20 SEPTEMBER 2005

NETCALL PLC
("Netcall" or "the company")

Preliminary Results for Year Ended 30 June 2005

Netcall sells telephony solutions, including its innovative flagship product QueueBuster TM, which enable call centres to manage call queuing, reduce costs and enhance customer service.

HIGHLIGHTS

Financial

- Sales up 17% to £2.8 million (2004: £2.4 million)
- Gross profit margin increases to 83% (2004: 80%)
- Profit on ordinary activities before tax of £0.16 million (2004: loss of £0.83 million), representing the first full year of profit in the company's history
- Cash position of £1.4 million (2004: £1.3 million)

Operational

- Hosted Services achieving strong growth
- Implementation of QueueBuster Product at one of the world's leading banks
- Continued tight control of operating costs

Ron Elder, Chairman of Netcall, commented:

"We are very pleased with our strategy of offering customers the opportunity to take the hosted service version of QueueBuster. It has produced excellent results and is providing an increasing base of highly stable and visible revenue. Our objective is to continue to grow this base whilst offering flexible packages which meet the needs of our customers and prospects."

NETCALL PLC
PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2005

ENQUIRIES

Netcall plc (www.netcall.com)	**Tel.**	**+44(0)1480 495300**
Ron Elder, Chairman		
Henrik Bang, Chief Executive		
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Archie Berens		
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Chairman's Statement

Following the launch of the hosted service version of QueueBuster last year, we have successfully built up the proportion of service based revenues. By continuing to grow revenue and maintaining a prudent stance on costs, Netcall is reporting full year profits for the first time in its history.

Results

Turnover for the year was £2.8 million, 17% ahead of last year (2004: £2.4 million). Margins improved slightly and as a result, gross profits were £2.4 million, compared to last year's figure of £1.9 million. A reduction in administrative expenses meant that the company was able to report a small profit before taxation, of £0.16 million, compared to a loss before tax in the previous year of £0.83 million. Earnings per share were 0.2p, compared to a loss per share of 1.3p in 2004.

Increasing annuity revenues from maintenance contracts and growing revenues from hosted services ensured a continuing healthy cash flow into the new financial year. At 30 June 2005, the cash position was £1.4 million, slightly ahead of the previous year.

At the year end, Netcall had contracted future revenues of £1.19 million (2004: £1.65 million) that will contribute to its income over the next three years. Additionally the business now has a higher level of regular monthly income being generated from users of the hosted services.

Business Focus

We continue to deliver on the plan to make the company's solutions available to a broader customer base through the introduction of service offerings. This strategy will also reduce the unpredictability of Netcall's revenue streams caused by a relatively small number of customers making decisions on high-value product purchases. We have found that no matter how great the positive impact QueueBuster technology can be shown to have on a customer's business, the timings associated with the customer's decision making processes make our own budgeting very difficult.

This has proven to be the case on a number of occasions, and was most notable recently when we won a contract to install QueueBuster at one of the world's largest banks. Although clearly an important and potentially valuable piece of business for Netcall, the timetable was under the control of the customer, and outside our influence. Our roll-out expectations for the period to 30 June 2005 were not met, and the delayed revenues are now expected to occur in the current financial year.

Thus we continue to focus on building up the stream of regular, visible and lower-risk revenues by increasing our efforts on marketing the service solutions such as QueueBuster Service and Netcall800.

Outlook

We believe our knowledge of telephony and the sophisticated technology we have developed gives us a unique insight into the requirements of organisations with regard to call handling and customer contact management. It is becoming increasingly clear to us that these organisations consider customer dissatisfaction to be a huge threat to their business and our technology is a vital tool in combating that threat.

Those organisations that have had the vision to recognise this by signing up for our service have been delighted with the results. Our objective now is to capture a greater share than that which we currently occupy, by offering more flexible ways to sell the product to more organisations, and by providing a complementary package of services that will be even more attractive to our current and potential customers. We are making good progress in formulating these plans and we are therefore confident of further success.

