its proposed £650 million deal with Fujitsu. We don't think this is a warning of an imminent crisis in the local government market, just an isolated case where the deal stopped being workable because the customer's circumstances changed.

But the UK public sector market, a major driver of growth in our industry in recent years, does face a number of critical challenges. Gordon Brown promised in his Budget speech that government spending is to be reined in from spring 2008, with overall expenditure growth falling to below 2%. Software and IT services suppliers will have a chance to support some of this management of public sector costs (notably through shared services contracts), but across the board department budgets will be under severe pressure. As in other industries, success in the public sector will be a matter of helping clients address the double bind of delivering both increased efficiency and innovative services.

(Phil Codling)

INVESTMENT IN SERVICES IS PAYING OFF AT MORSE

Morse has announced interim results for the six months to 31 December 05. Group revenue has fallen c13% to £187.5m, with turnover from continuing operations dipping c4%. As anticipated, revenue from technology supply and integration continued to decline, however Morse's services capability put in a good performance, growing revenues by 18%. Business consulting was the star, with revenue up 46%. Morse now derives more than half of its turnover from services.

Operating profit before exceptional items rose 29% to £4.1m (up 23% excluding discontinued operations), and PBT increased 135% to £6.1m (61% excluding discontinued operations). Diluted EPS is now 1.1p, compared to 0.6p.

Comment: We caught up with Duncan McIntyre, Chief Executive, to hear more about Morse's ongoing transition from its origins as a reseller to a services-led organisation. The company's evolution into a service-oriented business was accelerated by two key acquisitions in 2004 (management consultancy CSTIM, and SAP consultancy Diagonal). These acquisitions, coupled with ongoing investment are turning Morse into a very, different business. In addition to technology supply and integration, Morse now provides business and management consultancy, and has developed proprietary software and IP (a records and document management product, and mobileATM, a JV with LINK).

Morse Six months to 31st December	H106 £m	% of Revenues	H205 £m	% of Revenues	H105 £m	% of Revenues
Services	98.2	52%	94.6	49%	83.0	43%
Infrastructure	89.3	48%	96.9	51%	111.4	57%
TOTAL	187.5		191.5		194.4	

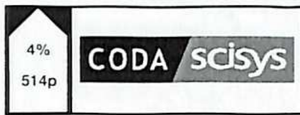
For the first time in its history, the company can now point to the fact that it derives more than half of group revenues from services, compared to 43% in the comparable period. The contribution to the bottom line is even more significant - 64% of gross profit comes from services activities.

With this change come some new challenges for Morse. Not least of which is that it now competes with a different crop of companies for suitably skilled staff. McIntyre commented that the re-emergence of the accounting firms in the management consultancy space has served to increase competition for *"high quality talent"*. At the same time, he notes that these companies are putting pressure on fee rates. Not a sustainable approach to winning new business, but an irritant nonetheless to S/ITS players in the short term.

In business consulting Morse faces different challenges. It is encountering new competitors as it seeks to increase its typical deal size, and (along with everyone else in the industry) is looking to selective global resourcing to reduce costs of sales. Diagonal's established presence in Asia-Pac is proving very useful on this front.

We think the management team deserves credit for steering the company through what is a difficult transition period. There's still work to be done on improving margins, and the Germany operation continues to disappoint, but the foundations are in place for building a successful services-led business.

(Heather Brice)



CODASCISYS KEEPS SHIP STEADY IN 2005

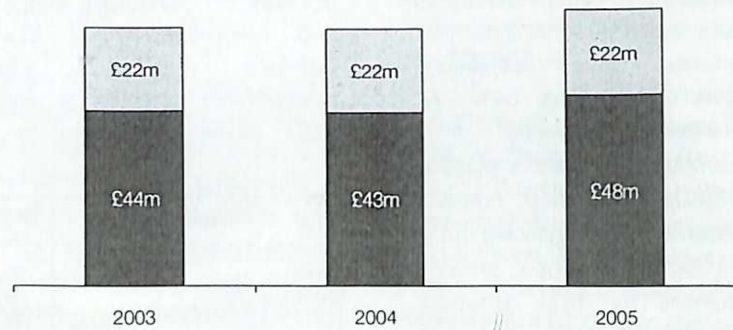
CODASciSys, the software and services company that targets the accounting, space and defence sectors, concluded the year to end December 2005 in good form. Turnover increased 7.4% (boosted by £2.3m from acquisitions) to £73m, while operating profit jumped 33.8% to £10.3m. This produced a margin of 14.0%.

In the CODA financial software business specifically, revenue increased 9.9%, with improved performances across licences, services and maintenance. Acquisitions in France and Sweden helped with growth here. Operating profit margin improved from 16.9% to 20.0%.

In the SciSys defence, space and public sector business, revenues were a little better than flat at £22m, while operating profit margins increased to 9.0% from 8.2%. Revenue from the Business Collaborator and SciSys Commercial businesses grew 17% to £2.9m, with operating profit margins up to £530k (18% margin) from a £179k loss.

Comment: This is a good result for CODASciSys' CEO Graham Steinsberg, who has achieved his aim of bringing the company back to stability, with all the divisions growing and profitable. But this still does not take away from the fact that the company is really two very separate and unrelated businesses. An issue that is made all the more obvious by the fact that it is now time for CODA and SciSys to invest in new growth - but along different lines.

Split of CODA and SciSys revenue 2003 - 2005



Source: Ovum

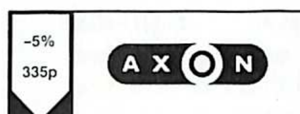
For its part, CODA is looking to Europe, where it recently acquired a number of its distributors that can support new growth on the continent. Part of this involves spreading further into Eastern Europe where there is a burgeoning demand for financial software from businesses in the EU accession countries. The US is also a target market, in particular for the Sarbanes-Oxley compliance software that it acquired in August last year.

SciSys faces a completely different set of challenges. As a small specialist in space and defence technology, the company partners with many of its larger competitors, being too small to offer too much of a threat, but focused enough to add value. Unlike CODA's corporate software market, where revenue can be a bit more predictable, SciSys must invest a lot of resources in what can be a sporadic deal pipeline. 2005 was a perfect example, where focus on three large bids in each of its sectors (FRES in Defence, Galileo in Space, and with the Environment Agency in Public Sector) resulted in the flat revenue profile.

The good news is that having won all three, SciSys can expect a good flow of revenue from each over the next three years. But Steinsberg is aware that SciSys must try to break out of this cycle and therefore is investing around specific relationships such as those with the Environment Agency, where it can build expertise in a specific regulatory area and sell this to other commercial and public sector agencies.

As Steinsberg readily admits, the question hanging over CODASciSys is still *"Do we split up or stay together?"*. Unsurprisingly, he is less forthcoming with an answer, saying that any decision would be based on maximising shareholder value. Like so many mid-size UK S/ITS companies, CODASciSys' challenge over 2006 is to prove what that value is.

(Samad Masood)



AXON COMPLETES A STRONG YEAR

Axon Group plc FYE: 31st December	Turnover £m			*Operating Profit £m			Margin	
	2005	2004	Change	2005	2004	Change	2005	2004
Europe	78.4	55.8	40%	8.5	5.8	48%	10.9%	10.3%
Middle East	4.1	4.1	-2%	-2.5	-0.4	Losses deepen	n/a	n/a
USA	9.5	1.0	884%	1.0	0.2	416%	10.0%	19.1%
Asia Pacific	4.2	1.5	175%	0.6	0.3	135%	14.5%	17.0%
Inter-company sales	-4.4	-2.2	98%	-	-	-	-	-
TOTAL	**91.8**	**60.3**	**52%**	**7.6**	**5.8**	**30%**	**8.2%**	**9.6%**

**operating profit including shared based payments and amortisation of intangible assets on acquisition*

Axon Group, the fast growing SAP integrator, has reported revenue growth of 52% to £91.8m for the year ended 31 December 2005. Operating profit grew 30% to £7.6m, however adjusted operating profit (excluding share based payments and amortisation of intangible assets on acquisition) rose 49% to £9.2m. Profit before tax grew 23% to £8.1m and diluted earnings per share grew 25% to 10.5 pence. Dividend per share increased by 0.5 pence to 3.5 pence.

During the year Axon expanded its presence in the US through the April 2005 acquisition of aerospace and defence specialist Feanix Corporation, and the acquisition of utilities and government specialist TUI Consulting Inc, which completed in January 2006. According to Chairman and Chief Executive Mark Hunter: *"These acquisitions have given us critical mass of over 200 consultants in the US, and we expect continued strong growth during 2006"*.

Comment: Hunter described 2005 as a *"key milestone"* in Axon's journey to become a major provider of business transformation services to the global market. In the UK (which currently accounts for close to three-quarters of group revenues), revenues rose 49% to £66.3m, primarily driven by public sector successes. Growth across the rest of Europe was more modest (c8%), but the outlook is encouraging with Axon reporting growing demand for pan-European rollouts. Total UK and European revenues rose 40%; more impressive was the rise in profits - up 48%.

However things are not all going Axon's way. Things have gone from bad to worse in the Middle East - last year the region made an operating loss of £0.4m on £4.1m revenues. This year losses totalled £2.5m on the same turnover. Axon put that down to a *"difficult trading environment"* coupled with two *"problematic"* client contracts. The decision has been taken, rightly in our view, to restructure operations so that Axon fulfils current client commitments, whilst ceasing to proactively sell new business in the region. In future Axon will use its Middle East consulting resource for global projects.

Turning to the bottom line, gross margin performance was robust, especially in light of the impact of losses in the Middle East. At the group level margins dipped from 28.6% in FY04 to 25.8% in FY05; however, the second half saw an improvement to 26.4%, and we were told to expect continued improvement in the current year.

Key to Axon's profit performance is a close eye on costs and a strong nerve. Offshore is an integral part of the delivery model (Axon has more than 200 people employed doing development, testing and apps management in Kuala Lumpa), and it runs a lean operation. For instance growth in the number of chargeable consultants rose much faster than non-billable support staff, with consultants making up 83% of total numbers. The company is also prepared to walk away from low margin deals, as it did in FY05 when an apps management contract came up for renewal.

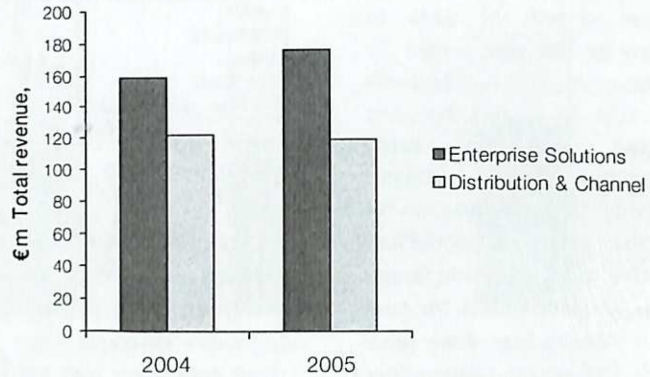
With increased scale and resources, Axon's ambition of taking on £50m+ SAP opportunities looks an achievable goal. Hunter recognises that in order to win prospects of that magnitude the company will need additional resource. He did not rule out a further acquisition in the US, and a partnering strategy is being investigated for local deployment capability across Europe. Hunter was keen to reassure us that such moves would not be at the expense of profitability. Given Axon's track record, we do not doubt him.

(Heather Brice)

HORIZON: SERVICES TO THE RESCUE

Ireland-based SI and reseller Horizon Technology Group plc reported operating profit up 2% to euro7.8m on total revenue that grew by 5% to euro294m. The group's operating margin stayed at 2.7%. Diluted earnings per share were 7.30c (2004: 6.88c).

Horizon revenue by division



Comment: Horizon continues to make a good job of balancing the decline in its traditional resell business with its growing interests in services. The divisional break-outs speak for themselves. Horizon's Distribution and Channel Services Division (which is Ireland's biggest IT VAR) saw revenue fall by 3% to euro119m, with its thin trading profit (basically operating profit excluding some start-up costs and property provisions) down by nearly a quarter to euro1.4m. The UK and Ireland Enterprise Solutions Division also ships a lot of product but it has a growing emphasis on consulting, implementation and support too. Here, revenue grew by 10% to euro176m, and trading profit was up by 13% to euro9.6m. That took the trading margin for ESD up to 5.4%, compared to just 1.1% from the pure distribution side of Horizon.

