

IDOX plc

12 January 2010

Steady performance in a difficult economy; strong foundations laid for 2010

IDOX plc (AIM: IDOX, 'the Group', 'IDOX'), the supplier of software and services to the UK public sector, announces its final results for the year ended 31 October 2009.

Financial highlights

- Revenues £32.2m (2008: £34.0m) reflecting extended delivery schedules and increased mix of longer term contracts
- Normalised pre-tax profit* £6.7m (2008: £7.6m)
- Pre-tax profit £4.5m (2008: £6.6m) after exceptional restructuring and impairment charge
- Normalised EPS 1.64p (2008: 1.70p), Basic EPS 1.01p (2008: 1.40p)
- Final dividend proposed of 0.12p, making a total for year of 0.2p, up 74% (2008: 0.115p)
- £6.9m cash at period end, £3.2m net funds (2008: £1.0m) after £3.0m debt repayment, maiden interim dividend and acquisition of J4B

Operational highlights

- Won all three large contracts tendered by new Unitary Authorities, totalling £2.0m
- Awarded £1.5m contract to deliver Stream 3 of Scottish Executive project following successful delivery of Stream 2
- Improved efficiency after 17% year-over-year headcount reduction

Martin Brooks, Chairman, said:

"IDOX performed well in a difficult year and has laid strong foundations for the future.

"The 2010 financial year has begun positively. We are delivering on our substantial contracted order book, converting our large pipeline of prospects into sales and seeing signs of recovery in the Solutions and Permanent Recruitment businesses.

"With tighter public spending expected after the General Election, we continue to believe local authorities will increasingly look to IDOX to provide rapid returns on the IT investments they must make to reduce costs and improve services in the longer term."

* Normalised pre-tax profit is derived by adding back amortisation, share option costs, exceptional restructuring costs and impairment charge.

Enquiries:

IDOX

Martin Brooks, Chairman
Richard Kellett-Clarke, Chief Executive
William Edmondson, Chief Financial Officer

020 7332 6000

Investec

Andrew Pinder / Erik Anderson

020 7597 4000

College Hill

Adrian Duffield / Carl Franklin

020 7457 2020

About IDOX plc

IDOX plc is a supplier of software solutions and services principally to the UK public sector and the leading applications provider to local government for core functions relating to land, people and property through its UNI-form, Plantech and IDOX product range. Over 75% of UK local authorities are customers.

The Group gives public-sector organisations the tools to manage information and knowledge, documents and content, business processes and workflow as well as connecting directly with the citizen via the web.

It also supplies decision support content and additional specialist services via the IDOX Information Service and the recently acquired J4B business.

Under the TFPL brand the company is transforming approaches to knowledge and content management via consultancy and training, as well as providing these specialist skills to customers through its recruitment division.

For more information see www.idoxplc.com

Strategic overview

IDOX specialises in providing document management, case management, workflow systems, content and web-based portals for local government needs.

Local Authorities represent the largest sector of Government IT spending in the UK, with an annual investment of around £4 billion, according to a November 2009 survey by Kable, the research consultancy. The market is characterised by long-term customer relationships that generate strong and recurring revenue streams.

As a result of its expertise in software development, coupled with a strong understanding of customer requirements and the rapid return on investment of its applications, IDOX has become a leading supplier to the land and property departments of local authorities. The Group has also made substantial inroads into other local authority markets including revenues and benefits.

IDOX's innovative solutions have given local authorities and other bodies the tools to manage information and the ability to connect directly with citizens through online portals, such as Scotland's ePlanning web site. At the same time, local authorities enjoy significant efficiency gains, enabling them to reduce costs while improving services.

Capitalising on its expertise and market leadership, IDOX will continue to consolidate and advance these capabilities into adjacent public-sector markets and into the private sector by pursuing an organic and acquisitive approach.

2009 highlights

The 2009 financial year saw IDOX strengthen its position as a leading partner of Local Authorities needing to improve services and reduce costs through the use of information technology. Its core software and services are now used by 338 local authorities. The Group's strong market position is reflected in the fact that IDOX beat significant competition to win all three contracts tendered by new Unitary Authorities created by the Local Government Review.

IDOX achieved its software sales targets for 2009, built a strong contracted order book, improved its qualified pipeline and increased its level of recurring revenues. However, delays in procurement completions that left little time for implementation before the year end, as well as a shift towards longer-term managed-service contracts, meant that some revenues and profits could not prudently be booked before the end of the financial year.

