



12 February 2001

## Interim results for the six months ended 31 December 2000

NETCALL PLC

("Netcall" or "the Company")

Netcall invests in, develops and manages advanced internet-based technologies that enhance the value of communication. Netcall today announces interim results for the six months ended 31 December 2000.

### HIGHLIGHTS

- Turnover on continuing operations increased three-fold to £341,000 (1999: £118,000)
- Loss before tax of £1.4 million (1999: £1.2 million), mainly due to increased sales and marketing activity
- Strategic investments by Netcall and Trinity Mirror plc in All4U Limited, to exploit the NetCall Classified™ pay-per-lead advertising model in the UK
- Significant international follow-on sales of QueueBuster™, a revolutionary customer service solution for call and contact centre management
- Continued steady growth in the in the service business with monthly call volumes up by over 330 per cent.
- Successful placing in November 2000 to raise £4.4 million (net of expenses) through the issue of 6.7 million new ordinary shares at a price of 70p per share

Jeffrey Rubins, Chairman of Netcall, said today:

***"With proven technology, established business models and respected strategic partners, Netcall is well placed to continue to widen its application and customer base. The company is progressing its business plan and the Board continues to view the future with confidence."***

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NETCALL PLC

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## INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2000

# CHAIRMAN'S STATEMENT

The six months ended 31 December 2000 has seen further significant progress made towards Netcall's goal of becoming a leader in intelligent communication through investing in, developing and managing technology at the customer response interface.

### **Trading Results**

Netcall's underlying service business has continued to grow with monthly call volumes up by over 330 per cent. on a seasonally-adjusted basis. Growth is being generated through new and existing relationships with systems integrators and indirect sales channels. We are finding that our solutions are gaining recognition and acceptance by a wide range of customers, who currently number over 4,000.

NetCall Telecom has recently installed another international telephony node, in Australia, increasing further the scope of the group's global telephony network spanning the UK, US, South Africa and Australia. These telephony nodes, together with new QueueBuster™ installations (see below) and new customer relationships, are building the group's annuity revenue stream.

In the six months to 31 December 2000, turnover from continuing operations increased by three fold to £340,691 from £117,748 during the same period in 1999. The loss before taxation was £1.4 million (1999: £1.2 million), mainly due to the increased costs associated with sales and marketing activity.

### **QueueBuster™**

Since June 2000, Netcall has successfully introduced QueueBuster™, a revolutionary new product for call centre management. As its name implies, QueueBuster™ reduces customer queuing in call centres resulting in superior customer service and satisfaction. In the first half of 2000, Netcall developed and successfully trialed QueueBuster™ with One.Tel, the low cost long distance telecoms operator.

Further sales of QueueBuster™ as an installed solution have demonstrated its appeal in sales, customer service and regulated environments. Netcall is currently testing the supply of QueueBuster™ as a service with two customers and we hope to be able to formally launch this service in the near future. QueueBuster™ continues to present Netcall with significant new business opportunities in the rapidly growing call and contact centre market.

### ***All4U and Trinity Mirror***

In December 2000, Netcall and Trinity Mirror plc simultaneously invested in All4U Limited, a business which is using NetCall Classified™ to revolutionise newspaper advertising, both off the newspaper page and off the web. This investment follows the highly successful introduction of All4U's interactive pay-per-lead advertising service over the previous year and the commencement of a closer relationship between All4U and Netcall.

The All4U business model uses Netcall's intelligent telephony to route and track calls between responders to classified advertisements and the agencies placing those advertisements. It is thus able to provide feedback both on the callers themselves and on response volumes and times.

All4U's recruitment service has been extended to 18 regional newspaper titles, including the Newcastle Evening Chronicle, Birmingham Evening Mail, Liverpool Echo, the North West News the Chester Chronicle Series and the Stoke Sentinel. As a result of this, Netcall has seen considerable growth in usage of NetCall Classified™.

### ***Fund Raising***

In November 2000, Netcall successfully completed a placing of new ordinary shares to raise £4.4 million (net). The proceeds are being used to expand the sales and marketing programme, for technology and new product development and for working capital purposes. The funds raised will provide the Company with the necessary resources to continue its development plan and should be sufficient to take the business through to positive cash flow.

### **Freeserve**

In April 2000, Freeserve, the UK's largest Internet Service Provider, acquired an 8.6 per cent. interest in Netcall. Netcall simultaneously acquired a 19.9 per cent. interest in Telepost Inc., a US based provider of conference calling on Freeserve's portal. Netcall, Freeserve and Telepost continue to work together on a range of operational and marketing initiatives.

### ***Current Trading and Outlook***

Netcall's portfolio of solutions, supported by its exceptional technological experience and expertise, is highly attractive to all types of business looking to be one step ahead in the battle to capture and retain customers. As more businesses wake up to this commercial reality, they are finding it increasingly important to have in place the necessary technology and infrastructure to enable them both to recognise real customers and to respond to them swiftly and imaginatively. We are therefore confident that our solutions are becoming more widely acknowledged as essential business tools, giving scope for significant growth in the future.

### **Jeffrey Rubins**

#### **Chairman**

**12 February 2001**

# NETCALL PLC

## Consolidated Profit and Loss Account

	Six Months to	Six Months to	Year Ended
	31st Dec 2000	31st Dec 1999	30th June 2000
	£	£	£
<b>TURNOVER</b>			
Continuing operations	340,691	117,748	705,494
Discontinued operations	23,000	82,500	110,681
	363,691	200,248	816,175
<b>OPERATING COSTS</b>			
Administration and other operating expenses	1,787,888	1,363,032	3,040,138
<b>OPERATING (LOSS)/PROFIT</b>			
Continuing operations	(1,369,725)	(1,060,050)	(2,334,134)
Discontinued operations	(54,472)	(102,734)	(132,223)
Loss on disposal of discontinued operations			(45,856)
<b>(LOSS)/PROFIT BEFORE INTEREST</b>	(1,424,197)	(1,162,784)	(2,512,213)
Interest receivable	16,077	17,680	60,073
Interest payable	(22,853)	(35,523)	(39,663)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	(1,430,973)	(1,180,627)	(2,491,803)
Taxation			

<b>NET (LOSS)/PROFIT</b>		(1,430,973)		(1,180,627)		(2,491,803)
Loss per ordinary share		(4.74p)		(5.64p)		(9.98p)

Visit [www.netcall.com](http://www.netcall.com) for further information.