



01 November 1999

Preliminary results for the year ended 30 June 1999

NetCall plc is quoted on the Alternative Investment Market ("AIM") of The London Stock Exchange and is the World's leading provider of Internet Controlled Telephony.

Highlights

- **New subscribers** being added at a steadily increasing rate – household names using NetCall 800
- **Telewest Imminus Ltd** and NetCall co-operating to produce a portfolio of enhanced e-commerce solutions
- **NetCall Classified - 'Pay Per Lead'** option now being offered to advertisers by Newspaper and Web site proprietors.
- **Successful Institutional Placing** £2.6 million (net) raised to repay short-term borrowings and to finance product and service expansion in Europe and US.
- **Bell Lawrie Wise Speke** the company's Nominated Advisor has been appointed Nominated Broker with immediate effect.

Jeffrey Rubins, Chairman of NetCall plc, commented:

"The Board considers that NetCall offers a range of innovative telephony-based services possessing depth and relevance to commerce conducted both on and off the Internet. It has developed and continues to expand a powerful and scalable infrastructure and the market for our services is large and increasing in size daily". "With additional funds now available to enable an acceleration of the marketing effort, especially in the USA, there is every reason why a sustained stream of revenue can be developed from the valuable services NetCall is able to deliver. Prospects for the company are exciting".

NetCall plc

STATEMENT ACCOMPANYING PRELIMINARY ANNOUNCEMENT OF FIGURES FOR THE YEAR ENDED 30 JUNE 1999

Results

The impact of the decision to focus on our technology based service business has proved to be well founded. Whilst turnover overall has been reduced, during the transition phase, we are most encouraged by the progress made at our chief operating subsidiary NetCall Telecom Limited. The notes attached to the accounts will enable shareholders to distinguish between the emerging business carried on by NetCall Telecom Limited, described as internet-related telephony services, and the historic activities that have been or are in the process of being discontinued or sold.

Current Trading

NetCall Telecom Limited

NetCall plc's chief operating subsidiary, NetCall Telecom Limited ("NetCall"), has developed and owns an infrastructure capable of delivering significant volumes of telephone calls requested by visitors to web sites or recipients of emails. These calls, which are usually free to the requesting party and delivered using conventional telephony, are designed not only to connect potential customers or those seeking advice or assistance to qualified personnel but also to deliver valuable marketing and other information to the web site owner. New subscribers are being added at a steadily increasing rate and those now using NetCall 800 include: - AutoGlass, BUPA, Bank One, Citroen, Dialog, Dialogic, Dixons Partmaster, Greenflag, HSA Healthcare, Nissan, Personal Number Co., RAC, Tiny Computers, Thomas Cook, Uunet, & Vauxhall.

This sector of NetCall's business is now mainly handled by channel partners allowing our in-house team to concentrate on building relationships with system builders and integrators who are more likely to utilise the advanced applications in NetCall's portfolio of services as well as NetCall 800. Relationships are ongoing with companies with a significant presence in their particular market places including US Web/CKS, Candle UK, Desc NV and The Personal Number Company Plc. In addition an agreement has recently been signed with Telewest Imminus Limited, a subsidiary of Telewest Communications plc, and the two companies will be working together to produce a portfolio of enhanced e-commerce solutions - joint marketing has already commenced.

Product and Service Developments

A most important development took place towards the end of the financial year when NetCall's infrastructure was made accessible from 'off the page' as well as the Internet. NetCall has developed several applications, three of which were highlighted in the Trading Update sent to shareholders on 19th August 1999. Although these applications are different in content and complexity they share certain key characteristics: -

- they all run on NetCall's existing infrastructure, which uses the Internet for signalling and passing information between remote databases.
- they all use conventional telephony and in 2 cases can be accessed by dialling a (free) phone number or clicking on a NetCall link/button on the World Wide Web.
- they are all replicable by NetCall for system/web integrators or service providers in multiple territories.

These applications have now been packaged and branded as separate services to address particular market opportunities. Examples of these include: -

- NetCall Classified - handling responses to classified advertisements in newspapers together with AdCall 800, a related service, which monitors responses to advertisements carried in various media formats.
- Asset Manager - monitors and controls the distribution and servicing of valuable equipment such as laptop computers on a world wide basis.
- NetCall Alerts – utilising "push telephony" and used for example at the core of e-call™, a service created and run for PNC Tele.com. Using Text to Speech technology it allows their mobile telephone customers to be alerted when an email has been received and to be given the option of listening to a message wherever they are or having it sent to a convenient fax machine.

Whilst these services have only been running for a relatively short time it is becoming clear that they have the potential to make a positive impact on NetCall's future earnings.

NetCall Classified

This application warrants particular mention because as further newspapers are added to the service they are demonstrating similar characteristics. Several system integrators are now promoting NetCall Classified to regional and national newspapers and it is possible, within 12 months, that up to 200 newspapers of varying size and format could be utilising our services to monitor and deliver responses to classified advertisements displayed in their columns and on their web pages. These advertisements are likely to cover employment, automotive, property and personal/dating and NetCall estimates that in the UK alone the potential market for this type of service could be as high as £60 million. Given the strength of NetCall's infrastructure, its experience in delivering telephony together with on line, real time information and billing systems, it should be possible to obtain a reasonable share of this market.

This unique service has enabled newspapers to charge advertisers by response ("pay per lead") and could have an even greater significance when applied to selling advertising space on the Web. There currently appears to be a great reluctance on the part of advertisers to pay for space in an environment where there is so much competition for attention. NetCall Classified offers a facility for advertisers to be charged on a results only basis and also delivers an independent audit trail of each call with appropriate billing information.