As indicated in the trading update of 12 November 2009, revenues fell by 5% and EBITDA 13% as local authorities responded to the challenging economic climate and delayed IT procurement decisions or opted for longer-term managed-service contracts. However, the 2010 financial year has begun well with the implementation and recognition of orders contracted in 2009.

Tight cost controls and strong management of working capital ensured that the Group's net cash position remained strong at £3.2m, despite the repayment of £3m of debt, the acquisition of J4B for £0.8m cash and the payment of a maiden interim dividend. The Group proposes to pay a final dividend of 0.12 pence.

Financial review

Revenues were £32.2m (2008: £34.0m) reflecting extended delivery schedules on software contracts, an increased mix of longer-term maintenance and managed-service contracts and challenging market conditions that affected the recruitment business.

The Software business, which accounts for 78% of Group revenues, delivered £25.1m (2008: £27.1m), of which around 52% were recurring, up from 46% in the previous year.

Although new software sales were in line with management expectations, the revenue mix contained a higher proportion of maintenance and managed-service contracts that will be recognised over longer periods. In addition there were a number of larger contract wins, including the third phase of the Scottish Government e-planning project, where delivery and therefore

revenue recognition extends into 2010. As a result the contracted order book increased by 60% year-on-year to £6.1m.

The Recruitment and Training business reported revenues of £3.8m (2008: £4.4m), reflecting the rapid deterioration in the employment market.

The Solutions division increased revenue to £3.4m (2008: £2.6m) as a result of a six-month contribution from J4B, acquired in April 2009, which provides content to local authorities and other public sector bodies.

The addition of J4B has augmented recurring revenues, which now make up 53% of solutions turnover which together with strong recurring revenues in the Software business provide a solid foundation for the Group's performance.

Gross margins for the Group were 77% (2008: 79%), reflecting a shifting mix within the recruitment business toward interim placements, which now account for 93% of recruitment revenues (2008: 87%). Software margins of 85% (2008: 88%) were marginally reduced by additional costs associated with the delivery of the Scottish Government Stream 2 project and lower revenue to cover certain fixed external charges.

Even after the current-year acquisition of J4B and a full year of costs from Plantech, acquired in 2008, operating costs were reduced by 5% to £17.4m (2008: £18.4m) as a result of tight cost controls, the completion of the integration of acquisitions and productivity gains. The associated 17% headcount reduction since October 2008 resulted in an exceptional charge of £0.4m. The full benefit of these savings will be felt in 2010.

EBITDA of £7.5m (2008: £8.6m) reflects the revenue decline, although it has been offset to some extent by operating cost savings. However, EBITDA margin remains healthy at 23% (2008: 25%).

Normalised pre-tax profit, excluding amortisation, impairment, share options costs and exceptional charges, was £6.7m (2008: £7.6m). Pre-tax profit was £4.5m (2008: £6.6m) after an increased amortisation charge following the acquisition of J4B, the amortisation of capitalised Research & Development and the exceptional charge of £0.4m (2008: nil). In addition there was a goodwill impairment charge of £0.5m relating to the Group's Solutions business.

Normalised earnings per share were 1.64p (2008: 1.70p). Basic earnings per share were 1.01p, (2008: 1.40p).

A maiden interim dividend of 0.08p per share was paid in August 2009. The Board proposes a final dividend of 0.12p to give a full year dividend of 0.20p (2008: 0.115p). The 74% increase in dividend reflects the Board's continuing confidence in the long-term strength of the business and its healthy operating cash generation of 63% (2008: 50%).

IDOX ended the year with £6.9m cash and net funds of £3.2m after repaying £3.0m of debt and funding from existing cash resources the £0.8m acquisition of J4B, a dividend payment of £0.7m and share buy backs of £0.2m.

Strong working capital management resulted in a significant decrease in debtor days to 47 (2008: 68). The tax charge of £1.0m (2008: £1.8m) reflects a reduction in the Group's effective tax rate from 27% to 23% following recovery of prior-year research and development credits.