Ron Elder, Chairman
ron.elder@netcall.com
20 September 2005

Chief Executive's Review

At the beginning of the financial year, the main objective was for Netcall to execute its new strategic directions and to prove the strategy's durability by reaching profitability. I am therefore pleased to report strong growth in our new key revenue streams and profitability for the first time in the company's history.

The overall long term health of the company has improved substantially as Netcall has made significant progress in its market reach and has enhanced the diversity of the revenue streams, including an increase in recurring revenues.

Financial Results

Netcall is reporting a full year profit for the first time in its history. This has been achieved by a combination of revenue growth, margin increases and a reduced cost base, resulting in an improvement of profit before tax of approximately £1 million compared to the previous year.

Year on year turnover growth was 17%. Behind this is a significant change in revenue composition including a substantial increase in recurring service revenues as well as revenue growth from new customers buying QueueBuster product.

Product revenue growth has been adversely impacted by a decline in new product sales made to a single QueueBuster product customer. New sales to this customer have naturally declined as penetration of this customer has increased. Total revenue excluding new sales to this customer increased by more than 60% year on year and has been generated from a much broader customer base.

Margins have continued to improve as a result of the changing revenue profile.

Cost control has remained tight and consequently administration expenses have declined by 20% compared to last year.

Review of Operations

QueueBuster, Netcall's flagship product, gives customers caught in a call centre queue the option of receiving a return call without losing their place in the queue. Our customers continue to report excellent performance from QueueBuster in both sales and customer support environments, confirming that the product delivers substantial productivity improvements as well as high customer and agent satisfaction.

There is also a growing interest in other Netcall products, most notably NetCall800 which is Netcall's internet call-back solution supporting an increased number of customers internet based business transactions.

The hosted services business is continuing to show solid growth. This supports our belief that smaller customers as well as large corporations are attracted to the 'on-demand' business model where customers pay fees according to their usage. Netcall has over the course of the year signed contracts with customers from a broad range of sectors including Financial Services, Telecommunications, Travel & Leisure and Government.

Whilst Netcall is increasingly moving towards the hosted services model, there has also been an increase in revenues from new QueueBuster product customers. During the year Netcall signed a significant three year Global Framework Agreement with an international bank to provide its QueueBuster technology to support that company's telephony operations.

The strategy to increase revenues via channels is yielding tangible benefits for both hosted services and product sales. As an example, through our distribution agreement with BT Global Services we have seen QueueBuster being adopted by Prudential. Both the results and the feedback from Prudential have been very positive. In the financial year 24% of revenues came from distribution channels.

Current Trading

Since the year end, trading has continued to be satisfactory. Our monthly run-rate of recurring revenues is continuing to rise in line with the increasing adoption of the hosted service and we have also received customer commitment for new QueueBuster Product systems.

Strategy

Our overall strategy is to increase both the diversity and the quality of our revenue streams. We believe we have made significant progress in executing this strategy and will continue our current efforts in growing the platform of recurring revenues as well as building distribution channels.

In addition we see an opportunity to bundle together packages of other related telephony services to increase sales to existing customers and to attract new prospects.

We intend also in the coming year to build our internal capabilities to support the key strategic directions which will make the basis for continued growth. This will be done alongside continued tight control of the company’s cost base.

Netcall’s suite of products continues to have considerable potential. With a continued strong focus on the execution and development of our market model and product proposition, we are confident about the future.

Henrik Bang, Chief Executive
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20 September 2005

NETCALL PLC

Consolidated Profit and Loss Account
Year ended 30 June 2005

	Notes	2005	2004
			£
Turnover	1	2,822,086	2,414,211
Cost of sales		(469,073)	(471,378)
Gross profit		2,353,013	1,942,833
Administration expenses		(2,233,033)	(2,786,225)
Other operating income		7,942	-
Operating profit (loss)		127,922	(843,392)
Interest receivable		44,582	18,853
Interest payable and similar charges		(14,445)	(3,392)
Profit (loss) on ordinary activities before taxation		158,059	(827,931)
Tax on profit (loss) on ordinary activities		-	32,224
Profit (loss) for the financial year		158,059	(795,707)
Earnings (loss) per ordinary share			
Basic	2	0.2p	(1.3p)
Diluted	2	0.2p	(1.3p)

All activities derive from continuing operations.