Life won't be easy for Horizon in 2006, and the company's modest outlook for the year ahead no doubt accounts for stock's weak performance so far this year. Pressure will continue on pricing in its core resell activities, and raising margins here looks challenging, despite the company's ongoing cost containment initiatives. Compared to some resellers, however, Horizon is in a relatively strong position. Its emphasis on higher-end software from the likes of BMC, EMC and Veritas means it escapes much of the most ferocious price competition in the lower-end and hardware market. This emphasis also provides Horizon with a natural springboard into the UK and Ireland services market, albeit a highly competitive and price pressured one in itself.

(Phil Codling)

DRS FACED A CHALLENGING YEAR IN FY05

DRS Data & Research Services, provider of electronic marking products and services to the UK education sector and e-counting and election services worldwide, has announced results for the 12 months ended 31 December 05. Revenue was down c14% to £12.5m, and profits were almost wiped out (£17K compared to £437K in FY04). The impact of tax charges took EPS negative, with DRS reporting a loss per share of 0.02p compared to 1.29p in the previous year.

Comment: By its own admission, FY05 was a *"challenging"* year for DRS. As expected, revenue was significantly lower than in 2004, which included c£4m from the Greater London Authority election project. Election work was undertaken for Argyll & Bute and for five London boroughs during 2005, however revenue generated did not match the contribution from the GLA project. Lower turnover, coupled with investment in new products and services, meant that profits were virtually wiped out.

However, FY05 proved to be a good year for DRS in establishing its e-Marker product, and

[continued on page seven]

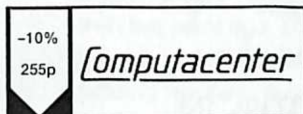
[continued from page six]

associated services. A partnership with the examining body AQA, saw DRS' technology being used for marking the 2005 GCSE examinations. Although "*substantial investment*" is still required to develop e-Marker, it is now generating significant revenue. Other highlights within education included the introduction of new services into the schools market (such as admissions), and the first overseas customer for e-Marker (in Australia).

FY06 has got off to a good start, with DRS being awarded a contract with the Scottish Executive in February to supply e-counting technology for the local elections in 2007. The revenue potential from this project is expected to be greater than the GLA project in FY04. DRS has also secured contracts to support the UK local elections in May 06, and is bidding for the GLA 2008 and London Mayor elections.

DRS Data & Research Services Year ended 31st December	FY05 £m	FY04 £m	Change
Software and services	4.2	3.2	30.6%
Print	4.5	5.2	-14.0%
Scanning equipment	3.7	6.0	-37.2%
TOTAL	**12.5**	**14.4**	**-13.6%**

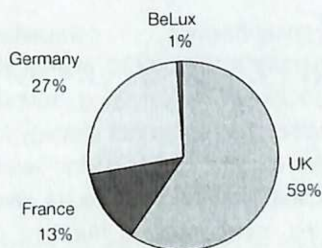
This is all good stuff, however we have a number of concerns. Even if it returns to double-digit growth, and profitability, in FY06, DRS lacks the scale of many rival S/ITS companies operating in its target markets (such as RM in education, and Pearson in local and central government). Ongoing investment in products weighs heavily on a company of this size, and DRS remains vulnerable to the timing of one-off contracts arising from elections. And whilst we commend the c31% growth in revenue from software and services in FY05, S/ITS activities continue to be loss-making. For the time being at least, DRS is relying on the provision of scanning equipment and print services, whilst it builds its S/ITS capability - we hope to see this resolved in FY06.
(Heather Brice)



M&A MOVES UP THE COMPUTACENTER AGENDA

Following Computacenter's release of its results for the year to end December 2005 (the first year it has reported under IFRS), we gleaned a little more detail from the management during a session for analysts. As ever, CEO Mike Norris was very frank and informative in his review of the company's performance. Without doubt, it's been a disappointing year. In 2005, the company saw revenues decline 5.2% to £2.29bn, while operating margin declined from 2.7% to 1.2% - due to a poor performance in France and a 7.2% decline in product sales. Across the geographies, UK saw revenues decline 5.7% to £1.35bn, while margin slipped from 4.5% to 2.4%. In Germany, revenues also declined 5.7%, while operating margin declined from 1.4% to 0.8% (partly due to increased overheads). The French

Computacenter revenue mix by geography
Total FY05 = £2.29bn



business continues to struggle, with sales down 1.5% and losses deepening from £6.7m to £9.3m.

The company is set to return £75m to shareholders in Q2 - and indeed plans to return more cash in the future.

As for 2006 so far, trading in the first two months is below the previous year.

Comment: Tough times, then, for Computacenter. On the product business, lower vendor rebates impacted on gross profits by £27.0m. The services business did better during the year - it grew 2.3% to £527.2m. Growth in the UK business (which accounts for 51.0% of total services revenue) was just 0.9% - to £267.3m. This means that 20% of Computacenter's total revenues comes from sales of services.

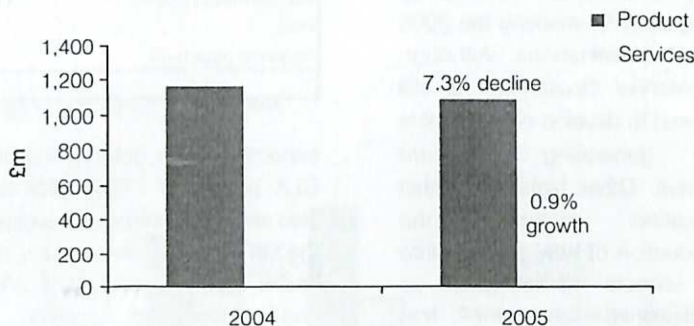
There are no particularly new issues here. Shrinking products prices (with PCs not surprisingly suffering the most) continue to pressurise the resale business. Meanwhile, the services business is still suffering from the reduction in value of contracts, which of course is an industry-wide phenomenon.

[continued on page eight]

[continued from page seven]

On top of these ongoing challenges, Mike Norris and team will be particularly concerned about the looming renewal of its desktop contract with BT. Not only is this sizeable in terms of revenue, it's also significantly profitable. It is due to end in March 2007.

Of course, the other headache (migraine, even!) is the loss-making situation in France. This business has been in the red since the start of 2003 and we'll have to wait until 2007 before it even approaches break-even. Notably, France is run fairly autonomously - in other words, having a French operation is not intrinsically important for the group strategy. Taking that to its logical conclusion, it wouldn't be completely outrageous to imagine its sale following its recovery.



We've suggested for some time now that the only realistic way for Computacenter to boost services revenues significantly is via acquisition. The company has now said that it's looking into the possibility of bolt-on purchases. The trend in the product business around declining revenues is really just a fact of life now. In other words, Computacenter is very reliant on the future performance of its services business for its overall well being. With that in mind, acquiring sooner rather than later would be advisable. Of course, the only issue there is that for now management will be focusing their attention on winning the renewal of the BT contract.

(Kate Hanaghan)

PRIVATE SECTOR INVESTMENT FALLS 10% IN 2005

Cobalt Corporate Finance, the London-based technology funding and M&A advisors, released their latest figures for private investment in the UK and Ireland technology sectors earlier this year, revealing a 10% decline in total investment over 2005.

Over the second half of 2005, Cobalt tracked £199m worth of private investments in 55 technology companies, compared with £235m invested in 50 companies in the second half of 2004. For the full year, investment was £446m in 110 companies, compared with £497m in 100 companies in 2004.

An interesting trend over 2005 was the resurgence in venture capital-backed companies turning to the public market for additional fund-raising rounds rather than as an exit strategy for its owners. Paddy McCGwire, Cobalt's Managing Director said, *'It's clear that a number of companies that ordinarily would have raised private money instead chose to IPO. There may be several reasons behind this but valuation is certainly a key one. The premium that the public market attributes can be very appealing although going public as an early stage technology company can have its drawbacks too.'*

Comment: Although the headline figures show a decline for investment value over 2005, this can be misleading. Firstly, the VC market has looked more stable and consistent over the past three years than in the four years before that, (between 2000 and 2003), when the total value invested fell by more than half each year. Secondly, with the current volume of deals in the market, a single large investment in a company one year can skew the trend lines significantly and is often the reason behind sharp rises and falls in VC funding trends these days.

Finally, VC investments are cyclical and dependent on the maturity of their portfolio. For example, VCs might make small initial fundings in hot start-ups to get them off the ground and provide proof of concept, following these up with a larger

[continued on page nine]

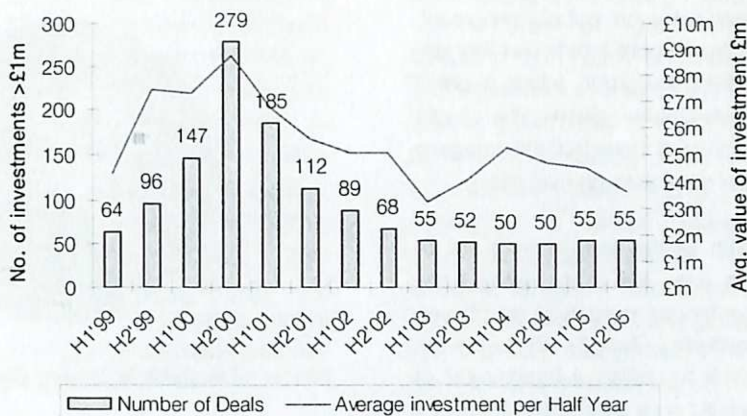
[continued from page eight]

second rounds in later years to invest in marketing or further technology development. For this reason it is best not to judge the overall mood from the headline investment numbers.

But we can dig deeper. For example, analysing the proportion of deals that are non-syndicated (where a funding round is supported by a single VC) shows that confidence is returning to the sector. The proportion of non-syndicated deals grew to 37% of the total over 2005 - the highest it has been since 2001, and a strong indication that VCs are less averse to taking all the risk of new technology firms on their own shoulders.

Then again, the other explanation is that technology start-ups present a much lower risk profile than five years ago. The growth in the use of IPOs as additional funding rounds suggests that there are growing numbers of technology start-ups with too low a risk profile to be of interest to VCs that typically are looking for

Private equity trends: number and average value of investments



Source: Cobalt Corporate Finance

high-risk and therefore high-return propositions. This could be a reflection of the improving health of the S/ITS market - after all the past few years have seen all S/ITS businesses divest non-core assets and focus on profits and cash generation. Perhaps today's start-ups have learnt to avoid the mistakes of the dot.com era and are being more careful with the risks they take.

Overall, the message is of stability - we expect the value of private investment in this sector to remain at around £450m annually going forward. This new 2005 data also suggests that the number of tech companies receiving investment is also stabilising at around 100. With average investment at £4m in 2005, we are a way off from the £8m peak in 2000, and are almost certainly in the nadir of VC investment. The question is: when is the next boom, and what will drive it?

(Samad Masood)

NEW K3 EMERGES AS £22M REVENUE BUSINESS

K3 Business Technology Group, the AIM-listed provider of Microsoft-based retail, distribution and manufacturing software, has more than doubled its revenue to £22m over 2005. Operating profit (before amortisation of intangibles and goodwill) quadrupled to £2.4m, representing a 10% margin compared to 7% last year.

Operating profit, after goodwill and intangible costs of £1.7m, came in at £656k, up from a £33k loss last year. However, profits before tax were significantly lower at £279k, down from the £1.2m reported in 2004 thanks to profit on the sale of its Crewe-based Enterprise Systems Division in March that year.

After tax, K3 actually made a net loss of £214k, compared to a £1.1m net profit in 2004. K3 will not be issuing a dividend this year. Shares in the company rose almost 4% to 105p in morning trading, and the company is currently looking a bit under-valued with a market cap around £18m.

Comment: Although this is a strong result from K3, growth has been boosted quite a bit by acquisitions - namely the full year contributions of retail software company Alpha Landsteiner (now K3 Landsteiner) and warehousing software company PSE (now K3 Euclid), as well as the £3.6m half-year contribution of manufacturing software business IEG.