Operating review

The core Software division had a good year, winning notable large contracts including the Scottish Executive's Stream 3 ePlanning procurement and all three Local Government Review systems contracted in 2009, namely Cornwall, Shropshire, and Central Bedfordshire. Helped by the launch of new public-access modules, Enterprise modules, and updates to existing products, IDOX increased market share in its core segments through competitor replacements in Medway, North Norfolk, North Kesteven, and expanded its presence in other authorities such as Eastleigh, where it implemented a corporate-wide EDRMS solution.

The timing and mix of orders was different than expected, with a larger element coming from managed-service contracts spread over a number of years. This shift, combined with new product releases and the additional requirement to hit the deployment timetable for Scotland Stream 2 (a complex rollout across Scotland with customer and third-party dependencies) resulted in deliveries and associated revenue recognition falling short of expectations.

However, the Group increased recurring revenues strongly and at the end of the year the level of contracts awaiting delivery was 60% up on a like for like basis.

IDOX's operational capability was stretched in the first half of the year when it delivered on schedule an ePlanning Solution for the Scottish executive that linked its 16 Unitary Authorities. The experience gained from this and the follow-up review of internal processes has already delivered improvements in the Group's operating procedures that will lead to more efficient project management and better managed services.

In product development, IDOX achieved several goals. It completed product road maps for its core business lines, introduced and enhanced computerised production systems using in-house Enterprise product technology, introduced quality initiatives across the company, achieved cost savings and successfully delivered important new products on time and to a higher quality standard. Developments planned for 2010 are designed to position IDOX as the most efficient and focused supplier of quality solutions and managed services to Local Government.

Demand for the Solutions business, which accounts for 10% of Group revenues, suffered from the economic downturn with key private and public sector projects being delayed or postponed indefinitely. The acquisition of J4B offset this to some extent with the completion of a major contract for the charities sector after its integration. J4B has also augmented IDOX's subscription business with its Bidtrack product, generated advertising revenues, added new technology with its CMS (content management system), added web publishing expertise and strengthened the IDOX management team.

The Group's Recruitment business has suffered through layoffs and downsizing in all of its markets. Contract interim placements held up well but there was a 52% fall in permanent recruitment which, although accounting for just 1% of Group revenues, had a 5% impact on Group operating profits. The integration of the team from Intelligent Resources towards the end of the year has strengthened the Group's position and the outlook for recruitment in 2010 has already started to improve.

Outlook

The Board is confident of a good performance in 2010. Although the Government has reiterated its commitment to maintain core funding at previously agreed levels though until 2011, local authorities will face growing pressure to improve services and reduce costs.

The Board expects that in the face of such economic pressures, local authorities will increasingly appreciate the rapid return on investment and benefits of service improvements that IDOX software and services provide at relatively little cost.

The effort IDOX invested in product development during the 2009 financial year should generate good returns in 2010, with existing and potential customers benefiting from a wider range of software modules, upgrades and enhanced offerings from the consultancy, recruitment and managed-services businesses.

The 2010 financial year has begun positively. IDOX is delivering on its substantial contracted order book, converting its large pipeline of prospects into sales and seeing signs of recovery in the Solutions and Permanent Recruitment businesses.

**Consolidated Income Statement
For the year ended 31 October 2009**

	Note	2009 £000	2008 £000
Revenue	2	32,164	34,034
External charges		<u>(7,283)</u>	<u>(7,017)</u>
		24,881	27,017
Staff costs		(14,026)	(14,745)
Other operating charges		<u>(3,376)</u>	<u>(3,697)</u>
		7,479	8,575
Depreciation		(372)	(340)
Amortisation		(1,112)	(920)
Goodwill impairment charge		(533)	-
Restructuring costs		(427)	-
Share option costs		<u>(99)</u>	<u>(108)</u>
Operating profit		4,936	7,207
Finance income		125	263
Finance costs		<u>(582)</u>	<u>(901)</u>
Profit before taxation		4,479	6,569
Income tax expense	3	<u>(1,020)</u>	<u>(1,785)</u>
Profit for the period		<u>3,459</u>	<u>4,784</u>
Earnings per share			
Basic	4	1.01p	1.40p
Diluted	4	1.00p	1.38p

