



INTERIM REPORT Q1 2000/2001

DICOM GROUP plc

First Quarter Results 2000/2001 – three months to 30 September 2000
Record Results: Sales up 30.4%; Pre-tax Profits up 156%; Confident outlook

Frankfurt / London November 14, 2000 - DICOM GROUP plc ("DICOM"), a global leader in the Electronic Data and Document Capture ("EDC") market, announces record results for the three months to 30 September 2000. DICOM today operates as a product developer, sales and service supplier in 22 countries in Europe, The United States, South East Asia and Australia.

DICOM is the only company quoted on the Official List in London and the Neuer Markt in Frankfurt and is a member of the techMARK and Nemax all share index.

Highlights of the First Quarter Results (all financials are stated in UK GAAP):

- Sales up 30.4% to £27.7m (1999: £21.2m)
- Sales in EDC division up 69% in local currency terms
- Operating profits before amortisation of goodwill up 232% to £1.43m (1999: £0.43m)
- Operating profits up 139% to £0.99m (1999: £0.41m)
- Pre-tax profits up 156% to £1.01m (1999: £0.40m)
- Adjusted earnings per share at 5.0p (1999: 5.2p)
- Successful acquisition of Italian PDS which also achieved Q1 record results
- Strategic Investment in Cardiff Software provides entry into high growth e-forms sector
- To date, more than 14,000 Ascent Capture software licences sold
- Group remains ungeared with net funds of £5.86m (£13.53m at 30 June 2000).

Regarding Current Trading and Prospects, Otto Schmid, Chairman and Chief Executive of DICOM said:

"The results achieved in the traditionally slow summer quarter are broadly in line with expectations. We continue to experience good levels of growth in our core markets in all areas of the EDC division. The focus of our activities going forward will be centred around the EDC Division.

"DICOM is well funded and will continue to grow organically and by acquisitions in its core industry. Our planned acquisition policy will enable new products to be introduced more quickly and provide greater divisional cross fertilisation."

"Current trading and industry forecasts provide the Board with confidence to view the medium term outlook with optimism."

DICOM GROUP plc
Interim Results Q1 2000/2001
Chairman's Statement

Results (UK GAAP):

The Group reports sales for the three months to 30 September 2000 up 30.4% of £27.7m (1999: £21.2m). Operating profits were £990,000 (1999: £414,000) up 139%. Operating profits before goodwill amortisation has been £1,430,000 up 232% (1999: 431,000). Profit before tax was £1,012,000 (1999: £395,000) up 156%. After tax and minority interests basic earnings per share was 2.8p (1999: 2.6p). Adjusted EPS was 5.0p (1999: 5.2p). These record results, produced in the traditionally slow summer quarter, underline the optimism of the Board.

The Group ended the period with net funds of £5.9m (£13.5m at 30 June 2000) after financing organic sales growth and spending £5.0m in cash on investments during the period.

DICOM continues to seek quality opportunities for acquisitions where businesses are complementary to the Group's core sectors and further strengthen its leading position in the EDC marketplace.

Operating review

Electronic Data and Document Capture (EDC) Division is the Group's largest division, developing components, providing consulting and integration services and providing key related products to system integrators. This division achieved growth in total of 69% in local currency terms of which organic growth accounted for 14% and the balance from the acquisition of Kofax Image Products, Inc. and PDS S.r.l.

EDC accounted for 61.2% of the Group's sales in the three months to 30 September 2000. Products developed by DICOM, together with provision of services by its international subsidiaries now account for approx. 49% of EDC sales and approx. 78% on EDC gross profit level. The Kofax proprietary software Ascent Capture product has continued to achieve excellent growth in every territory where the Group has operations and to date, it has been installed in 4,000 sites, with 14,000 software licences sold. Whilst sales in the Kofax Image Processing business were slow, good progress was made in the development of the software version of VRS, which will target additional market segments in mid-second quarter.