The timing of these acquisitions has meant that K3 has not split out the organic growth that each of its

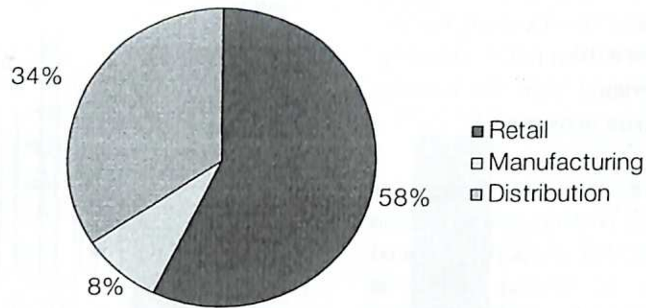
[continued on page ten]

[continued from page nine]

acquired and existing business units achieved, but our very rough estimate puts it between 7% and 8% for the group, which is pretty respectable given the rapid change of focus that the company has gone through over 2005.

With all the restructuring out of the way, K3 is emerging as a contender in each of its chosen markets. Overall, K3 looks on track to deliver a healthy set of results over 2006, supported by continuing strong growth in the Retail sector and a recent IEG win with Doncaster Group, which K3 claims will *"underpin business performance"* for the

Split of K3 business by division



Source: K3 Business Technology Group

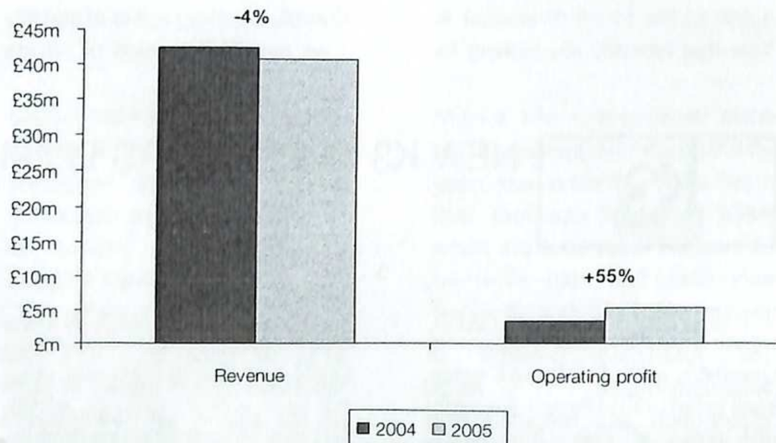
Manufacturing division over 2006. Unfortunately the Distribution division did not have a good start to the year, although things improved mid-year after a management reshuffle. This business is currently a drag on profits and K3 needs to get it into shape.

(Samad Masood)

MICROGEN PROFITS UP - REVENUE FALLING

Microgen, the software, services and consultancy firm, has boosted full year operating profits by 55% to £5.2m, on total revenue that declined 4% to £40.8m, resulting in a margin of 13%, up from 8% last year. Organic revenue shrank by 11% to £37.8m, but on this basis (i.e excluding losses from acquisitions), the margin would have been 17%. Profit before tax for the year ended 31 December 2005 was up 47% to £5.5m, with basic earnings per share up 35% to 4.2p.

Microgen revenue and operating profit comparison 2004 - 2005



Source: Microgen

Overall, the Financial Services (FS) division grew revenue by 10% to £25m, while Commercial division revenue fell 20% to £16m. This broke down by product and service type as follows:

- The strongest growth was seen in Microgen's Software business, up 24% to £22m. The growth was due solely to the 39% increase in FS division software revenue to £20m. Commercial Software revenue fell 3.7% to £2m.

- Managed services revenue fell 6.6% overall to £10m, with Commercial revenue falling 8.2% to £8.7m and FS growing by 3% to £1.7m.

- General consultancy revenues fell 37%, with FS revenue falling 44% to £3.9m and Commercial revenue falling by 30% to £4.9m.

Comment: This year has been all about profitability for Microgen, and the company has shown once again that an aggressive acquisition strategy does not have to result in a drag on the

[continued on page eleven]

[continued from page ten]

bottom line. But Microgen's impressive margins have come at the cost of top line growth. The company is ruthless in divesting itself of any low-margin revenue streams that come attached to its acquired businesses - and that is one reason why overall revenue has declined in a year in which Microgen spent £8m on three acquisitions.

Of course, profits do please investors. But to really convince the markets that it is set on the long term, Microgen has to prove it can grow the business organically over the coming two years - and it knows it. Research and development expenditure was boosted by 46% to just over £6m over 2005, in order to prepare Microgen's software portfolio for a big sales push in 2006. The company also recently employed two new MDs to take charge of the Banking and Commercial businesses, while pumping more investment around sales and marketing.

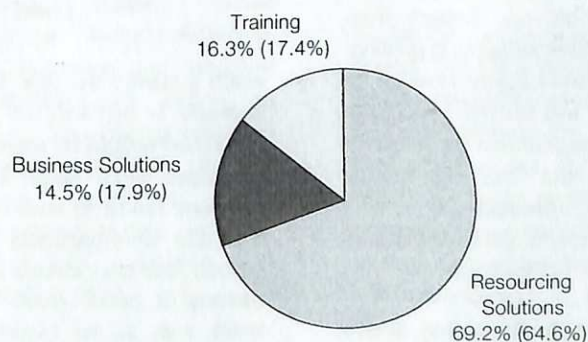
All this investment could all put a strain on Microgen's margin looking forward. But the Board is still targeting an operating margin *"in the order of 15%"*, while balancing short-term profitability with investment in organic and in-organic growth. Key to this is the company's increasing focus on software-led sales, and a decrease in lower margin *"commodity consulting"*. But software-focused companies increasingly need scale and global reach to drive their products into the market, and for this reason we also expect Microgen to continue to target acquisitions to expand its business further.
(Samad Masood)

PARITY'S NEW CEO 'CAUTIOUSLY OPTIMISTIC'

Following a dismal few years, Parity has been put through its paces with a restructuring programme driven by Exec Chairman John Hughes. More recently, the company gained a new CEO (Alwyn Welch, ex-Unisys) and a new FD (Joe Kelly, from within the company).

Parity: FY05 business mix

Total revenue = £138.5m (£132.5m)



Following the company's results, which we commented on in Hotnews, we caught up with Welch. Many of you will know him from his days as MD of Unisys. Before that he was at Capgemini, and before that he was at Hoskyns. Welch is putting in place a 'rigorous' forecasting model, which he first got to grips with during his time with Hoskyns. This, he claims, will give good revenue visibility into the coming months. In addition, Welch is confident that it will move up to an operating margin of 4.0-5.0% in the resourcing business in the medium term. The Resourcing business is showing signs of improvement. It's growing at 12.0% and gross margins are up. Parity is mainly focused on providing higher end skills, such as solutions architect and project managers, rather than helpdesk workers, for example. And it's seeing good demand for these skills. It's also seen a 'hardening of pricing' and now finds itself in a position where it can walk away from business it considers to be too low margin. All of this has contributed to the improving signs.

So behind the scenes, there are some positives and some good work being done. However, the mood at Parity is restrained. This, after all, is still a loss-making company with the shadow from a period when it 'overwhelmingly under-achieved' still cast heavily across it. Until profits are restored, no one can relax. The slimmed down group deserves credit for the restructuring work it has done (e.g. cost cutting, property reduction). We also think its re-

[continued on page twelve]

[continued from page eleven]

focus on the UK, following the disposal of businesses in the US and Europe, is absolutely right. But all of this work has come at a price, and net debt now stands at £19.1m - hence the placing it announced alongside its results announcement. As well as clearing the debt, the placing also means the Group's interest charge will be reduced, which will provide additional working capital.

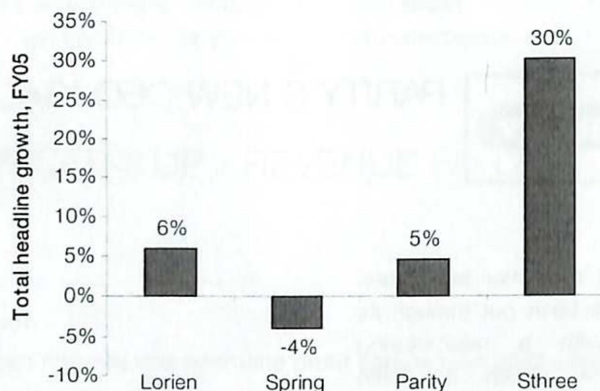
By the time Parity reaches the interim point, we think it MUST show that all of the changes that have been going on are starting to filter through to the bottom line. This is a crucial period, and there is no doubt the pressure is on Welch to ensure Parity gets out of the red quickly.

(Kate Hanaghan)

LORIEN: A YEAR OF TWO HALVES

IT staff agency Lorien plc announced its results for the year to November 2005. Total turnover was up 6% to £129m. Operating profit from continuing operations was £470,000 (FY04: operating profit of £1.25m). That's an FY05 operating margin of just 0.4%. Lorien made a tiny profit before tax of £34,000 (FY04: PBT of £1.15m) and a loss per share of 0.1p (FY04: earnings per share of 6.9p).

Mixed fortunes: growth at leading ITSAs



Taking the recruitment business as a whole (as distinct from Lorien's other interests in printing, research and training), revenue for the year was up 8% at £113m. Recruitment remains profitable for Lorien - but *"not significantly profitable"*, management tell us - while the rest of the business is at least now 'not losing money".

Comment: It was a year of two halves for Lorien. The first six months of FY05 were dominated by approaches from a potential buyer. Until management was able in May to tell the market and, perhaps most importantly, its own staff that the take-over talks had been terminated, the businesses clearly suffered from a lot of uncertainty.

The second half is traditionally stronger for Lorien, but there's evidence that the company managed to undo the damage done in H1 and at least crawl its way back to the position from which it started the year. Loss of business in the first half meant Lorien saw about £1m wiped off its annualised gross margin. But the company seems to have plugged that gap with contracts in the second half and indeed is now running at better gross margin levels than at the beginning of FY05. So we'd expect gross margin in the first half of FY06 to be better than the 12% reported for FY05 as a whole. Wins since the close of the year also support the case for increased optimism, with Lorien highlighting two new contracts that combined should add at least £6m in annual revenue. It also claims an improving pipeline, including at least one large opportunity in long-term activities that it is calling, like a lot of ITSAs these days, 'recruitment process outsourcing'.

Going forward, growth will be the key to Lorien's profitability. It believes it can keep central costs in check and thus add to its margins as it grows. Its recent record here is promising, as administration costs fell slightly from 12.0% of revenue in FY 2004 to 11.6% in FY 2005. The problem for Lorien is that growing rapidly is difficult in a tough ITSA market, where very few players (SThree is clearly one) are returning significant growth. Another way of adding scale and profitability is of course acquisitions. But we don't think Lorien is yet in a position to hit the M&A trail. That said, the company has done a fair job of patching itself up following the disappointments of the first half, and is at least still growing (something that can't be said of all the UK's leading ITSAs at present).

(Phil Codling)

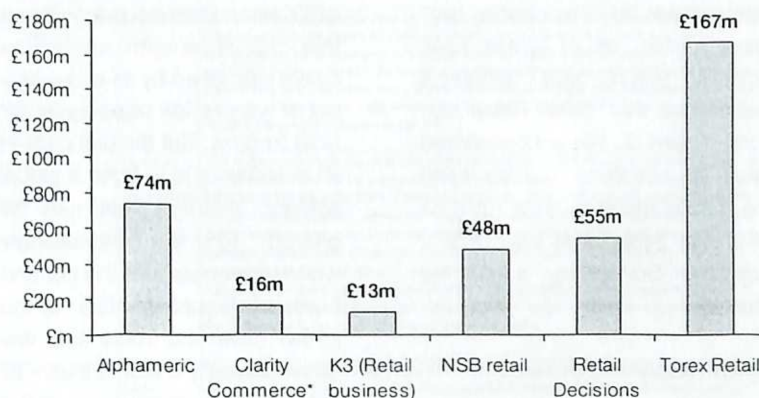
RETAIL SECTOR HEATS UP

The retail software market has entered a key period in its evolution, with industry-wide consolidation being driven by two factors: the increasing globalisation of the retail industry, and the recent entrance of ERP majors on both sides of the Atlantic - namely Oracle's purchase of Retek and 360 Commerce, and SAP buying Canada's Triversity.

This has had a knock on effect in the UK's fragmented market, with Torex Retail leading the M&A charge, followed by companies such as K3 Business Technology Group (see separate results story), Retail Decisions, ERP-player Sanderson, and most recently Clarity Commerce, which bought Fareham-based MATRA in March. Clearly the fight to be the world's leading supplier of retail software has well and truly begun.

