

Intec Telecom Systems PLC - Interim Results for the six months ended 31 March 2003. EBITDA up 155% to £1.9 million; £2.6 million operating cash inflow

Submitted by: Intec Telecom Systems

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Intec Telecom Systems PLC ("Intec" or "the Company"), a leading provider of telecoms Operations Support Systems ("OSS"), is pleased to announce its unaudited interim results for the six months ended 31 March 2003. Despite very competitive market conditions turnover at £22.3 million is in line with the Directors' expectations. As a result of an ongoing focus on productivity and cost management, Intec has recorded a substantial increase in EBITDA to £1.9 million compared with £755,000 for the six months ended 31 March 2002 ("HY 2002"). Trading in the first few weeks of the third quarter is encouraging, and the Directors believe that current visibility of full year results gives confidence in achieving expectations for the full year.

HIGHLIGHTS

- Half year revenue of £22.3 million (HY 2002: - £23.2 million) – an excellent result in competitive trading conditions.
- Recurring revenue, up 24% compared to the same period in 2002, now represents over 50% of turnover.
- 155% increase in earnings before interest, tax, depreciation, and amortisation ("EBITDA") to £1,928,000 (HY 2002: - £755,000).
- Positive operating cash inflow of £2.6 million (HY 2002: outflow of £0.7 million) – and a fifth consecutive cash flow positive quarter.
- Loss before tax was £2.3 million (HY 2002: loss of £3.0 million), after amortisation of goodwill and intangible assets of £3.5 million (HY 2002: £2.9 million) and depreciation of £0.9 million (HY 2002: £0.8 million).
- Adjusted earnings per share of 0.5 pence (HY2002: adjusted loss per share of 0.13 pence)
- 58 new name customers, including 31 from the acquisition of the Settler business from Ericsson.
- Customer installations reach 465 with important wins in China, Colombia, the Czech Republic, Ireland, Italy, Jamaica, South Africa, Venezuela, the UK and the US.
- Intec remains fully-funded with cash and cash equivalent investments increased to £12.3 million after payment for Settler business.
- Intec wins "Overall Best Contribution to Billing" at May's World Billing Awards 2003.

"Intec continues to improve its operating performance with a substantial increase in EBITDA and operating cash inflow against a background of difficult and competitive market conditions, together with

a number of negative geo-political events”, says Intec’s Executive Chairman, Mike Frayne. “Our efforts to maximise productivity while sustaining important investment areas such as product development and customer support are helping Intec to build market share in both interconnect billing and mediation and to position us for future growth.”

“New licences remain the most challenging aspect of the marketplace for all software vendors. Intec has won important deals for both its major product families, and there is clear customer interest in both interconnect and mediation solutions that can deliver improved operating performance”, adds Chief Executive Kevin Adams. “Although competition remains high we believe that customers are increasingly looking to financially stable vendors with clear product roadmaps for their next OSS projects.”

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