



07 November 2001

## PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

NETCALL PLC

("Netcall" or "the Company")

### PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

Netcall specialises in software and systems which add intelligence to telephony making it more effective and less time-consuming. Netcall today announces preliminary results for the year ended 30 June 2001.

#### KEY POINTS

- Business restructured to focus on QueueBuster™ and reduce ongoing overhead
- Turnover on continuing operations £0.65m (2000: £0.70m)
- Adjusted net loss, before exceptionals, of £3.04 million (2000: £2.49 million) or 9.16p per ordinary share (2000: 9.98p)
- Significant new sales of QueueBuster™ to Thames Water Utilities and TML (Crane Telecom) during the year and to NPower Yorkshire (Innogy) and Dwr Cymru Welsh Water post year end
- Year end cash position £1.8 million

Peter Warry, Chairman of Netcall, said today:

**"Having proven the commercial effectiveness of QueueBuster™(Netcall's antidote to phone rage) with blue chip customers, we have focused our activities on this innovative and powerful product. "**

David Rothschild, CEO of Netcall, said today:

**"We are convinced that the underlying strength of Netcall's infrastructure and the immediate relevance of QueueBuster™ in the crucial field of customer service, has the potential to create a regular and increasing revenue stream".**

#### Notes to Editors:

Netcall sells products and services to call and contact centres and enables businesses to use the telephone efficiently. Its innovative flagship product, QueueBuster™, enables call centres to

manage call queuing, reduce costs and enhance customer service. The Company is focusing its resources on selling existing products and services into the financial, utility and leisure sectors.

**NETCALL PLC**  
**(“Netcall” or “the Company”)**

**STATEMENT ACCOMPANYING THE PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001**

**OPERATIONS**

Netcall has concentrated its resources on selling existing products whose commercial effectiveness has already been proven and which provide the greatest scope for long term growth. In the latter part of the year, Netcall took the strategic decision to focus its activities on QueueBuster™, our revolutionary queue management product for call and contact centres. This has been achieved by successfully transferring the selling of high volume low value services from our internal sales force to distribution channels.

As with any new product, however innovative, this is never a speedy or easy process but by the year end Netcall had added to its installed base a first class customer in Thames Water Utilities, a company recognised as a leader in customer service amongst the regulated utilities. Since the year end the sales momentum has accelerated with new orders from NPower Yorkshire and Dwr Cymru Welsh Water.

**RESULTS AND BALANCE SHEET**

The results for the year to June 2001, show turnover on continuing activities of £0.65m (2000: £0.70m). The adjusted net loss, before exceptionals, for the year on ordinary activities was £3.04m (2000: £2.49m) or 9.16p per ordinary share (2000: 9.98p).

In December 2000, the Company issued shares raising £4.4m (net of expenses) through a placing. At the end of the financial year, the decision was taken to write off the Company's minority investment in Telepost Inc., carried at the purchase cost of £4.5m which was originally settled by the issue of 2.5m shares at 180p to Freeserve Investments Limited. The write off will have no cash impact but as a consequence, net assets have reduced to £2.5m (2000: £5.6m). At the year-end, cash in the bank amounted to £1.8m.

**PROSPECTS**

The follow-on sales of QueueBuster™ referred to above have demonstrated its commercial effectiveness in sales, customer service and regulated environments. We have now assembled an experienced team to develop this business with blue chip corporate customers.

Whilst the exact timing of receipt of orders is always difficult to predict there is confidence within Netcall that the excellent reference sites and initial installations secured for QueueBuster™ will continue to generate further significant sales and contribute towards a growing annual revenue stream.

## NETCALL PLC

### Consolidated Profit and Loss Account

Years ended 30 June	Notes	2001 £	2000 £
<b>Turnover</b>			
- continuing operations		652,888	705,494
- discontinued operations		23,000	110,681
	1	675,888	816,175
Cost of sales		(252,546)	(242,394)
<b>Gross profit</b>		423,342	573,781
Administration expenses		(3,749,551)	(3,040,138)
Other operating income		15,000	
<b>Operating loss</b>			
- continuing operations		(3,297,712)	(2,334,134)
- discontinued operations		(13,497)	(132,223)
Loss on disposal of discontinued operations			(45,856)

<b>Loss on ordinary activities before interest</b>		<b>(3,311,209)</b>	<b>(2,512,213)</b>
Interest receivable		68,699	60,073
Amounts written off investments		(4,500,000)	
Interest payable		(25,677)	(39,663)
Loss on ordinary activities before taxation		(7,768,187)	(2,491,803)
Tax on loss on ordinary activities	2	40,699	
<b>Loss for the financial year</b>		<b>(7,727,488)</b>	<b>(2,491,803)</b>
Loss per ordinary share	3	(23.26p)	(9.98p)
Diluted loss per ordinary share	3	(23.63p)	(9.98p)