Following very favourable initial response it is considered that these and certain other applications are worthy of serious promotion both in Europe and the USA and marketing spend will be increased accordingly to maximise return from the competitive lead NetCall has established.

Placing of New Shares

The company's stockbroker, Bell Lawrie Wise Speke, has completed the placing of 4,022,217 new shares at a price of 67p each raising £2,694,885 gross before expenses for the company. This placing is subject to shareholder approval at an EGM, scheduled for 24 November 1999. These funds will be used to repay short-term borrowings and to finance, particularly, the expansion of our marketing and sales efforts especially in Europe and the USA. A circular has today been posted to shareholders with full details of the issue.

Appointment of Nominated Broker

Bell Lawrie Wise Speke the company's Nominated Advisor, has been appointed Nominated Broker with immediate effect.

Prospects

NetCall are world leaders in internet controlled telephony and offers a range of innovative telephony based services possessing depth and relevance to commerce conducted both on and off the Internet. It has developed and continues to expand a powerful and scalable infrastructure, forged relationships with Tier One Telco's and possesses considerable expertise in delivering billing systems and other applications. The markets for our services are large and increasing in size daily – we offer solutions to several of the problems that have been affecting the business models of many companies, especially those attempting to generate, monitor and collect advertising revenue from their web sites.

With additional funds now available to enable an acceleration of the marketing effort, especially in the USA, there is every reason why a sustainable stream of revenue can be developed from the valuable services NetCall are able to deliver. Prospects for the company are exciting.

Notes to Editors

Full web addresses of reference sites

AutoGlass	http://www.autoglass.co.uk/index.html
BUPA	http://www.bupa.co.uk
Bank One	http://www.bankone-uk.com/apply/index.html
Citroen	http://www.citroen.co.uk (click "Business Users")
Dialog	http://www.dialog.com/info/support/index_phone.shtml
Dialogic	http://www.dialogic.com/dconnect.htm
Dixons	http://www.partmaster.co.uk
Greenflag	https://secure.zestmedia.com/Greenflag/rapid/apply/total/1vehicle.asp
HSA Healthcare	http://www.hsaonline.co.uk
Nissan	http://www.nissan.co.uk/showroom/modelrange/skyline/enquiries.htm
Personal Number	http://www.personal-number.co.uk/default.htm
RAC	http://www.rac.co.uk/join/NetCall.htm
Tiny Computers	http://www.uk.tiny.com/products/homeoffice.html
Thomas Cook	http://www.tch.thomascook.com/may/default.htm
Uunet	http://www.uk.uu.net/products/access/dialup/pipexdial
Vauxhall	http://buypower.vauxhall.co.uk/framesets/custassist.jhtml

		1999	1998
		£	£
Turnover-	continuing operations	539,568	705,316
	acquisitions	-	74,691
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		539,568	780,007
		-----	-----
Operating loss-	continuing operations	(1,761,397)	(910,880)
	acquisitions	-	(81,651)
		-----	-----
		(1,761,397)	(992,531)
Profit on sale of investments		-	100,736
		-----	-----
Loss on ordinary activities before interest		(1,761,397)	(891,795)
Interest receivable		24,465	22,925
Interest payable		(52,234)	(42,373)
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Loss on ordinary activities before taxation		(1,789,166)	(911,243)
Taxation on loss on ordinary activities		-	-
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Loss for the financial year		(1,789,166)	(911,243)
		=====	=====
Loss per ordinary share		(9.72p)	(5.95p)
		=====	=====

NOTES TO THE PRELIMINARY ANNOUNCEMENT

1. Analysis of turnover by class of business

	1999	1998
	£	£
Supply and maintenance of computer software	76,077	356,451
Internet related telephony services	106,241	3,155
Customer support and response centre	121,422	74,691
Head office activities	235,828	345,710
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	539,568	780,007
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2. For the purposes of section 240 Companies Act 1985:

(a) This Preliminary Announcement does not constitute statutory accounts.

(b) Statutory accounts in respect of the year ended 30th June 1998 have been delivered to the Registrar of Companies and those accounts were subject to an unqualified report by the Auditors. Copies of the Report and Accounts will be sent to shareholders and will be available from the Registered Office, 5th floor, Tricorn House, Hagley Road, Birmingham, B16 8TP

	1999		1998	
	£	£	£	£
Fixed assets				
Tangible assets		266,674		348,761
Current assets				
Stocks	-		4,288	
Debtors due within one year	364,912		395,824	
Debtors due after more than one year	169,778		169,778	
Cash at bank and in hand	128,255		28,530	
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	-		-	
	662,945		598,420	
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	-		-	

Creditors: amounts falling due within one year

Bank loan and overdrafts	10,153	205,195
Trade creditors	204,277	71,407
Other creditors including taxation and social security	434,274	290,727
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	-	-
	648,704	567,329
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	-	-
Net current assets	14,241	31,091
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Total assets less current Liabilities	280,915	379,852
Creditors: amounts falling due after more than one year	(7,558)	(22,599)
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	273,357	357,253
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Capital and reserves		
Called up share capital	1,079,920	824,363
Share capital to be issued	-	23,264
Special and capital reserves	2,977,667	1,504,690
Profit and loss account	(3,784,230)	(1,995,064)
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Equity shareholders' funds	273,357	357,253
	=====	=====

Visit www.netcall.com for further information.