Overall, solid growth was secured across Europe and the United States and an improved performance was achieved in every major territory. It is pleasing to report that the continuing emphasis on the provision of consulting and other services has greatly improved the quality and quantity of service sales. As recently announced DICOM Consulting won larger scale projects, which reflects the focus going forward centred around the EDC Division. Service income is up by 39% compared to the same period last year. The increased level of end-user project involvement, sometimes cross-border, has continued to raise the Group's profile and bring a wider range of larger project opportunities.

The Group's **Samsung General Agency Division (SGA)**, the official and sole representative of Samsung Electronics in Switzerland and Austria, performed well and achieved sales growth in local currency terms of 19% in the first three months to 30 September 2000.

Employee Share Ownership Plan

Through the Group's Employee Share Ownership Plan ("ESOP") DICOM plans to purchase up to 80,000 ordinary shares in the open market soon after the results under review. All new permanent staff will be allocated 100 shares through this ESOP. The ESOP was established during the course of Financial year 1999 to reward and motivate staff at all levels.

More.../

At present, of approximately 5,000 shareholders in DICOM, 28% of the equity is held by DICOM's employees, founders, Board and management. UK institutional investors account for approximately 45% of the equity.

Regarding Prospects, Otto Schmid, Chairman and Chief Executive of DICOM said:

"We continue to experience good levels of growth in our core markets in all areas of the EDC division. The focus of our activities going forward will be centred around the EDC Division. Our flagship proprietary software Ascent Capture product has a strong market share which we plan to develop further worldwide. We also expect to see the benefits from the software version of our new VRS (Virtual ReScan) product, which will be launched soon. VRS software will target a substantial, rapidly growing new market for DICOM in the mid-to-low end scanner segment."

"A further major growth area has been created by our recent strategic investment and alliance with Cardiff Software Inc., which provides us with another opportunity to expand into growing EDC related markets, such as electronic forms and automated forms generation. We also anticipate that sales derived from the sale of our own EDC products and provision of services will increase significantly from current levels, now accounting for approx. 49% of total EDC sales, against 14% for the comparable period under review last year."

"DICOM is well funded and will continue to grow organically and by acquisitions in its core industry. Our planned acquisition policy will enable new products to be introduced more quickly and provide greater divisional cross fertilisation."

"Current trading and industry forecasts provides the Board with confidence to view the medium term outlook with optimism."

DICOM GROUP plc
Preliminary Announcement of Unaudited Results
Consolidated Profit and Loss Account (UK GAAP)

			3 MONTHS TO 30 September 2000 UNAUDITED £'000	3 MONTHS TO 30 September 1999 UNAUDITED £'000	YEAR TO 30 June 2000 AUDITED £'000
	Continuing	Acquisitions			
Turnover	26,977	726	27,703	21,238	99,229
Cost of sales	(17,403)	(518)	(17,921)	(15,860)	(68,811)
Gross profit	9,574	208	9,782	5,378	30,418
Operating expenses					
Goodwill amortisation	(415)	(25)	(440)	(17)	(751)
Other	(8,223)	(129)	(8,352)	(4,947)	(25,684)
Total operating expenses	(8,638)	(154)	(8,792)	(4,964)	(26,435)
Operating profit before goodwill amortisation	1,351	79	1,430	431	4,734
Goodwill amortisation	(415)	(25)	(440)	(17)	(751)
Operating profit	936	54	990	414	3,983
Share of results of associated undertakings			(69)	(4)	(26)
Net interest receivable/(payable) and similar charges			91	(15)	(97)
Profit on ordinary activities before taxation			1,012	395	3,860
Taxation			(435)	(99)	(1,188)
Profit on ordinary activities after taxation			577	296	2,672
Minority interests			7	52	384
Profit attributable to ordinary shareholders			584	348	3,056
Dividends – equity			-	-	(643)
Retained profit			584	348	2,413
Earnings per ordinary share ²					
- basic			2.8p	2.6p	19.1p
- adjusted			5.0p	5.2p	29.3p
- diluted			2.8p	2.6p	18.8p
Dividend per ordinary share			-	-	3.18p
Statement of total recognised gains and losses					
Profit for financial year			584	348	3,056
(Loss)/Gain on currency translation			(502)	(153)	1,235
Total recognized gains and losses relating to the year			82	195	4,291