Many UK retail players reported their full year results for the year ended 31 December 2005 over the past month, and as 2006 will be a key year for all of them, we outline our views of their prospects, and challenges below:

Revenue comparison of publicly listed UK retail software players: FYE 31 December 2005



**FYE 31 March 2005*
Source: Company accounts

Torex Retail

Acquisitions over 2005 contributed to £79m in revenue for Torex Retail - helping it boost its top line by 133% year-on-year to £167m. Organic growth was around 13% (based on revenue from the "core business" at the time of IPO in March 2004), and 15% on a pro forma basis (including 12 months of revenue from companies acquired in 2004).

Operating profit, before exceptional items, employee share schemes and goodwill amortisation, was £28m, up 120% on the previous year and representing a 17% margin. However, acquisition costs dragged basic losses per share down to 5.4p, compared to a 3.0p profit in 2005.

Comment: It is clear Torex Retail doesn't like to do things by halves. Having spent the past two years in non-stop acquisition mode, the company is now switching focus to integrating all of its many different (and in some cases overlapping) software products on a pretty ambitious timeline. CTO Ed Dayan claims that the resulting new front and back office platforms - Enterprise Portal and Enterprise Connector - could be ready by the end of this year. (These two new platforms will not be replacing any of the company's' existing products).

So far the strategy seems pretty sound. The company is targeting its extensive range of products at mid-size retailers (the "volume-end" of the market, and a rung or two below Tesco and M&S). The portfolio now spans point-of-sale, through to merchandise planning and warehousing to the back-office, and it sells into an equally broad range of market segments: grocery, fashion, leisure and hospitality, petrol stations, pharmacies - to name just a few. Although not every customer will want everything, Torex Retail's pitch is that its experiences in one retail sector and application set can be applied to the tools it sells in another.

But Torex Retail still has a long way to go to deliver on this strategy, and this will be a big

[continued on page fourteen]

[continued from page thirteen]

challenge. Not only does it have to manage a complex technical integration and upgrade cycle for multiple products, it also must keep the sales teams tightly aligned to this rapidly evolving product set. Moreover, any slip could mean losing precious ground to Torex Retail's much larger rivals such as Oracle, SAP and Fujitsu, all of which have global reach and technical resources that Torex Retail can only dream of. We are concerned that the company may be trying to do too much at once - but as we said earlier, it is clear that it doesn't like doing things by halves.

NSB Retail

The Canadian headquartered AIM-listed software company reported results for the year ended 31 December 2005. Operating profit grew 60% to £9.8m on revenue up 6.6% to £48m - representing a 20% margin, up from 14% last year. Profit before tax was up 57% to £10m, and basic earnings per share were 4.17p, up 1.7% on last year.

Comment: To date, NSB Retail's business model has been to focus on North America, while using BT as a partner to target the UK - and this has clearly produced strong bottom line results. BT's retail division, Expedite, tripled its contribution to NSB's software licence revenues over the year - adding £1.1m. Services and support revenue from BT grew 14% to £586k. UK client wins over the year included Halfords, Oasis, Thomas Pink, Arcadia, C&A, and Sports World International. All in all, the UK now represents 6% of revenue for NSB - but this does not reflect the total revenue that Expedite generates for itself by using NSB's products.

NSB sees itself as a comparatively mature player, with CEO Nikki Beckett pointing out that the short-term integration challenges faced by its acquisitive peers will provide opportunity for NSB to grow. But the real prize in retail software is to build a global solution platform that can be offered to the increasingly worldwide retailers of the US and Europe. Arguably, NSB is no further down that route than any other. Currently it seems that NSB will use the partnership model it developed with BT in the UK to push across Europe, with the assistance of Microsoft on which all its products are based.

Retail Decisions

Acquisitions by Retail Decisions (ReD), a retail card operator and payments processor, helped grow headline revenue by 72% to £55m for the year ended 31 December 2005, with adjusted operating profit (excluding the effect of intangible amortisation, exceptionals and goodwill) up 18% to £8.8m. Profit before tax increased 31% to £8.0m, and diluted earnings per share were up 27% to 8.84p. Excluding the effect of acquisitions revenue fell 5% to £30m, with profit before tax up 19% to £7.3m.

Comment: As expected, the acquisition of Fuelserv in October last year has completely changed the makeup of Retail Decisions' business, helping it move further away from the declining "Card Present" fraud prevention by growing its card issuing business.

Card issuing now accounts for 90% of operating profits and 74% of revenue, half of which now comes from Fuelserv. But we should be cautious here. Of the £24m additional revenue from Fuelserv, £23m is from the purchase of fuel (which the company re-sells). Adjusting for this, the company's net revenue only grew 1% to £32.1m.

As expected, 'legacy' Card Present revenue declined by 32% to £5.5m due mainly to the UK roll-out of chip & pin which reduces the value of ReD's offering here. But a real concern is that revenue from the "Card Not Present" (CNP) segment, where ReD is placing most of its hopes for the future of the Fraud prevention business, fell 9% to £8.9m - due mainly to a 31% decline in revenue from payments made over fixed telephone lines.

ReD has taken its first steps in re-balancing the business towards the faster growing card issuing business. The acquisition of Fuelserv is the beginning of a long-term re-positioning, rather than an immediate panacea that some might have hoped for. Although Retail Decisions is not the classic "EPOS" software supplier, its services are relevant to two interesting niches: online and petroleum retailers - both rapidly growing sectors in which other retail players will increasingly have an interest.
(Samad Masood)

Mergers & Acquisitions

Buyer	Seller	Seller Description	Acquiring	Price	Comment
Acribe	Barwick Systems Ltd	Patient administration system supplier	100%	£2.0m in cash	Flush from the success of its first four acquisitions, Ascribe shows no sign of leaving the acquisition trail. Barwick Systems is the latest small, private UK healthcare software supplier that Ascribe has purchased. At first sight, the acquisition will no doubt raise some eyebrows. Firstly, patient administration systems are set for replacement by NPfIT systems and despite delays at the programme the medium-term opportunities for a small supplier like Barwick seem slim. Secondly, £2m cash for a company with a turnover of c£800K in 2006 seems on the high side. However it assures us that it could justify the acquisition just on a discounted cash-flow basis from the maintenance revenues at Barwick. And, despite the claims in the press release about 'a strategic move in the PAS market', we get the impression that this acquisition was more about owning the customer (Barwick has 13 hospitals as customers) and cross-selling Ascribe's other products.
Atos Euronext Market Solutions	Coexis	UK provider of specialist financial-services software	Has taken a 19.5% stake	$49m in cash	Why should an outsourcer take an equity stake in a niche software house? Because intellectual property (such as software packages) is a key asset - and potentially a differentiator - for outsourcers with pretensions to supply value-added services beyond "lift and shift". Deployment of high-quality proprietary software can add significant value to an outsourcing deal - for client and supplier alike. And as outsourcers get closer to the core business of their clients, they need to become highly specialised not just in vertical sub-sectors but in business processes too.
Clarity	MATRA Systems	Fareham-based retail technology company	100%	£2.5m in cash and up to £0.5m in shares	This is a key period in the evolution of the retail systems market, and companies such as Clarity could live or die by the strategic decisions they take this year. That is why ultimately the price is not the point here. These two relatively small players need each other in this rapidly evolving industry, where the recent entrance of ERP players such as Oracle and SAP is encouraging consolidation amongst the fragmented point-of-sale and related retail software players. Both companies have established businesses in providing ticketing systems, while MATRA will also give Clarity Commerce exposure to the large US market, as well as to the rapidly 'globalising' retail grocer and department store segment. Overall, it seems Clarity will be able to target a much broader range of retail sub-segments by the time the acquisition is expected to close at the end of April.
Computer Software Group	Care Business Solutions Limited	Focused on the not-for-profit sector	100%	£2.8m in cash	CS Group's strategy to consolidate software businesses in three niche markets - IBM iSeries business solutions; not-for-profit; and field service management - seems to be paying off. The company doubled its revenue in the first half of the year and now its full year EBITA is expected to do the same. CEO Vin Murria now tells us her objective is to turn the company into a £100m revenue business over the next two to three years.
Misys	NEOMAlogic	NEOMAlogic is headquartered in Paris, and its main product is its Global Trade Portal, which it sells to international departments in banks.	100%	euro12m in cash (about £8.3m)	This looks a classic cross-sell product. NEOMAlogic's customers already include BNP Paribas, Societe Generale and Lloyds TSB. We're sure Misys Banking Systems will soon be knocking on the door of other existing customers to sell it to them.
Montagu Private Equity Ltd	Misys	Software provider	Sales of General Insurance business only	£182m in cash	There seems to be a lot of excitement over the price achieved for the General Insurance Business. Though it's a small business (turning over just £16m in the half year to 30 November 2005) and has no growth (revenues were flat year on year) it had an operating profit of £7m - or 46% (up from 44% in the comparable period in 2004). Small but very profitable - nice!

Recent IPOs

Name	Activity	Index Class	Market	Issue Price	Market Cap.	IPO Date	Price end Mar 06	Change since IPO
Work Group	Recruitment services	A	AIM	81p	£20m	01-Mar-06	84p	4%
Sinosoft	Software and SI services for Chinese market	CS	AIM	22p	£55m	06-Mar-06	26p	20%
Cohort Plc	Technical consultant to defence sector	CS	AIM	123p	£27m	08-Mar-06	146p	19%
Netservices Plc	Business network services	CS	AIM	71p	£21m	08-Mar-06	80p	12%
Sandvine Corp	Broadband technology	SP	AIM	75p	£86m	21-Mar-06	112p	49%

Forthcoming IPOs

Name	Activity	Index Class	Market	Est Issue Price	Est Mkt Cap.	IPO Date
Twenty plc	Marketing services and CRM	O	AIM	n/a	n/a	05-Apr-06