**Consolidated Balance Sheet
At 31 October 2009**

	2009	2008
	£000	£000
ASSETS		
Non-current assets		
Property, plant and equipment	757	500
Intangible assets	32,608	31,887
Deferred tax assets	315	265
Total non-current assets	33,680	32,652
Current assets		
Trade and other receivables	6,462	8,276
Cash and cash equivalents	6,947	7,688
Total current assets	13,409	15,964
Total assets	47,089	48,616
LIABILITIES		
Current liabilities		
Trade and other payables	3,171	2,845
Other liabilities	8,138	8,113
Provisions	138	370
Current tax	187	1,086
Deferred tax liabilities	-	250
Derivative financial instruments	-	96
Borrowings	1,000	1,000
Total current liabilities	12,634	13,760
Non-current liabilities		
Trade and other payables	-	422
Deferred tax liabilities	3,501	3,292
Borrowings	2,781	5,696
Total non-current liabilities	6,282	9,410
Total liabilities	18,916	23,170
Net assets	28,173	25,446
EQUITY		
Called up share capital	3,442	3,442
Capital redemption reserve	1,112	1,112
Share premium account	9,903	9,883
Treasury reserve	(212)	-
Share options reserve	454	364
Merger reserve	1,294	1,294
ESOP trust	(88)	(96)
Retained earnings	12,268	9,447
Total equity	28,173	25,446

Consolidated Cash Flow Statement For the year ended 31 October 2009

	2009 £000	2008 £000
Cash flows from operating activities		
Profit for the period before taxation	4,479	6,569
Adjustments for:		
Depreciation	372	340
Amortisation	1,112	920
Impairment	533	-
Finance income	(125)	(263)
Finance costs	497	816
Debt issue costs amortisation	85	85
Share option costs	99	108
Exchange gains	27	-
Movement in receivables	1,955	(538)
Movement in payables	(1,541)	(1,830)
Cash generated by operations	7,493	6,207
Tax on profit paid	(2,152)	(1,280)
Net cash from operating activities	5,341	4,927
Cash flows from investing activities		
Acquisition of subsidiary net of cash acquired	(795)	(3,833)
Purchase of property, plant and equipment	(595)	(291)
Purchase of intangible fixed assets	(464)	(353)
Interest received	125	263
Net cash used in investing activities	(1,729)	(4,214)
Cash flows from financing activities		
Proceeds from issue of share capital	20	199
Interest paid	(353)	(816)
Other loan related costs	(144)	-
Loan repayments	(3,000)	(1,000)
Equity dividends paid	(672)	(343)
Sale/(purchase) of own shares	(204)	8
Net cash flows from financing activities	(4,353)	(1,952)
Net movement on cash and cash equivalents	(741)	(1,239)
Cash and cash equivalents at the beginning of the period	7,688	8,927
Cash and cash equivalents at the end of the period	6,947	7,688

**Consolidated Statement of Changes in Equity
At 31 October 2009**

The group	Called up share capital £000	Capital redemption reserve £000	Share premium account £000	Treasury reserve £000	Share option reserve £000	Merger reserve £000	ESOP trust £000	Retained earnings £000	Total £000
At 1 November 2007	3,420	1,112	9,706	-	359	1,294	(104)	4,903	20,690
Profit for the year	-	-	-	-	-	-	-	4,784	4,784
Total recognised income and expense for the year	-	-	-	-	-	-	-	4,784	4,784
Issue of share capital	22	-	177	-	-	-	-	-	199
Share issue costs	-	-	-	-	(103)	-	-	103	-
Share options charge	-	-	-	-	108	-	-	-	108
Equity dividends paid	-	-	-	-	-	-	-	(343)	(343)
ESOP trust	-	-	-	-	-	-	8	-	8
At 31 October 2008	3,442	1,112	9,883	-	364	1,294	(96)	9,447	25,446
Profit for the year	-	-	-	-	-	-	-	3,459	3,459
Total recognised income and expense for the year	-	-	-	-	-	-	-	3,459	3,459
Deferred tax on share based payments	-	-	-	-	-	-	-	25	25
Utilisation of treasury shares	-	-	20	3	-	-	-	-	23
Transfer on exercise of share options	-	-	-	-	(9)	-	-	9	-
Share options charge	-	-	-	-	99	-	-	-	99
Purchase of treasury shares	-	-	-	(215)	-	-	-	-	(215)
Equity dividends paid	-	-	-	-	-	-	-	(672)	(672)
ESOP trust	-	-	-	-	-	-	8	-	8
At 31 October 2009	3,442	1,112	9,903	(212)	454	1,294	(88)	12,268	28,173

**Notes to the announcement
For the year ended 31 October 2009**

1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Companies Act 2006, applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities, being derivative financial instruments carried at fair value through profit or loss.