DICOM GROUP plc
Preliminary Announcement of Unaudited Results
Consolidated Balance Sheet (UK GAAP)

	AT 30 SEPTEMBER 2000 UNAUDITED £'000	AT 30 SEPTEMBER 1999 UNAUDITED £'000	AT 30 JUNE 2000 AUDITED £'000
Fixed assets			
Intangible assets	33,375	1,268	31,809
Tangible assets	3,269	2,300	3,162
Investments	4,199	2,530	838
	40,843	6,098	35,809
Current assets			
Stocks	10,201	6,619	8,995
Debtors ¹	26,024	15,396	22,945
Investments	164	157	174
Cash at bank and in hand	8,016	1,245	14,098
	44,405	23,417	46,212
Creditors			
Amounts falling due within one year	(24,294)	(17,008)	(21,979)
Net current assets¹	20,111	6,409	24,233
Total assets less current liabilities	60,954	12,507	60,042
Creditors			
Amount falling due after more than one year	(878)	(167)	(828)
Provisions for liabilities and charges	(488)	(909)	(497)
Net assets	59,588	11,431	58,717
Capital and reserves			
Called up share capital	2,059	1,336	2,046
Share premium account	50,708	6,687	49,968
Merger reserve	527	527	527
Profit and loss account	6,341	2,805	6,259
Shareholders' funds – equity³	59,635	11,355	58,800
Minority interests – equity	(47)	76	(83)
	59,588	11,431	58,717

¹ Debtors and net current assets of the Group include amounts recoverable after more than one year of £2,231,000 (1999: Nil)

DICOM GROUP plc
Preliminary Announcement of Unaudited Results
Consolidated Cash Flow Statement (UK GAAP)

	3 MONTHS TO 30 SEPTEMBER 2000 UNAUDITED £'000	3 MONTHS TO 30 SEPTEMBER 1999 UNAUDITED £'000	YEAR TO 30 JUNE 2000 AUDITED £'000
Cash (outflow)/inflow from operating activities	(1,804)	(1,098)	4,458
Returns on investments and servicing of finance	68	(15)	(751)
Taxation paid	(420)	(156)	(511)
Capital expenditure and financial investment	(3,829)	(2,614)	(1,307)
Acquisitions and disposals	(1,558)	-	(13,218)
Equity dividends paid	-	-	(451)
Cash outflow before use of liquid resources and financing	(7,543)	(3,883)	(11,780)
Management of liquid resources	3,090	213	(6,584)
Financing			
Issue of Ordinary Shares	-	-	43,991
Increase/(Decrease) in debt	800	1,222	(20,552)
	800	1,222	23,439
(Decrease)/Increase in cash in the year	(3,653)	(2,448)	5,075
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash in the year	(3,653)	(2,448)	5,075
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(800)	(1,222)	20,552
Cash (inflow)/outflow from (decrease)increase/ in liquid resources	(3,090)	(213)	6,584
Change in net funds resulting from cash flows	(7,543)	(3,883)	32,211
Loans and finance leases acquired with subsidiaries	(104)	-	(19,609)
Loans and finance leases disposed with subsidiaries	-	-	103
New finance leases	-	-	(119)
Exchange difference	(23)	(19)	(24)
Movement in net funds in the year	(7,670)	(3,902)	12,562
Net funds at 1 July 2000	13,531	969	969
Net funds at 30 September 2000	5,861	(2,933)	13,531

**DICOM GROUP PLC
INTERIM REPORT Q1 2000/01
NOTES (UK GAAP)**

1. BASIS OF PREPARATION

The interim financial statement in accordance with UK GAAP has been prepared in accordance with the accounting policies set out in, and is consistent with, the Group's 2000 financial statement except that the taxation charge for the period is based on the estimated charge for the year to 30 June 2001.