UK software and IT services share prices and market capitalisation - March 2006

	SCS Cat.	Share Price 31-Mar-06	Capitalisation 31-Mar-06	Historic P/E	PSR Ratio Cap./Rev.	S/ITS Index 31-Mar-06	Share price move since 28-Feb-06	Share price % move in 2006	Capitalisation move since 28-Feb-06
Alphameric	SP	0.85	102.53	16.0	1.40	389.91	-7%	-5%	-£7.24m
Alterian	SP	1.18	47.77	31.7	6.12	587.50	-5%	-11%	-£2.64m
Anite Group	CS	0.81	281.66	67.1	1.49	470.76	8%	18%	£22.00m
Ascribe	SP	0.34	36.65		6.85	1,802.63	4%	-2%	£1.34m
Atlantic Global	SP	0.20	4.47		2.09	661.02	8%	-9%	£0.34m
Autonomy Corporation	SP	4.88	872.26	101.9	15.91	148.81	2%	25%	£13.42m
Aveva Group	SP	10.91	238.97	39.0	4.15	5,455.00	6%	17%	£14.24m
Axon Group	CS	3.35	193.84	29.9	2.11	1,914.29	-5%	22%	-£7.54m
Bond International	SP	1.16	29.14	14.4	2.09	1,776.92	18%	17%	£4.54m
Brady	SP	0.21	5.29		2.18	253.09	-5%	-35%	-£0.26m
Business Systems	CS	0.12	9.77	10.7	0.33	98.74	-2%	-31%	-£0.33m
Capita Group	CS	4.60	2902.45	28.2	2.02	124,212.15	-3%	10%	-£177.89m
Centrom	CS	0.03	6.03		0.96	562.50	-27%	-25%	-£2.23m
Charteris	CS	0.31	13.33	23.8	0.69	344.44	-3%	-14%	-£0.43m
Chelford Group	CS	2.99	21.22	31.2	1.79	51,912.95	13%	23%	£2.38m
Civica	CS	2.58	159.31	214.8	1.50	1,472.47	5%	3%	£5.98m
Clarity Commerce	SP	0.67	10.68	26.8	0.80	536.00	1%	-12%	£0.08m
Clinical Computing	SP	0.06	1.73		0.99	44.35	16%	-45%	£0.24m
CODASciSys	CS	5.14	130.61	20.8	1.79	3,980.62	4%	23%	£5.26m
Compel Group	CS	0.88	29.09	27.3	0.46	700.00	8%	-2%	£2.00m
Computacenter	R	2.55	485.38	23.4	0.21	380.60	-10%	0%	-£54.44m
Computer Software Group	SP	0.84	47.70	20.8	3.39	714.89	5%	26%	£2.74m
Cornwell Management Consultants	CS	1.03	18.05	16.0	1.02	736.09	4%	38%	£0.62m
Corpora	SP	0.10	9.41		18.87	250.00	-3%	-22%	-£0.01m
DCS Group	CS	0.23	7.03		0.13	379.17	69%	112%	£2.86m
Dealogic	SP	1.54	109.77	12.0	3.54	669.56	1%	4%	£1.08m
Delcam	SP	3.41	20.79	10.6	0.87	1,311.54	12%	3%	£2.19m
Detica	CS	12.55	280.53	34.1	4.00	3,137.50	-3%	4%	-£9.39m
Dicom Group	R	2.23	193.93	34.0	1.08	684.40	-10%	7%	-£19.81m
Dimension Data	R	0.55	736.54	72.9	0.53	96.80	13%	36%	£84.75m
DRS Data & Research	SP	0.38	12.26		0.98	340.91	0%	0%	£0.00m
Electronic Data Processing	SP	0.62	12.36		1.77	1,898.35	-2%	-7%	-£1.51m
FDM Group	A	0.81	18.69		0.57	987.73	7%	-4%	£1.16m
Ffastfill	SP	0.04	9.71		3.66	33.33	-6%	3%	-£0.61m
Financial Objects	CS	0.42	18.21		1.31	180.43	1%	5%	£1.65m
Flomerics Group	SP	1.13	0.28		0.02	4,346.15	20%	30%	£0.05m
Focus Solutions Group	CS	0.20	5.73	22.2	1.05	102.56	3%	-5%	£0.14m
GB Group	CS	0.34	27.91		2.48	220.91	10%	1%	£2.65m
Gladstone	SP	0.24	12.16	28.0	1.59	587.50	19%	0%	£1.94m
Glotel	A	0.85	32.98	14.7	0.36	441.56	-2%	3%	-£0.66m
Gresham Computing	CS	0.92	46.24		3.73	983.87	-7%	13%	-£3.41m
Group NBT	CS	1.35	26.25	15.5	2.33	672.50	3%	17%	£0.88m
Harvey Nash Group	A	0.69	4.10	1.4	0.03	391.43	29%	54%	-£0.32m
Highams Systems Services	A	0.03	0.96		0.07	83.33	-8%	-4%	-£0.08m
Horizon Technology	CS	0.75	60.02	14.3	0.31	273.98	-10%	-11%	-£9.95m
I S Solutions	CS	1.70	67.80	30.3	4.34	1,111.48	1%	1156%	£0.80m
IBS OPENSystems	CS	0.14	3.35		0.61	503.08	2%	-92%	£0.06m
ICM Computer Group	CS	3.15	66.11	20.5	0.85	1,750.00	3%	-6%	£1.89m
IDOX	SP	0.13	23.81	15.0	2.49	16.36	0%	-11%	£0.00m
In Technology	CS	0.41	57.15		0.20	1,620.00	35%	27%	£14.82m
Innovation Group	SP	0.57	16.31		0.59	982.61	10%	88%	£2.53m
Intelligent Environments	SP	0.32	135.81		2.23	138.65	9%	877%	£0.00m
Intercede Group	SP	0.03	4.88		1.59	31.91	0%	-91%	£0.00m
InterQuest Group	A	0.27	1.86		1.03	441.67	-25%	-38%	£0.24m
Invu	SP	0.23	40.87	17.4	12.98	2,421.03	10%	10%	£2.34m
iSOFT Group	SP	1.47	340.59	9.1	1.30	1,331.82	-21%	-62%	-£93.69m
iTrain	SP	0.04	3.15	40.0	2.88	47.06	-9%	-26%	-£0.30m
K3 Business Technology	SP	1.02	17.39		2.04	775.53	-3%	24%	-£0.51m
Kewill	SP	0.89	69.90	22.2	2.62	1,753.95	-1%	23%	-£0.79m
Knowledge Technology Solutions	SP	0.02	2.59		2.08	350.00	0%	0%	£0.00m
LogicaCMG	CS	1.96	2251.20	26.5	1.23	2,680.77	-3%	10%	-£54.75m
Lorien	A	0.39	7.17		0.06	385.00	8%	-3%	£0.56m
Macro 4	SP	2.55	56.86	38.0	1.72	1,026.21	3%	-3%	£1.79m
Manpower Software	SP	0.26	11.34	53.1	2.20	262.89	-6%	-11%	-£0.78m
Maxima Holdings	CS	1.66	25.98	18.2	2.09	1,207.27	-5%	7%	-£1.49m

UK software and IT services share prices and market capitalisation - March 2006

	SCS Cat.	Share Price 31-Mar-06	Capitalisation 31-Mar-06	Historic P/E	PSR Ratio Cap./Rev.	S/ITS Index 31-Mar-06	Share price move since 28-Feb-06	Share price % move in 2006	Capitalisation move since 28-Feb-06
Mediasurface	SP	0.13	9.66		1.79	919.12	4%	6%	£0.39m
Micro Focus	SP	0.82	163.32	13.4	2.01	0.00	5%	-31%	£7.47m
Microgen	CS	0.66	67.54	15.7	1.66	282.05	-11%	-10%	-£8.70m
Minorplanet Systems	SP	0.50	15.02		0.68	1,021.03	-3%	14%	-£0.45m
Misys	SP	2.25	1140.29	31.2	1.28	2,793.04	-4%	-6%	-£52.25m
Mondas	SP	0.10	3.50		0.76	133.33	-5%	-23%	-£0.17m
Morse	R	1.04	160.38		0.41	414.00	-11%	8%	-£17.44m
MSB International	A	0.45	9.23	20.3	0.10	236.84	15%	25%	£1.23m
NCC Group	CS	2.78	90.48	26.5	4.82	1,661.68	11%	20%	£9.13m
Ncipher	SP	2.53	71.20	23.0	4.10	1,010.00	-17%	22%	-£14.07m
Netcall	SP	0.16	10.56	53.3	4.38	323.23	0%	23%	£0.00m
Netstore	CS	0.39	47.92		2.24	256.67	-7%	0%	-£3.42m
Nexus Management	CS	0.01	2.55		2.20	236.36	37%	18%	£0.69m
Northgate Information Solutions	CS	0.81	430.14	45.1	2.09	310.58	-3%	-6%	-£11.99m
NSB Retail Systems	SP	0.34	124.59	8.2	2.57	2,956.52	5%	5%	£5.89m
OneclickHR	SP	0.04	5.95		1.24	100.00	-3%	-9%	-£0.19m
OPD Group (was PSD Group)	A	3.16	83.80	22.7	1.92	1,434.09	16%	26%	£11.56m
Parity	A	0.01	4.04		0.03	233.33	-78%	-84%	-£14.00m
Patsystems	SP	0.14	22.24		1.44	128.50	-2%	2%	-£0.24m
Phoenix IT	CS	3.06	181.37	21.7	2.05	1,133.33	-2%	13%	-£4.59m
Pilat Media Global	SP	0.51	26.45	14.9	2.03	2,525.00	26%	13%	£5.50m
Pixology	SP	0.52	10.40		2.30	372.56	-11%	-5%	-£1.30m
Planit Holdings	SP	0.24	21.53	14.7	0.77	979.17	-2%	-8%	-£0.46m
Portrait Software (was AIT)	CS	0.14	12.52		0.88	93.56	-38%	-46%	-£7.34m
Prologic	CS	0.83	8.30	29.0	1.20	1,000.00	58%	35%	£3.05m
QA	CS	0.01	3.94	34.4	0.13	6.17	45%	83%	£1.22m
Qonnectis	CS	0.02	3.34		55.74	566.67	13%	0%	£0.39m
Quantica	A	0.70	45.80	16.7	1.18	560.48	4%	19%	£1.65m
Raft International	SP	0.06	4.22		0.58	101.19	16%	11%	£0.58m
Red Squared	CS	0.05	1.49		0.61	288.46	-19%	-21%	-£0.35m
Retail Decisions	SP	1.33	103.31	14.6	1.89	1,789.72	-12%	-1%	-£13.60m
RM	SP	2.04	188.27	88.7	0.72	5,828.57	10%	29%	£16.38m
Royalblue Group	SP	8.88	290.19	28.1	3.91	5,223.53	1%	24%	£2.78m
Sage Group	SP	2.75	3562.91	24.6	4.59	105,865.38	-1%	7%	-£14.80m
Sanderson Group	SP	0.48	20.07		1.38	960.00	-7%	-9%	-£0.95m
SDL	CS	2.15	132.00	44.1	1.68	1,433.33	0%	0%	-£0.61m
ServicePower	SP	0.34	27.33		3.44	337.50	5%	9%	£1.42m
Sirius Financial	SP	1.39	24.41	63.0	1.12	923.33	21%	-5%	£4.32m
SiRViS IT plc	CS	0.04	4.13		1.28	31.52	0%	21%	£0.00m
smartFOCUS plc	SP	0.21	16.19	161.5	2.68	2,270.27	27%	40%	£3.47m
Sopheon	SP	0.25	32.58		7.54	352.52	29%	26%	£7.31m
Spring Group	A	0.53	85.32		0.19	588.89	-7%	-15%	-£6.84m
StatPro Group	SP	0.74	25.76	16.0	2.39	918.75	14%	11%	£3.15m
SThree Group plc	A	3.26	450.13	20.1	1.86	1,583.74	17%	51%	£66.23m
Stilo International	SP	0.02	1.80		0.87	40.00	-11%	-24%	-£0.23m
SurfControl (was JSB)	SP	5.56	18.04		0.34	2,780.00	-2%	6%	-£8.57m
Systems Union	SP	1.98	219.05	28.7	1.93	1,521.15	11%	50%	£21.32m
Tadpole Technology	SP	0.03	9.94		2.06	60.35	-5%	-31%	-£0.50m
Tikit Group	CS	2.03	25.79	119.4	1.28	1,765.22	-1%	16%	-£0.19m
Torex Retail	SP	0.92	301.47		1.80	2,300.00	-6%	-14%	-£18.68m
Total Systems	SP	0.38	3.94	18.0	1.14	707.55	-6%	-6%	-£0.26m
Touchstone Group	SP	1.50	18.60		1.08	1,428.57	14%	10%	£2.23m
Trace Group	SP	1.01	15.11	14.1	0.98	804.00	2%	5%	£0.07m
Triad Group	CS	0.44	6.59		0.14	322.22	-16%	-15%	-£1.21m
Ubiquity Software	SP	0.38	68.80		9.22	942.21	34%	0%	£17.45m
Ultima Networks	R	0.01	2.31		1.21	27.44	0%	-31%	£0.00m
Ultrasis Group	SP	0.02	26.17		17.05	40.10	-13%	-2%	-£3.54m
Universe Group	SP	0.18	11.37	10.0	0.26	800.00	6%	-5%	£0.63m
Vega Group	CS	2.36	47.94	20.7	0.91	1,930.33	-3%	15%	-£1.42m
VI group	SP	0.10	3.73		0.38	200.00	8%	21%	£0.28m
Xansa	CS	0.95	325.11	27.7	0.86	2,423.08	-6%	5%	-£18.92m
XKO Group	SP	1.20	41.43	3.0	0.92	800.00	-2%	19%	-£0.86m
Xpertise Group	CS	0.57	2.99		0.23	28.25	-17%	-31%	-£0.57m

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

Quoted Companies - Results Service

Note: Highlighted Names indicate results announced this month.