NETCALL PLC

Consolidated Statement of Total Recognised Gains and Losses
Year ended 30 June 2005

	2005 £	2004 £
Profit (loss) for the financial year	**158,059**	**(795,707)**
Currency translation differences on foreign currency net investments	**(253)**	**(3,776)**
Total recognised gains and losses for the year	**157,806**	**(799,483)**

NETCALL PLC

Consolidated Balance Sheet
At 30 June 2005

	2005	2004
	£	£
Fixed assets		
Tangible assets	172,346	153,268
Investments	-	-
	172,346	153,268
Current assets		
Stocks	19,468	130,359
Debtors within one year	1,079,348	1,033,535
Cash at bank and in hand	1,393,385	1,256,872
	2,492,201	2,420,766
Creditors: amounts falling due within one year	(1,217,884)	(1,269,798)
Net current assets	1,274,317	1,150,968
Total assets less current liabilities	1,446,663	1,304,236
Creditors: amounts falling due after more than one year	(87,500)	(117,500)
	1,359,163	1,186,736
Capital and reserves		
Called up share capital	3,285,547	3,275,464
Share premium account	15,120,021	15,115,483
Special and capital reserves	245,055	245,055
Profit and loss account	(17,291,460)	(17,449,266)
Equity shareholders' funds	1,359,163	1,186,736

NETCALL PLC

Consolidated Cash Flow Statement
Year ended 30 June 2005

		2005		2004
	£	£	£	£
Net cash inflow (outflow) from operating activities		208,094		(221,838)
Returns on investments and servicing of finance				
Interest element of finance lease rental payments	-		(15)	
Bank interest received	44,582		18,853	
Interest on bank loans and overdrafts	(13,712)		(589)	
Other interest	(733)		(2,788)	
Net cash inflow from returns on investments and servicing of finance		30,137		15,461
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(86,339)		(58,686)	
Receipts from sales of tangible fixed assets	-		620	
Net cash (outflow) from capital expenditure and financial investment		(86,339)		(58,066)
Net cash inflow (outflow) before financing		151,892		(264,443)
Financing				
Bank loan taken out	-		150,000	
Repayment of bank loan	(30,000)		(2,500)	
Capital element of finance lease rental payments	-		(485)	
Issue of new shares	14,621		1,295,990	
Share issuance costs	-		(200,000)	
Net cash (outflow) inflow from financing		(15,379)		1,243,005
Increase in cash		136,513		978,562

NETCALL PLC

Notes to the Accounts

1. Analysis of turnover

	2005	2004
Analysis of turnover by class of business	£	£
Product	**2,171,976**	**2,086,300**
Service	**650,110**	**327,911**
	2,822,086	**2,414,211**

Geographical analysis of turnover by destination:	2005	2004
	£	£
United Kingdom	**2,412,518**	**2,135,605**
Rest of Europe	**316,436**	**187,511**
North America	**55,227**	**88,870**
Rest of World	**37,905**	**2,225**
	2,822,086	**2,414,211**

2. Earnings (loss) per ordinary share

Earnings (loss) per share has been calculated in accordance with Financial Reporting Standard 14 (FRS 14). The calculation of earnings per share is based on the profit attributable to equity shareholders of £158,059 (2004 - loss of £795,707) and 65,592,187 (2004 - 60,005,122) shares being the weighted average of the number of shares in issue during that period.

The diluted earnings per share is based on a weighted average of 65,777,775 shares after allowing for the exercise of share options. For 2004, the diluted loss per share, as presented, equals the basic loss per share as FRS 14 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease net profit or increase net loss per share.

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

4. The financial information set out in the announcement does not constitute the company's statutory accounts for the years ended 30 June 2005 or 2004. The financial information for the year ended 30 June 2004 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s237(2) or (3) Companies Act 1985. The statutory accounts for the year ended 30 June 2005 will be delivered to the Registrar of Companies after the company's Annual General Meeting. The auditors have reported on those financial statements; their report was unqualified and did not contain a statement under S237(2) or (3) of the Companies Act 1985.

The financial information is prepared on the basis of accounting policies as stated in the previous year.

5. 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.