## NETCALL PLC

### Consolidated Balance Sheet

<b>Years to 30 June</b>		<b>2001</b>		<b>2000</b>
	£	£	£	£
<b>Fixed assets</b>				
Intangible assets		14,743		7,513
Tangible assets		263,039		291,149
Investments		350,000		4,550,000

627,782

4,848,662

**Current assets**

Debtors due within one year	<b>503,049</b>	<b>964,385</b>
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Debtors due after more than one year	-	<b>34,778</b>
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Cash at bank and in hand	<b>1,916,985</b>	<b>393,243</b>
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	<b>2,420,034</b>	<b>1,392,406</b>
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**Creditors: amounts falling due within one year**

Bank loans and overdrafts	<b>123,667</b>	
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Trade creditors	<b>131,337</b>	<b>423,136</b>
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Other creditors including taxation and social security	<b>243,901</b>	<b>210,300</b>
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	<b>498,905</b>	<b>633,436</b>
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<b>Net current assets</b>	<b>1,921,129</b>	<b>758,970</b>
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<b>Total assets less current liabilities</b>	<b>2,548,911</b>	<b>5,607,632</b>
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<b>Creditors: amounts falling due after more than one year</b>	<b>(2,291)</b>	<b>(3,784)</b>
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	2,546,620	5,603,848
<b>Capital and reserves</b>		
Called up share capital	1,814,513	1,458,191
Share premium account	14,518,380	10,147,637
Special and capital reserves	245,055	245,055
Profit and loss account	(14,031,328)	(6,247,035)
<b>Equity shareholder's funds</b>	<b>2,546,620</b>	<b>5,603,848</b>

## NETCALL PLC

### PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

<b>Notes to the Accounts</b>	<b>2001</b>	<b>2000</b>
<b>1. Analysis of turnover</b>		
Analysis of turnover by class of business	£	£
Installed solutions	348,515	376,000
Internet related telephony services	294,034	244,127
Bespoke software development	7,500	82,571
Commission and sundry income	2,839	2,796
Supply and maintenance	-	12,694

of computer software/hardware*		
Customer support and response centre services*	-	49,179
Corporate finance fee income*	23,000	17,108
Management services*	-	31,700
	<b>675,888</b>	<b>816,175</b>

\*Discontinued operations

All of the turnover arose from activities carried out in the United Kingdom

<b>2001</b>	<b>2000</b>
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Geographical analysis of turnover by destination	£	£
United Kingdom	407,496	532,338
North America	44,400	55,098
Europe	27,451	228,739
Rest of World	196,541	
	<b>675,888</b>	<b>816,175</b>

## 2. Tax on loss on ordinary activities

The Corporation Tax receivable arises from the availability of a tax credit of Netcall Telecom Limited's expenditure on research and development activities

## 3. Loss per ordinary share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all dilutive potential ordinary shares. The company has only one category of dilutive potential ordinary shares, those share options granted where the exercise price is greater than the average price of the company's ordinary shares during the year.

	2001	2000
	£	£
Loss for the financial year	<b>(7,727,488)</b>	<b>(2,491,803)</b>
Basic and diluted earnings attributable to ordinary shareholders	<b>(7,727,488)</b>	<b>(2,491,803)</b>
Weighted average number of ordinary shares	<b>33,222,442</b>	<b>24,960,313</b>
Effect of dilutive share options	<b>(528,223)</b>	
Adjusted weighted average number of ordinary shares	<b>32,694,219</b>	<b>24,960,313</b>
Loss per ordinary share	<b>(23.26p)</b>	<b>(9.98p)</b>
Diluted loss per ordinary share	<b>(23.26p)</b>	<b>(9.98p)</b>

	2001	2000
	£	£
Loss for the financial year	<b>(7,727,488)</b>	<b>(2,491,803)</b>
Exceptional reorganisation costs	<b>186,025</b>	-
Exceptional write off of investment	<b>4,500,000</b>	-
Adjusted Loss	<b>(3,041,463)</b>	<b>(2,491,803)</b>

Adjusted Loss per  
ordinary share

**(9.16p)**

**(9.98p)**

4. The "cash burn" rate over the period was approximately £200,000 per month

5. The Directors do not recommend payment of a dividend.

6. The financial information set out does not constitute the Company's statutory accounts for the years ended 30 June 2000 or 2001, but is derived from those accounts. Statutory accounts for 2000 have been delivered to the Registrar of Companies and those for 2001 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.

7. Copies of the full statutory accounts will be despatched to shareholders in due course. Further copies will be available from the Registered Office of the Company at 10 Harding Way, St Ives, Cambs PE27 3WR.

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