Alphameric plc

	Final - Nov 04	Final - Nov 05	Comparison
REV	£69,973,000	£73,493,000	+5.0%
PBT	-£59,487,000	£7,555,000	Loss to profit
EPS	-50.90p	5.10p	Loss to profit

Alterian plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 04	Comparison
REV	£2,511,000	£7,806,000	£3,422,000	+36.3%
PBT	-£1,945,000	-£649,000	-£1,082,000	Loss both
EPS	-3.93p	-0.04p	-2.68p	Loss to profit

Anite Group plc

	Interim - Oct 04	Final - Apr 05	Interim - Oct 05	Comparison
REV	£96,472,000	£189,403,000	£83,566,000	-13.4%
PBT	£9,539,000	£16,820,000	£10,066,000	+5.5%
EPS	1.90p	0.50p	2.60p	+36.8%

Ascribe plc

	Interims- Dec 04	Finals- Jun 05	Interims- Dec 05	Comparison
REV	£1,644,000	£5,347,000	£4,537,000	+176.0%
PBT	-£4,000	£664,000	£717,000	Loss to profit
EPS	-0.16p	0.59p	0.44p	Loss to profit

Atlantic Global plc

	Final -Dec 04	Final - Dec 05	Comparison
REV	£2,146,000	£2,137,000	-0.4%
PBT	£188,000	-£631,000	Profit to loss
EPS	0.50p	-2.69p	Profit to loss

Autonomy Corporation plc

	Final - Dec 04	Final- Dec 05	Comparison
REV	£35,379,067	£54,834,272	+55.0%
PBT	£4,682,488	£7,210,588	+54.0%
EPS	0.03p	0.04p	+33.3%

Aveva Group plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£24,078,000	£57,163,000	£29,036,000	+20.6%
PBT	£2,832,000	£9,124,000	£4,406,000	+55.6%
EPS	8.37p	23.78p	12.48p	+49.1%

Axon Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£60,273,000	£91,799,000	+52.3%
PBT	£6,600,000	£8,128,000	+23.2%
EPS	8.50p	10.50p	+23.5%

Bond International Software plc

	Final - Dec 04	Final- Dec 05	Comparison
REV	£9,578,000	£13,924,000	+45.4%
PBT	£1,881,000	£2,668,000	+41.8%
EPS	6.63p	7.82p	+17.9%

Brady plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£4,832,440	£2,431,609	-49.7%
PBT	£1,914,789	-£1,035,046	Profit to loss
EPS	5.80p	-2.70p	Profit to loss

Business Systems Group Holdings plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£12,624,000	£29,485,000	£18,800,000	+48.9%
PBT	£196,000	£576,000	£499,000	+154.6%
EPS	0.45p	0.90p	0.60p	+33.3%

Capita Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£1,285,100,000	£1,435,500,000	+11.7%
PBT	£117,000,000	£153,100,000	+30.9%
EPS	11.2p	16.05p	+43.2%

Charteris plc

	Final - Jul 04	Final - Jul 05	Comparison
REV	£13,822,000	£19,290,000	+39.6%
PBT	£541,000	£891,000	+64.7%
EPS	0.81p	1.28p	n/a

Chelford Group plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£5,603,000	£11,852,000	£6,494,000	+15.9%
PBT	£501,000	£282,000	£702,000	Loss to profit
EPS	7.56p	3.72p	7.85p	Loss to profit

Civica plc

	Final - Sep 04	Final - Sep 05	Comparison
REV	£104,100,000	£106,028,000	+1.9%
PBT	£8,300,000	£2,501,000	-69.9%
EPS	11.50p	1.10p	-90.4%

Clarity Commerce plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£8,236,000	£16,310,000	£8,415,000	+2.2%
PBT	£306,000	£513,000	£323,000	+5.6%
EPS	2.49p	2.36p	1.47p	-41.0%

Clinical Computing plc

	Final - Dec 03	Final - Dec 04	Comparison
REV	£1,858,828	£1,757,997	-5.4%
PBT	-£1,236,892	-£1,087,741	Loss both
EPS	-4.50p	-2.40p	Loss both

CODASciSys plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£67,830,000	£72,771,000	+7.3%
PBT	£3,914,000	£7,666,000	+95.9%
EPS	8.90p	22.60p	+153.9%

Comino Group plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£12,229,000	£25,533,000	£13,061,000	+6.8%
PBT	£849,000	£2,297,000	£1,401,000	+65.0%
EPS	4.00p	11.10p	6.60p	+65.0%

Compel Group plc

	Interim - Dec 04	Final - Jun 05	Interim - Dec 05	Comparison
REV	£41,512,000	£79,103,000	£41,032,000	-1.2%
PBT	£1,204,000	£1,346,000	£931,000	-22.7%
EPS	3.60p	3.40p	2.10p	-41.7%

Computacenter plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£2,410,590,000	£2,285,209,000	-5.2%
PBT	£67,928,000	£34,012,000	-49.9%
EPS	23.50p	10.90p	-53.6%

Computer Software Group plc

	Interim - Aug 04	Final - Feb 05	Interim - Aug 05	Comparison
REV	5328000	£14,072,000	£10,972,000	+105.9%
PBT	£86,000	£928,000	£955,000	+1010.5%
EPS	0.25p	3.19p	0.98p	+292.0%

Cornwell Management Consultants plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£8,898,000	£17,738,000	£10,001,000	+12.4%
PBT	£719,000	£1,257,000	£969,000	+34.8%
EPS	4.60p	7.70p	4.10p	Loss both

Corpora plc

	Final - Jun 04	Interim - Dec 04	Comparison
REV	£499,381	£806,151	N/a
PBT	-£2,649,553	-£2,356,084	Loss both
EPS	-16.10p	-6.50p	Loss both

DAT Group

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£1,028,000	£2,424,000	-£1,784,000	-273.5%
PBT	-£1,370,000	-£2,376,000	-£952,000	Loss both
EPS	-9.60p	-14.70p	-5.10p	Loss both

DCS Group plc

	Interim - Jun 03	Final - Dec 03	Interim - Jun 04	Comparison
REV	£30,200,000	£52,800,000	£19,500,000	+12.4%
PBT	-£4,000,000	-£7,000,000	£2,800,000	Loss to profit
EPS	-17.16p	-31.07p	10.78p	Loss to profit

Dealogic Holdings plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£16,395,000	£33,446,080	£17,260,330	+5.3%
PBT	£4,879,000	£10,538,040	£6,112,500	+25.3%
EPS	2.14p	5.53p	4.18p	+95.3%

Delcam plc

	Final - Dec 04	Final- Dec 05	Comparison
REV	£21,503,000	£24,011,000	+11.7%
PBT	£1,364,000	£2,337,000	+71.3%
EPS	21.60p	32.30p	+49.5%

Detica Group plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£32,311,000	£70210	£43,466,000	+34.5%
PBT	£3,948,000	£9,049,000	£4,647,000	+17.7%
EPS	12.60p	28.10p	18.00p	+42.9%

Dicom Group plc

	Interim - Dec 04	Final - Jun 05	Interim - Dec 05	Comparison
REV	£86,908,000	£179,795,000	£102,877,000	+18.4%
PBT	£7,450,000	£10,479,000	£4,640,000	-37.7%
EPS	5.90p	27.30p	3.40p	-42.4%

Dimension Data Holdings plc

	Final - Sep 04	Final - Sep 05	Comparison
REV	£1,371,186,768	£1,571,761,404	+14.6%
PBT	-£2,423,052	£28,800,244	Loss to profit
EPS	-1.53p	0.78p	Loss to profit

DRS Data & Research Services plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£14,408,000	£12,452,000	-13.6%
PBT	£452,000	£17,000	-96.2%
EPS	1.35p	-0.02p	Profit to loss

Electronic Data Processing plc

	Final - Sep 04	Final - Sep 05	Comparison
REV	£8,319,000	£6,971,000	-16.2%
PBT	£1,032,000	£431,000	-58.2%
EPS	2.61p	1.01p	-61.3%

FDM Group plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£15,778,000	£32,971,000	£16,438,000	+4.2%
PBT	£819,000	£1,805,000	£400,000	-51.2%
EPS	2.30p	5.00p	0.50p	N/a

Ffastfill Plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 04	Comparison
REV	£1,583,000	£4,327,000	£227,700	-85.6%
PBT	£1,594,000	-£2,879,000	£1,566,000	Loss both
EPS	-1.00p	-1.60p	-0.70p	Loss both

Financial Objects plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£9,509,000	£13,916,000	+46.3%
PBT	-£45,000	-£183,000	Loss both
EPS	-0.16p	-0.52p	Loss both

Flomerics Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£10,241,000	£11,424,000	+11.6%
PBT	£671,000	£966,000	+44.0%
EPS	3.85p	6.01p	+56.1%

Focus Solutions Group plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£1,921,000	£5,431,000	£2,731,000	+42.2%
PBT	-£809,000	£26,000	-£585,000	Loss both
EPS	-2.80p	0.10p	-2.00p	Loss both

GB Group plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£5,232,000	£11,231,000	£5,939,000	+13.5%
PBT	-£20,000	£146,000	-£183,000	Loss both
EPS	0.00p	0.30p	-0.20p	Loss both

Gladstone Plc

	Final - Aug 04	Final - Aug 05	Comparison
REV	£7,649,463	£8,411,642	+10.0%
PBT	£498,926	£195,919	-60.7%
EPS	1.19p	0.38p	-68.1%

Glotel plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£58,141,000	£119,496,000	£68,718,000	+18.2%
PBT	£1,027,000	£2,571,000	£1,655,000	+61.1%
EPS	1.70p	4.70p	3.00p	+76.5%

Gresham Computing plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£6,136,000	£12,398,000	£6,634,000	+8.1%
PBT	-£559,000	-£1,067,000	-£742,000	Loss both
EPS	-1.13p	-1.54p	-1.27p	Loss both

Group NBT plc

	Interims - Dec 04	Final - Jun 05	Interims-Dec 05	Comparison
REV	£5,413,000	£11,280,000	£6,164,000	+13.9%
PBT	£676,000	£1,690,000	£967,000	+43.0%
EPS	3.29p	8.30p	3.07p	-6.7%

Harvey Nash Group plc

	Interim - July 04	Final - Jan 05	Interim - July 05	Comparison
REV	£78,907,000	£163,374,000	£92,705,000	+17.5%
PBT	£1,181,000	£3,169,000	£1,732,000	Loss to profit
EPS	1.61p	3.62p	2.30p	Loss to profit

Highams Systems Services Group plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£4,496,000	£13,512,000	£8,844,000	+96.7%
PBT	-£195,000	-£523,000	-£29,000	Loss both
EPS	-0.83p	-1.90p	-0.09p	Loss both

Horizon Technology Group plc

	Interim - Jun 04	Final Dec 04	Interim - Jun 05	Comparison
REV	£101,488,400	£190,777,237	£101,094,460	-.4%
PBT	£2,259,000	£4,872,000	£2,730,280	+20.9%
EPS	2.59p	5.41p	3.06p	+18.1%

IBS OPENSystems plc

	Final - Dec 04	Final -Dec 05	Comparison
REV	£17,099,000	£15,623,000	-8.6%
PBT	£4,904,000	£3,331,000	-32.1%
EPS	n/a	6.00p	n/a

ICM Computer Group plc

	Final - Jun 04	Final - Jun 05	Comparison
REV	£77,542,000	£77,628,000	+0.1%
PBT	£4,380,000	£4,438,000	+1.3%
EPS	14.00p	14.90p	+6.4%

IDOX plc

	Interim - April 04	Final - Oct 04	Interim - April 05	Comparison
REV	£3,284,000	£9,555,000	£7,024,000	+113.9%
PBT	-£193,000	£89,000	£214,000	Loss to Profit
EPS	0.03p	0.23p	0.12p	Loss to Profit

Innovation Group plc (The)

	Final - Sep 04	Final - Sep 05	Comparison
REV	£58,051,000	£60,916,000	+4.9%
PBT	-£7,349,000	-£11,344,000	Loss both
EPS	-1.98p	-2.94p	Loss both

InTechnology plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£132,420,000	£283,522,000	£131,779,000	-.5%
PBT	-£2,167,000	-£2,465,000	-£14,088,000	Loss both
EPS	-1.61p	-1.84p	-9.88p	Loss both

Intelligent Environments Group plc

	Final - Dec 03	Final - Dec 04	Comparison
REV	£3,485,000	£3,074,928	-11.8%
PBT	-£209,928	-£452,796	Loss both
EPS	-0.02p	-0.23p	Loss both

Intercede Group plc

	Final - Mar 04	Final - Mar 05	Comparison
REV	£1,605,000	£1,806,000	+12.5%
PBT	-£661,000	-£426,000	Loss both
EPS	-2.90p	-0.70p	Loss both

InterQuest Group plc

	Final - Dec 04	Final- Dec 05	Comparison
REV	£24,389,937	£27,598,849	+13.2%
PBT	£926,876	£1,370,527	+47.9%
EPS	4.80p	6.60p	+37.5%

Iomart Group plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£6,428,000	£16,603,000	£10,952,000	+70.4%
PBT	£107,000	£1,724,000	£1,417,000	Loss to Profit
EPS	0.24p	4.26p	1.79p	N/a