The interim financial information is unaudited and does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The abridged information for the year to 30 June 2000 has been extracted from the Group's statutory accounts for that period which have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

2. EARNINGS PER SHARE

The Earnings per share calculation is based upon Financial Reporting Standard 14. Basic Earnings per share 2.8p (2.6p) for the three months to 30 September 2000 has been calculated based on the profit attributable to shareholders of £584,000 (£348,000) using the weighted average number of Ordinary Shares in issue 20,534,437 (13,361,157) during the period.

Adjusted Earnings per share 5.0p (5.2p) for the three months to 30 September 2000 is based on profit of £1,024,000 (£699,000), being adjusted by the amortisation of goodwill of £440,000 (£17,000) using the weighted average number of Ordinary Shares in issue 20,534,437 (13,361,157) during the period. The results of the previous year were also adjusted for the results of the discontinued activities of £334,000.

Diluted Earnings per share 2.8p (2.6p) for the three months to 30 September 2000 is based on 20,745,355 (13,557,331), the difference to the basic calculation representing the additional shares that would be issued on the conversion of all the dilutive potential Ordinary Shares. There is no material difference to earnings if all the dilutive potential Ordinary Shares were converted.

3. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS (UK GAAP)

	3 MONTHS TO 30 SEPTEMBER 2000 £'000	3 MONTHS TO 30 SEPTEMBER 1999 £'000	YEAR TO 30 JUNE 2000 £'000
Opening shareholders' funds	58,800	11,161	11,161
Retained profit for the period	584	348	2,413
(Loss)/Profit on currency translation	(502)	(154)	1,235
New share capital issued	753	-	48,936
Cost of issuing shares	-	-	(4,945)
Closing shareholders' funds	59,635	11,355	58,800

DICOM GROUP plc
Preliminary Announcement of Unaudited Results
Consolidated income statement (IAS)

	3 MONTHS TO 30 September 2000 unaudited EUR '000	3 MONTHS TO 30 September 1999 Unaudited EUR '000	YEAR TO 30 June 2000 audited EUR '000
Consolidated Income Statement to IAS			
Sales	45,251	32,425	157,968
Cost of materials	(29,273)	(24,213)	(109,545)
Gross profit	15,978	8,212	48,423
Personnel expenses	(8,799)	(5,056)	(25,479)
Depreciation	(695)	(300)	(1,789)
Other operating expenses	(4,118)	(2,198)	(13,571)
Operating result (before goodwill amortisation)	2,366	658	7,584
Goodwill amortisation	(954)	(246)	(2,112)
Operating result	1,412	412	5,472
Net interest	148	(23)	(154)
Share of results in associated undertakings	(113)	(6)	(42)
Profit before tax	1,447	383	5,276
Taxes on income	(710)	(150)	(1,954)
Net income for the group	737	233	3,322
Minority interests	12	79	611
Net income for the year	749	312	3,933
Earnings per share (EUR)			
- basic	0.04	0.02	0.25
- adjusted	0.08	0.08	0.46
- diluted	0.04	0.02	0.24
Dividend per share (pence)			

DICOM GROUP plc
Preliminary Announcement of Unaudited Results
Consolidated balance sheet (IAS)