The financial information set out in the announcement does not constitute the group's statutory accounts for the year ended 31 October 2009. The financial information for the year ended 31 October 2008 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) of the Companies Act 1985. The statutory accounts for the year ended 31 October 2009 are expected to be finalised on the basis of the financial information presented by the directors in this preliminary announcement.

2 Segmental Analysis

As at 31 October 2009, the Group is primarily organised into three main business segments, which are detailed below.

Financial information is reported to the Board on a business unit basis with revenue and operating profits split by business unit. Each business unit is deemed a reportable segment as each offer different products and services.

- Software - delivers software and service solutions to mainly local government customers across a broad range of departments
- Solutions - delivering both an information service and consultancy services to a diverse range of customers across both private and public sectors
- Recruitment - providing personnel with information, knowledge, records and content management expertise to a diverse range of customers

Segment revenue comprises of sales to external customers and excludes gains arising on the disposal of assets and finance income. Segment profit reported to the board represents the profit earned by each segment before the allocation of tax, interest payments and share option charges.

Relevant assets and liabilities are allocated to reportable segments in line with the percentage of total revenue.

The Group does not place reliance on any specific customer and has no individual customer that generates 10% or more of its total Group revenue.

The segment revenues by geographic location for the year ended 31 October 2009 are as follows:

	United Kingdom £000	Netherlands £000	Total £000
Revenues from external customers	31,856	308	32,164

No geographic revenue disclosure was required in 2008 as the company did not have any operations outside of the United Kingdom.

The segment results by business unit for the year ended 31 October 2009 are as follows:

	Software £000	Solutions £000	Recruitment £000	Total £000
Revenues from external customers	25,053	3,352	3,759	32,164
Interest revenue	22	3	4	29
Interest expense	-	-	-	-
Net interest revenue	22	3	4	29
Depreciation	291	79	2	372
Amortisation	1,039	73	-	1,112
Impairment of goodwill	-	533	-	533
Segment profit/(loss) (see reconciliation below)	5,469	(411)	(33)	5,025
Segment total assets	11,972	1,501	1,684	15,157

Expenditures on segment non-current assets	475	120	-	595
Segment total liabilities	9,062	1,212	1,360	11,634

The segment results for the year ended 31 October 2008 are as follows:

	Software £000	Solutions £000	Recruitment £000	Total £000
Revenues from external customers	27,060	2,556	4,418	34,034
Interest revenue	222	21	20	263
Interest expense	(4)	-	-	(4)
Net interest revenue	218	21	20	259
Depreciation	259	66	15	340
Amortisation	920	-	-	920
Segment profit/(loss) (see reconciliation below)	7,509	(234)	226	7,501
Segment total assets	13,743	1,228	2,165	17,136
Expenditures on segment non-current assets	294	23	3	320
Segment total liabilities	10,203	957	1,655	12,815

Segment result of the Recruitment includes an impairment loss in relation to goodwill of £Nil (2007: £400,000).

Reconciliations of reportable profit and assets and liabilities:

	2009 £000	2008 £000
Profit		
Total profit for reportable segments	5,025	7,501
Other financial costs	(546)	(932)
Profit before taxation	4,479	6,569
Assets:		
Total assets for reportable segments	15,157	17,136
Goodwill and intangible assets	31,932	31,480
Total assets	47,089	48,616
Liabilities:		
Total liabilities for reportable segments	11,634	12,815
Borrowings	3,781	6,696
Deferred taxation	3,501	3,659
Total liabilities	18,916	23,170

Other financial costs relate to loan interest and a one off swap interest charge paid by IDOX plc, which along with the loan have not been included in reportable segments. Goodwill and intangible

fixed assets, (other than development costs) and related deferred tax entries are held at consolidation level only and are therefore shown as reconciling items.

3 Taxation

The tax charge is made up as follows:

	2009	2008
	£000	£000
Current tax		
Corporation tax on profits for the period	1,637	2,149
Over provision in respect of prior periods	(384)	(272)
Total current tax	<u>1,253</u>	<u>1,877</u>
Deferred tax		
Origination and reversal of temporary differences	(321)	(205)
Adjustments in respect of prior periods	88	113
Total deferred tax	<u>(233)</u>	<u>(92)</u>
Total tax charge	<u>1,020</u>	<u>1,785</u>

Unrelieved trading losses of £121,000 (2007: £796,250) which, when calculated at the standard rate of corporation tax in the United Kingdom of 28% (2008: 28%), amounts to £33,880 (2007: £222,950). These remain available to offset against future taxable trading profits.