INVU plc

	Interim - Jul 04	Final - Jan 05	Interim - Jul 05	Comparison
REV	£1,015,000	£3,149,000	£1,680,000	+65.5%
PBT	-£576,000	£608,000	£70,000	Loss to profit
EPS	-0.61p	0.64p	0.07p	Loss to profit

iSOFT Group plc

	Final - Apr 04	Final - Apr 05	Comparison
REV	£149,260,000	£261,992,000	+75.5%
PBT	£17,593,000	£44,524,000	+153.1%
EPS	6.57p	10.97p	+67.0%

I S Solutions plc

	Interim - June 04	Final - Dec 04	Interim - June 05	Comparison
REV	£2,849,000	£5,514,000	£2,573,000	-9.7%
PBT	£63,000	-£324,000	£105,000	+66.7%
EPS	0.25p	-1.15p	0.40p	+60.0%

iTrain plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£436,885	£1,094,097	£947,655	+116.9%
PBT	-£29,634	£70,076	£33,494	Loss to Profit
EPS	n/a	0.10p	n/a	N/a

K3 Business Technology Group plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£2,790,000	£8,529,000	£9,344,000	+234.9%
PBT	£1,174,000	£1,160,000	£72,000	-93.9%
EPS	9.00p	10.00p	-1.10p	Profit to loss

Kewill Systems plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£13,198,000	£26,680,000	£13,699,000	+3.8%
PBT	£1,011,000	£2,894,000	£1,339,000	+32.4%
EPS	1.60p	3.40p	1.50p	-6.3%

Knowledge Technology Solutions Plc

	Final - Jun 04	Final - Jun 05	Comparison
REV	£770,185	£1,250,474	+62.4%
PBT	-£904,161	-£966,536	Loss both
EPS	-0.71p	-0.65p	Loss both

LogicaCMG plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£1,669,800,000	£1,834,100,000	+9.8%
PBT	£42,400,000	£105,600,000	+149.1%
EPS	1.90p	7.40p	+289.5%

Lorien plc

	Final - Nov 04	Final Nov 05	Comparison
REV	£122,714,000	£129,161,000	+5.3%
PBT	£1,152,000	£34,000	-97.0%
EPS	6.90p	-0.01p	Profit to loss

Macro 4 plc

	Interim - Dec 04	Final - Jun 05	Interim - Dec 05	Comparison
REV	£16,596,000	£33,103,000	£14,940,000	-10.0%
PBT	£1,767,000	£2,779,000	£1,482,000	-16.1%
EPS	5.50p	11.80p	4.70p	-14.5%

Quoted Companies - Results Service

Note: Highlighted Names indicate results announced this month.

Manpower SoftWare plc

	Final - May 04	Final - May 05	Comparison
REV	£5,146,663	£5,909,466	+14.8%
PBT	£388,906	£336,139	Profit to loss
EPS	1.00p	0.70p	Loss to profit

Matrix Communications Group plc

	Final - Oct 04	Final - Oct 05	Comparison
REV	£10,603,000	£54,408,000	+413.1%
PBT	£890,000	-£1,836,000	Profit to loss
EPS	3.00p	-7.30p	Profit to loss

Maxima Holdings plc

	Interim - Nov 04	Final - May 05	Interim - Nov 05	Comparison
REV	£6,194,000	£8,076,167	£8,093,000	+30.7%
PBT	£800,000	£1,038,016	£389,000	-51.4%
EPS	4.34p	8.30p	1.44p	-66.8%

Mediasurface plc

	Final - Sep 04	Final - Sep 05	Comparison
REV	£5,403,482	£6,796,433	+25.8%
PBT	-£737,394	-£811,609	Loss both
EPS	-0.60p	-1.00p	Loss both

Micro Focus International plc

	Final - Apr 04	Final - Apr 05	Comparison
REV	£73,867,000	£81,198,000	+9.9%
PBT	£12,874,000	£14,903,000	+15.8%
EPS	5.55p	6.28p	N/a

Microgen plc

	Final - Dec 04	Finals - Dec 05	Comparison
REV	£42,444,000	£40,782,000	-3.9%
PBT	£1,118,000	£5,530,000	+394.6%
EPS	0.20p	4.10p	+1950.0%

Minorplanet Systems Plc

	Final - Aug 04	Final - Aug 05	Comparison
REV	£31,300,000	£22,000,000	-29.7%
PBT	-£16,400,000	-£19,200,000	Loss both
EPS	-14.90p	-12.00p	Loss both

Misys plc

	Interim - Nov 04	Final - May 05	Interim - Nov 05	Comparison
REV	£437,000,000	£888,400,000	£480,500,000	+10.0%
PBT	£40,200,000	£77,100,000	£34,400,000	-14.4%
EPS	6.80p	12.30p	5.60p	-17.6%

Mondas plc

	Interim - Oct 04	Final - Apr 05	Interim - Oct 05	Comparison
REV	£1,816,653	£4,592,675	£1,538,960	-15.3%
PBT	-£1,454,358	-£1,384,081	-£1,159,743	Loss both
EPS	-5.50p	-5.30p	-4.40p	Loss both

Morse plc

	Final - Jun 04	Final - Jun 05	Comparison
REV	£390,008,000	£429,531,000	+10.1%
PBT	-£12,431,000	£18,332,000	Loss both
EPS	-11.90p	-14.10p	Loss both

MSB International plc

	Interim - July 04	Final - Jan 05	Interim - July 04	Comparison
REV	£44,352,000	£92,321,000	£47,115,000	+6.2%
PBT	£356,000	£997,000	£163,000	-54.2%
EPS	1.26p	3.13p	0.54p	-57.1%

NCC Group plc

	Interim - Nov 04	Final - May 05	Interim - Nov 05	Comparison
REV	£8,513,000	£18,786,000	£9,807,000	+15.2%
PBT	£2,312,000	£5,417,000	£2,606,000	+12.7%
EPS	3.30p	10.00p	5.30p	+60.6%

Ncipher Plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£14,244,000	£17,380,000	+22.0%
PBT	£2,061,000	£3,833,000	+86.0%
EPS	7.80p	10.89p	Loss to profit

Netcall plc

	Interim - Dec 04	Final - Jun 05	Interim - Dec 05	Comparison
REV	£1,432,000	£2,822,086	£1,592,700	+11.2%
PBT	£50,600	£158,059	£149,100	+194.7%
EPS	0.10p	0.20p	0.20p	+100.0%

Netstore plc

	Interim - Dec 04	Final - Jun 05	Interim - Dec 05	Comparison
REV	£10,111,000	£21,397,000	£16,140,000	+59.6%
PBT	£321,000	£653,000	-£1,659,000	Profit to loss
EPS	0.56p	1.43p	1.13p	Profit to loss

Nexus Management plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£1,231,134	£2,468,862	£1,233,412	+0.2%
PBT	-£19,143	-£186,945	£48,187	Loss to profit
EPS	0.00p	0.00p	0.00p	Loss to profit

Northgate Information Solutions plc

	Interim - Oct 04	Final - Apr 05	Interim - Oct 05	Comparison
REV	£96,816,000	£205,692,000	£162,664,000	+68.0%
PBT	£3,881,000	£3,889,000	£10,003,000	+157.7%
EPS	2.40p	0.79p	1.18p	-50.8%

NSB Retail Systems plc

	Final - Dec 04	Finals - Dec 05	Comparison
REV	£45,399,000	£48,387,000	+6.6%
PBT	-£8,680,000	£9,969,000	Loss to profit
EPS	-2.14p	4.00p	Loss to profit

OneclickHR plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£2,291,391	£4,764,879	£2,785,928	+21.6%
PBT	-£730,170	-£1,745,204	-£135,855	Loss both
EPS	-0.66p	-1.30p	-0.09p	Loss both

OPD Group plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£20,378,000	£43,714,000	£26,952,000	+32.3%
PBT	£1,583,000	£2,856,000	£2,317,000	+46.4%
EPS	3.70p	7.20p	6.60p	+78.4%

Parity Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£169,860,000	£138,523,000	-18.4%
PBT	-£6,914,000	-£8,425,000	Loss both
EPS	-2.24p	-3.23p	Loss both

Patsystems plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£11,775,000	£15,457,000	+31.3%
PBT	-£2,929,000	-£777,000	Loss both
EPS	-1.40p	-0.50p	Loss both

Phoenix IT Group plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£41,549,000	£88,331,000	£54,751,000	+31.8%
PBT	£7,065,000	£11,084,000	£8,851,000	+25.3%
EPS	11.00p	15.40p	10.10p	-8.2%

Pilat Media Global plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£12,052,232	£13,004,880	+7.9%
PBT	£1,834,969	£2,465,999	+34.4%
EPS	2.49p	3.28p	+31.7%

Pixology plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£1,888,623	£4,514,729	£1,805,948	-4.4%
PBT	-£835,547	-£2,163,393	-£725,742	Loss both
EPS	-3.16p	-9.79p	-3.12p	Loss both

Planit Holdings plc

	Final - Apr 04	Final - Apr 05	Comparison
REV	£26,926,000	£28,124,000	+4.4%
PBT	£1,547,000	£1,972,000	+27.5%
EPS	1.00p	1.40p	+40.0%

Portrait Software plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£8,017,000	£14,288,000	£4,827,000	-39.8%
PBT	£1,558,000	£1,433,000	£464,000	-70.2%
EPS	2.87p	2.49p	-0.77p	-126.8%

Prologic plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£2,067,000	£6,928,000	£4,513,000	+118.3%
PBT	-£4,000	£1,433,000	£21,000	Loss to profit
EPS	-0.02p	2.76p	-0.10p	Loss both

QA plc

	Final - Nov 04	Final - Nov 05	Comparison
REV	£30,153,000	£31,180,000	+3.4%
PBT	-£2,386,000	£141,000	Loss to profit
EPS	-1.40p	0.05p	Loss to profit

Qonnectis plc

	Interims - Dec 04	Final - Jun 05	Interims - Dec 05	Comparison
REV	£26,050	£60,007	£66,983	+157.1%
PBT	-£364,256	-£1,048,503	-£415,393	Loss both
EPS	-0.36p	-0.93p	-0.25p	Loss both

Quantica plc

	Final - Nov 04	Final - Nov 05	Comparison
REV	£30,848,000	£38,922,000	+26.2%
PBT	£1,957,000	£2,560,000	+30.8%
EPS	3.32p	3.86p	+16.3%

Raft International plc

	Interim - Apr 04	Final - Oct 04	Interim - Apr 05	Comparison
REV	£3,164,000	£7,261,000	£4,161,000	+31.5%
PBT	-£969,000	-£991,000	-£566,000	Loss both
EPS	-1.48p	-1.45p	-0.87p	Loss both

Red Squared plc

	Final - Sep 04	Final - Sep 05	Comparison
REV	£1,696,513	£2,455,915	+44.8%
PBT	-£466,614	-£290,700	Loss both
EPS	-2.32p	-1.05p	Loss both

Retail Decisions plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£31,737,000	£54,672,000	+72.3%
PBT	£6,144,000	£8,020,000	+30.5%
EPS	6.95p	8.84p	+27.2%

RM plc

	Final - Sep 04	Final - Sep 05	Comparison
REV	£263,264,000	£262,707,000	-.2%
PBT	£7,054,000	£5,459,000	-22.6%
EPS	4.30p	2.20p	-48.8%

royalblue group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£59,768,000	£74,234,000	+24.2%
PBT	£9,802,000	£11,336,000	+15.6%
EPS	23.40p	31.00p	+32.5%

Sage Group plc

	Final - Sep 04	Final - Sep 05	Comparison
REV	£687,585,000	£776,621,000	+12.9%
PBT	£181,144,000	£205,357,000	+13.4%
EPS	9.85p	11.10p	+12.7%

Sanderson Group plc

	Final - Sep 04	Final - Sep 05	Comparison
REV	£11,880,000	£15,460,000	+30.1%
PBT	-£328,000	-£482,000	Loss both
EPS	-1.00p	-1.29p	Loss both

SDL plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£62,690,000	£78,479,000	+25.2%
PBT	£4,432,000	£5,217,000	+17.7%
EPS	5.19p	4.68p	-9.8%

ServicePower Technologies plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£4,114,000	£7,937,000	+92.9%
PBT	-£3,743,000	-£1,611,000	Loss both
EPS	-5.34p	-2.14p	Loss both

Sirius Financial Solutions plc

	Final - Dec 03	Final - Dec 04	Comparison
REV	£20,523,966	£21,704,052	+5.7%
PBT	-£581,160	£385,444	Loss to profit
EPS	-3.90p	1.40p	Loss to profit