	At 30 September 2000 unaudited EUR '000	At 30 September 1999 Unaudited EUR '000	At 30 June 2000 audited EUR '000
Consolidated Balance Sheet to IAS			
Intangible assets	68,899	17,112	62,806
Tangible assets	5,474	3,559	4,997
Financial assets	6,872	3,761	1,168
Fixed assets	81,245	24,432	68,971
Inventories	17,082	10,241	14,214
Accounts receivable	30,674	17,572	24,760
Accounts due from other group companies	2,840	2,041	2,584
Other assets	5,620	2,614	7,255
Liquid assets	13,423	1,926	22,278
Current assets	69,639	34,394	71,091
Prepaid and deferred items	7,259	1,937	4,268
Assets	158,143	60,763	144,330
Capital subscribed	(2,855)	(1,703)	(2,834)
Capital reserve	(92,965)	(22,855)	(91,756)
Currency translation reserve	(10,931)	(2,961)	(5,301)
Treasury Stock	147	147	147
Profit brought forward	(7,885)	(4,976)	(4,976)
Retained net income for the year	(749)	(312)	(2,909)
Shareholders' equity	(115,238)	(32,660)	(107,629)
Minority interests	65	(122)	124
Capital and accruals	(115,173)	(32,782)	(107,505)
Accruals for taxes	(2,746)	(1,136)	(2,637)
Other accruals	(1,057)	(907)	(1,046)
Accruals	(3,803)	(2,043)	(3,683)
Liabilities to banks	(3,435)	(6,184)	(697)
Trade payables	(16,416)	(11,918)	(14,130)
Other liabilities	(5,248)	(2,941)	(5,158)
Liabilities	(25,099)	(21,043)	(19,985)
Prepaid and deferred items	(14,068)	(4,895)	(13,157)
Liabilities	(158,143)	(60,763)	(144,330)

DICOM GROUP plc
Preliminary Announcement of Unaudited Results
Consolidated cash flow statement (IAS)

	3 MONTHS TO 30 September 2000 unaudited EUR '000	3 MONTHS TO 30 September 1999 unaudited EUR '000	Year to 30 June 2000 audited EUR '000
Consolidated Income Statement to IAS			
Net income for the group	737	233	3,323
Depreciation and Amortisation	1,649	546	3,901
Increase in long term accruals	(90)	758	1,178
Cash flow for the period	2,296	1,537	8,402
Increase in short-term accruals	(259)	677	2,139
Increase in inventories, accounts receivable and other assets	(4,128)	(2,894)	(13,686)
De-/Increase in liabilities (excluding liabilities to banks) and other liabilities	(602)	(1,581)	4,058
Cash in-/outflow from operating activities	(2,693)	(2,261)	913
Proceeds from the disposal of fixed assets	6	-	121
Payments for investments in fixed assets	(6,631)	(4,252)	(1,384)
Investment in acquisitions	(2,713)	-	(52,261)
Cash in-/outflow from investment activities	(9,338)	(4,252)	(53,524)
Increase from capital increases	-	-	73,065
Repayments/Payments of liabilities to banks	2,630	3,473	(2,128)
Dividend payments	-	-	(718)
Repurchase of own shares	-	-	-
Cash in-/outflow from financing activities	2,630	3,473	70,219
Changes in funds to companies included in the consolidation	(942)	244	1,224
Changes in cash and cash equivalents effected by payments	(10,343)	(2,796)	18,832
Exchange-rate-related change in cash and cash equivalents	(1,488)	(242)	1,034
Cash and cash equivalents at the beginning of the period	22,278	4,480	4,480
Cash and cash equivalents at the end of the period	13,423	1,926	22,278
Overall change in cash and cash equivalents	(10,343)	(2,796)	18,832

DICOM GROUP PLC
INTERIM REPORT Q1 2000/01
NOTES (IAS)

BASIS OF PREPARATION

The interim financial statement in accordance with IAS has been prepared in accordance with the accounting policies set out in, and is consistent with, the Group's 2000 financial statement ("Geschäftsbericht IAS) except that the taxation charge for the period is based on the estimated charge for the year to 30 June 2001.

RESULTS

The Group reports sales for the three months to 30 September 2000 up 39.6% at EUR 45.3m (1999: EUR 32.4m). Operating profits before goodwill amortisation is EUR 2.37m (1999: EUR 0.66m), up 260%. Profit before tax is reported at EUR 1.45m (1999: EUR 0.38m), up 278%. After tax and minority interests earnings per share is reported at EUR 0.04 (1999: EUR 0.02), adjusted earnings per share is EUR 0.08 (EUR 0.08).