Factors affecting the tax charge in the period:

	2009	2008
	£000	£000
Profit before taxation	<u>4,479</u>	<u>6,569</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28%)	1,254	1,839
Effects of:		
Expenses not deductible for tax purposes	49	262
Share based payments	(62)	217
Capital allowances in excess of depreciation	-	19
Difference in tax rate	(2)	84
Adjustments to tax charge in respect of prior period	(296)	(158)
Net movement on deferred tax on intangibles	77	(478)
	<u>1,020</u>	<u>1,785</u>

4 Earnings per Share

The earnings per ordinary share is calculated by reference to the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during each period, as follows:

	2009 £000	2008 £000
Profit for the year	3,459	4,784
Basic earnings per share		
Weighted average number of shares in issue	342,706,522	342,059,867
Basic earnings per share	1.01p	1.40p
Diluted earnings per share		
Weighted average number of shares in issue used in basic earnings per share calculation	342,706,522	342,059,867
Dilutive share options	3,890,563	5,061,729
Weighted average number of shares in issue used in dilutive earnings per share calculation	346,597,085	347,121,596
Diluted earnings per share	1.00p	1.38p
Normalised earnings per share		
Addback:		
Amortisation	1,112	920
Impairment	533	-
Share option costs	99	108
Restructuring costs	427	-
Normalised profit for year	5,630	5,812
Weighted average number of shares in issue	342,706,522	342,059,867
Normalised earnings per share	1.64p	1.70p

In the prior year, profit was adjusted for interest rate swaps in the calculation of normalised EPS. This has not been included this year in the normalised EPS calculation and as a result the comparative for 2008 has decreased from 1.73p to 1.70p.

5 Acquisitions

On 23 April 2009, the Group acquired the entire share capital of J4B Software and Publishing Limited for a consideration of £1.1m, which was satisfied in cash. Goodwill arising on the acquisition of J4B Software and Publishing Limited has been capitalised. The purchase of J4B Software and Publishing Limited has been accounted for using the acquisition method of accounting.

	Book value	Fair value adjustments	Fair value
	£000	£000	£000
Intangible assets	-	865	865
Property, plant and equipment	34	-	34
Trade receivables	333	-	333
Investments	13	-	13
Other receivables	63	-	63
Cash at bank	311	-	311
TOTAL ASSETS	754	865	1,619
Trade payables	(57)	-	(57)
Deferred revenue	(212)	(527)	(739)
Corporation tax	(36)	-	(36)
Social security and other taxes	(156)	-	(156)
Accruals	(186)	-	(186)
Deferred tax liability	-	(242)	(242)
TOTAL LIABILITIES	(647)	(769)	(1,416)
NET ASSETS	107	96	203
Purchased goodwill capitalised			903
			1,106
Satisfied by:			
Cash to vendor			815
Costs of acquisition			291
Total consideration			1,106

The fair value adjustment for the intangible assets relates to customer relationships, trade names and software. A related deferred tax liability has also been recorded as a fair value adjustment.

Other fair value adjustments were made to the revenue recognition policy for subscription income in order to bring it in line with group policy.

The profit after taxation of J4B Software and Publishing Limited for the period from 1 January 2009, the beginning of the subsidiary's financial year, to the date of acquisition was £14,000. The profit after taxation for the period ended 31 October 2009 was £137,000, and the profit after taxation since acquisition amounts to £230,000. The fair values stated above are provisional. The goodwill figure represents the premium paid over and above the identified assets where the latter include the value of the J4B brand, customer relationships and databases.

6 Further Copies

Copies of this announcement and, on finalisation, the full annual report and accounts will be available, free of charge, for a period of one month from the Company's Nominated Adviser and Broker Investec Bank plc, 2 Gresham Street, London Ec2V 7QP, Tel: 020 7597 5970 or from IDOX plc, 2nd floor, 160 Queen Victoria Street, London, EC4V 4BF, Tel: 020 7332 6000. Copies of the full financial statements will be made available to shareholders in due course.