Sirvis IT plc

	Interim - Nov 04	Final - May 05	Interims - Nov 05	Comparison
REV	£3,948,000	£8,083,000	£4,028,000	+2.0%
PBT	£345,000	-£2,432,000	£202,000	-41.4%
EPS	0.16p	-2.45p	0.09p	-43.8%

smartFOCUS Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£2,850,101	£6,041,106	+112.0%
PBT	-£324,052	£33,424	Loss to profit
EPS	-0.30p	0.12p	Loss to profit

Sopheon plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£2,083,000	£4,323,000	£1,909,000	-8.4%
PBT	-£1,261,000	-£1,964,000	-£894,000	Loss both
EPS	-1.20p	-1.60p	-1.60p	Loss both

Spring Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£474,534,000	£454,725,000	-4.2%
PBT	£963,000	-£7,485,000	Profit to loss
EPS	4.91p	-4.89p	Profit to loss

StatPro Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£9,072,000	£10,786,000	+18.9%
PBT	£162,000	£1,639,000	+911.7%
EPS	5.30p	4.50p	-15.1%

Strategic Thought Group plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£3,704,000	£9,250,000	£5,077,000	+37.1%
PBT	£513,000	£1,731,000	£901,000	+75.6%
EPS	1.70p	5.80p	3.40p	+100.0%

Stilo International Plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£1,143,000	£2,076,000	£905,000	-20.8%
PBT	-£368,000	-£1,299,000	-£432,000	Loss both
EPS	-0.52p	-1.56p	-0.48p	Loss both

SurfControl plc

	Interim - Dec 04	Final - Jun 05	Interim - Dec 05	Comparison
REV	£25,440,000	£52,601,075	£27,072,000	+6.4%
PBT	£1,690,000	£4,097,312	-£337,000	Profit to loss
EPS	4.60p	20.80p	-0.88p	Profit to loss

System C Healthcare plc

	Interim - Nov 04	Final - May 05	Interim - Nov 05	Comparison
REV	£8,843,000	£18,228,000	£8,581,000	-3.0%
PBT	£1,710,000	£2,532,000	£400,000	-76.6%
EPS	2.31p	0.77p	3.08p	+33.3%

Systems Union Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£104,230,000	£113,354,000	+8.8%
PBT	£4,614,000	£8,189,000	+77.5%
EPS	3.90p	6.70p	+71.8%

Tadpole Technology plc

	Interim - Mar 04	Final - Sep 04	Interim - Mar 05	Comparison
REV	£1,476,000	£4,831,000	£4,439,000	+200.7%
PBT	-£1,515,000	-£2,767,000	-£1,411,000	Loss both
EPS	-0.60p	-1.00p	-0.40p	Loss both

Tikit Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£11,903,000	£20,162,000	+69.4%
PBT	£859,000	£632,000	-26.4%
EPS	4.50p	1.70p	-62.2%

Torex Retail plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£67,935,000	£167,366,000	+146.4%
PBT	£7,711,000	-£13,620,000	Profit to loss
EPS	2.90p	-5.40p	Profit to loss

Total Systems plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£1,696,642	£3,451,633	£1,419,101	-16.4%
PBT	£136,878	£496,098	-£61,309	Profit to loss
EPS	1.03p	3.56p	-0.44p	Profit to loss

Touchstone Group plc

	Interim - Sep 04	Final - Mar 05	Interim - Sep 05	Comparison
REV	£7,749,000	£17,269,000	£9,757,000	+25.9%
PBT	-£196,000	-£82,000	£231,000	Loss to profit
EPS	-2.41p	-3.20p	0.62p	Loss to profit

Trace Group plc

	Interim - Nov 04	Final - May 05	Interim - Nov 05	Comparison
REV	£7,314,000	£16,110,706	£7,210,000	-1.4%
PBT	£235,000	£1,223,406	£415,000	+76.6%
EPS	0.93p	5.92p	2.00p	+115.1%

Ubiquity Software Corporation plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£5,314,776	£7,461,000	+40.4%
PBT	-£6,407,328	-£8,737,000	Loss both
EPS	-44.00p	-5.00p	Loss both

Ultima Networks plc

	Final - Dec 03	Final - Dec 04	Comparison
REV	£1,770,000	£1,906,000	+7.7%
PBT	£169,000	£313,000	+85.2%
EPS	0.09p	0.14p	+55.6%

Ultrasis Group plc

	Final - Jul 03	Final - Jul 04	Comparison
REV	£548,000	£1,535,000	+180.1%
PBT	-£12,864,000	-£364,000	Loss both
EPS	-0.53p	-0.02p	Loss both

Universe Group plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£20,349,000	£43,992,000	£22,302,000	+9.6%
PBT	-£224,000	-£74,000	£175,000	Loss to profit
EPS	-0.38p	-0.10p	0.23p	Loss to profit

Vega Group plc

	Interim - Oct 04	Final - Apr 05	Interim - Oct 05	Comparison
REV	£24,519,000	£52,602,000	£30,637,000	+25.0%
PBT	£1,638,000	£2,907,000	£1,963,000	+19.8%
EPS	5.83p	8.61p	6.24p	+7.0%

VI Group plc

	Interim - Jun 04	Final - Dec 04	Interim - Jun 05	Comparison
REV	£5,053,000	£9,698,000	£5,417,000	+7.2%
PBT	-£99,000	-£259,000	£189,000	Loss to profit
EPS	-0.60p	-0.84p	0.02p	Loss to profit

Xansa plc

	Interim - Oct 04	Final - Apr 05	Interim - Oct 05	Comparison
REV	£189,500,000	£376,400,000	£175,900,000	-7.2%
PBT	£4,900,000	£10,800,000	£7,800,000	+59.2%
EPS	1.15p	2.58p	1.90p	+65.2%

XKO Group plc

	Interim - Sept 04	Final - Mar 05	Interim - Sept 05	Comparison
REV	£21,585,000	£44,853,000	£11,624,000	-46.1%
PBT	-£1,225,000	£10,013,000	£615,000	Loss to profit
EPS	-4.80p	34.60p	1.20p	Loss to profit

Xpertise Group plc

	Final - Dec 04	Final - Dec 05	Comparison
REV	£13,170,000	£15,274,000	+16.0%
PBT	-£668,000	-£245,000	Loss both
EPS	0.16p	-0.06p	Loss both

Some nice surprises in a quiet March

As in the month before it, March has been a pretty low growth affair on average, with the FTSE 100's 3% growth outperforming all the rest of the indices we track. Although the Ovum S/ITS index was not far behind with its 2.4% growth, the 1.3% gain of the techMARK 100 and 1.4% fall of the FTSE IT SCS resulted in a pretty dull picture for the average S/ITS stock.

Nevertheless, there have been some big risers over the month - the biggest in the Ovum S/ITS index being the small cap DCS Group, up 69%, to 23 pence. Originally a transport, logistics and automotive retail sector software company, DCS has spent the last couple of years divesting itself of the more profitable businesses, most recently with the sale of its Transport & Logistics Division for £10.5m in cash in September 2005. And though all this helped the business pay off a good deal of debt and improve its financial position, it has not improved margins for the remaining automotive retail software business, which reported flat revenue this month. The hope driving its share price comes from a potential buyout from an unnamed suitor, although it may well be Nasdaq-listed Auto Data Network (ADN), which already owns a third of the business and has an option to buy that ends in May.

31-Mar-06	S/ITS Index	5281.92
	FTSE IT (SCS) Index	583.08
	techMARK 100	1487.68
	FTSE 100	5964.60
	FTSE AIM	1198.90
SCSI Index =1000 on 15th April 1989	FTSE SmallCap	3612.52

Changes in Indices	S/ITS Index	FTSE 100	techMARK 100	FTSE IT SCS Index	FTSE AIM Index	FTSE Small Cap
Month (01/02/06 to 28/02/06)	+2.36%	+2.99%	+1.25%	-1.36%	+1.82%	+1.17%
From 15th Apr 89	+428.19%	+190.45%				
From 1st Jan 90	+474.06%	+152.52%				
From 1st Jan 91	+646.17%	+176.09%				
From 1st Jan 92	+405.51%	+139.24%				
From 1st Jan 93	+231.45%	+109.54%				+160.39%
From 1st Jan 94	+216.36%	+74.49%				+93.32%
From 1st Jan 95	+252.32%	+94.57%				+106.85%
From 1st Jan 96	+133.87%	+61.67%	+88.49%		+25.75%	+86.06%
From 1st Jan 97	+97.27%	+44.82%	+62.65%		+22.82%	+65.48%
From 1st Jan 98	+74.03%	+16.14%	+55.94%	-41.69%	+20.86%	+56.17%
From 1st Jan 99	+34.01%	+1.39%	+2.18%	-59.68%	+49.56%	+74.44%
From 1st Jan 00	-53.95%	-13.93%	-60.64%	-84.32%	-37.97%	+16.62%
From 1st Jan 01	-36.91%	-4.14%	-42.01%	-70.08%	-16.62%	+13.48%
From 1st Jan 02	+10.08%	+14.32%	+1.02%	-30.94%	+33.54%	+40.07%
From 1st Jan 03	+94.70%	+51.37%	+129.30%	+71.38%	+98.86%	+98.43%
From 1st Jan 04	+12.95%	+33.23%	+46.57%	+15.78%	+43.51%	+45.96%
From 1st Jan 05	+7.24%	+23.89%	+24.35%	+20.03%	+19.20%	+30.97%
From 1st Jan 06	+4.01%	+6.15%	+3.91%	+2.55%	+14.61%	+9.29%

End Mar 06	Move since 1/1/99	Move since 1/1/00	Move since 1/1/01	Move since 1/1/02	Move since 1/1/03	Move since 1/1/04	Move since 1/1/05	Move since 1/1/06	Move in Mar 06
System Houses	27.6%	-50.3%	-33.1%	20.5%	140.0%	25.1%	14.0%	8.3%	3.3%
IT Staff Agencies	-72.0%	-75.7%	-61.2%	-30.1%	5.2%	-31.0%	-12.7%	6.1%	2.0%
Resellers	96.5%	-5.4%	25.2%	39.3%	88.4%	-1.7%	8.3%	4.1%	-3.5%
Software Products	79.9%	-56.7%	-68.6%	1.2%	67.6%	3.3%	6.1%	1.7%	3.0%
Holway S/ITS Index	34.0%	-54.0%	-36.9%	10.1%	94.7%	12.9%	7.3%	4.0%	2.4%

With a market capitalisation of £450m, staffing agency SThree was one of the biggest companies to register a double-digit rise in share price - up 17% to £3.26. The company's maiden full-year results in February revealed revenue up 30%, and operating margin (before exceptionals) improved from 7.2% to 9.4%. Key to SThree's success is its multi-brand strategy (it has 12 businesses under the SThree umbrella) which enables it to tap into niche, faster growing areas of the IT market, gaining footholds in higher growth areas (such as ERP) with its specialist brands. This partly explains why, in an IT market that is characterised by single-digit growth, SThree has managed a double digit performance.

Of those that could have had a disastrous month, Capita must be at the top of the list. Yet the company's share price only fell 3% to £4.60 in March - despite first being fined £300,000 by the Financial Services Authority for fraudulent practices at its Capita Financial Administrators business during 2004, and then having founder and Executive Chairman Rod Aldridge resign over revelations regarding personal loans to the Labour Party. In fact, the share is still 10% higher than it was at the start of the year. It just shows that there is no better shield against bad press than market leading consistency in profit and revenue growth.
(Samad Masood)

SYSTEMHOUSE

With a track record stretching back many years, Ovum is widely acknowledged as the leading commentator on UK Software & IT Services (S/ITS). Through the Holway@Ovum service, which builds on the success of the original Holway Report, our team of experts provides unrivalled analysis of both the market and the players. To find out how you can gain access to the service, including SYSTEMHOUSE and Hotnews, please contact Suzana Murshid on +44 20 7551 9071 or sum@ovum.com.

© 2006 Ovum Limited. The information contained in this publication may not be reproduced without the written permission of the publishers. Whilst every care has been taken to ensure the accuracy of the information contained in this document, the publishers cannot be held responsible for any errors or any consequences thereof. Subscribers are advised to take independent advice before taking any action. **SYSTEMHOUSE®** is a registered trademark of Ovum Limited. Ovum analysts might hold stock in the companies featured.