EARNINGS PER SHARE

Basic Earnings per share EUR 0.04 (EUR 0.02) for the three months months to 30 September 2000 has been calculated based on the profit attributable to shareholders of EUR 749,000 (EUR 312,000) using the weighted average number of Ordinary Shares in issue 20,534,437 (13,361,157) during the period.

Adjusted Earnings per share EUR 0.08 (EUR 0.08) for the three months to 30 September 2000 is based on profit of EUR 1,7030,000 (1999: EUR 1,104,000), being adjusted by the amortisation of goodwill of EUR 954,000 (EUR 246,000). The results of the previous year were also adjusted for the results of the discontinued activities of EUR 546,000.

Diluted Earnings per share EUR 0.04 (EUR 0.02) for the three months to 30 September 2000 is based on 20,745,355 (13,557,331), the difference to the basic calculation representing the additional shares that would be issued on the conversion of all the dilutive potential Ordinary Shares. There is no material difference to earnings if all the dilutive potential Ordinary Shares were converted.

RECONCILIATION FROM IAS TO UK GAAP

	As at 30 September 2000	As at 30 September 1999	As at 30 June 2000
Shareholders' funds in accordance with IAS (EUR '000)	115,238	32,660	107,629
Converted to Sterling (£'000)	68,827	21,112	68,115
Differences arising from goodwill on acquisition (£'000)	(7,770)	(9,792)	(7,936)
Differences relating to the recognition of deferred tax assets (£'000)	(1,517)	(64)	(1,478)
Differences relating to the treatment of treasury stock (£'000)	95	99	99
Shareholders' funds in accordance with UK GAAP (£'000)	59,635	11,355	58,800
Exchange rate applied	1.67	1.55	1.58

	3 MONTHS TO 30 September 2000	3 MONTHS TO 30 September 1999	YEAR TO 30 June 2000
Profit after taxation in accordance with IAS (EUR '000)	737	233	3,322
Converted to Sterling (£'000)	451	152	2,087
Differences relating to the treatment of deferred taxes	-	-	9
Differences relating to the treatment of goodwill on acquisitions (£'000)	126	146	576
Profit after taxation in accordance with UK GAAP (£'000)	577	296	2,672
Exchange rate applied	1.63	1.53	1.59

About DICOM GROUP plc

DICOM is a global leader in the area of Electronic Data and Document Capture (EDC), a fast growing segment of the Electronic Data and Content Management market. EDC technology is used at the important phase at the beginning of the workflow and content management applications and converts non-digital and digital information into structured data streams. The implementation of EDC allows significant cost savings and benefits in Business to Business applications.

DICOM's core competence is consulting, development and provision of EDC components and services. Founded in 1991 DICOM today operates with 500 employees in 22 countries in Europe, US, Asia and Australia. US based Kofax Image Products acquired in January 2000 operates as its centre for product development. Its product family comprises products, which manages the capture workflow of large volumes of content and documents. The Kofax Ascent 4 software components allow the multidimensional electronic use of scanned-in text, forms, data and images. Components, which allow users to manage the capture process independent of location via the Internet, are an integral part of the product offering. DICOM has invested significantly to expand its service and consulting network which responds to the increasing demand for comprehensive international solutions and the relevant project management.

Its other business is the Local Division, which includes the sole agency of Samsung's high performance screens and Web Access devices in Switzerland and Austria.

DICOM has been quoted at the London Stock Exchange since 1996 and on the Neuer Markt in Frankfurt since January 2000. It achieved revenues of £99.2m in the financial year ended 30 June 2000 (1999: £87.8m). Revenues have increased every year since 1993.

For further information please contact:

DICOM GROUP plc

Christoph Löslein	Executive Director
Dr. Bettina Erler	Investor Relations Manager
Tel:	+44 800 6520 616 or +49 761 45269 36
Fax:	+49 761 45269 90
E-mail:	Christoph_Loeslein@dicomgroup.com Bettina_Erler@dicomgroup.com
Internet:	http://www.dicomgroup.com

Binns & Co PR Ltd

Peter Binns	
Paul McManus	
Tel :	020 7786 9600