



## Regulatory Announcement

**Company** Kofax PLC  
**TIDM** KFX  
**Headline** Interim Management Statement  
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### **Kofax plc: Kofax Releases an Interim Management Statement for the First Quarter of its 2010 Financial Year**

#### **Revenues in Line With Expectations**

*Basingstoke, 5 November 2009* – Kofax plc (LSE: KFX), the leading provider of document driven business process automation solutions, releases an Interim Management Statement for the first quarter of its 2010 financial year, which includes the period from 1 July to 30 September 2009 and the results of operations of 170 Systems, Inc. since Kofax's acquisition of that company in early September 2009.

Kofax's 2010 financial year started positively with total revenues in line with and adjusted operating profit ahead of our expectations. Software business revenues were higher than expected due to strong service revenues and offset lower than expected product distribution revenues in the hardware business. Sales execution and achievement levels across all segments of the company's software business were generally as expected and the Company continued to make good progress in executing its strategic initiatives.

Other than the decrease in cash resulting from Kofax's acquisition of 170 Systems, there have been no significant changes in the Company's financial position since 30 June 2009 and its balance sheet remains strong.

Reynolds C. Bish, Chief Executive Officer, commented: "I'm pleased to report that we made good progress and performed better than expected in our software business this past quarter. Market conditions have stabilized and show early signs of improving to a limited extent but continue to be challenging and difficult to predict. As a result and excluding the effect of the 170 Systems acquisition, which should contribute approximately \$22m of revenues after acquisition accounting, we continue to expect low to mid single digit organic revenue growth in our software business this financial year."

Finally, on 8 September 2009 the Company announced its intention to report Kofax's future financial results in US dollars. To assist readers in the transition from Pounds Sterling to US dollar reporting, the Company has attached and is today posting US dollar based financial statements for the years ended 30 June 2009 and 2008 on the Investor relations page of its website at [www.kofax.com/ir](http://www.kofax.com/ir).



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**About Kofax**

Kofax plc (LSE: KFX) is the leading provider of document driven business process automation solutions. For more than 20 years, Kofax has provided award winning solutions that streamline the flow of information throughout an organization by managing the capture, transformation and exchange of business critical information arising in paper, fax and electronic formats in a more accurate, timely and cost effective manner. Kofax solutions provide a rapid return on investment to thousands of customers in financial services, government, business process outsourcing, healthcare, supply chain and other markets. Kofax delivers these solutions through its own worldwide sales and service organizations, and a global network of more than 1,000 authorized partners in more than 60 countries throughout the Americas, EMEA and Asia Pacific.

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## Consolidated Income Statement

	FY2009	H1 FY09	H2 FY09	FY2008	FY2007
	USD	USD	USD	USD	USD
<b>Revenue</b>	<b>298,195</b>	<b>154,474</b>	<b>143,721</b>	<b>340,691</b>	<b>309,702</b>
Software	169,391	86,693	82,698	192,209	169,333
Hardware	128,804	67,781	61,023	148,482	140,369
<b>Cost of sales</b>	<b>142,105</b>	<b>74,425</b>	<b>67,679</b>	<b>147,353</b>	<b>135,044</b>
Software	39,068	21,670	17,398	30,987	22,856
Hardware	103,037	52,755	50,281	116,367	112,187
<b>Gross profit</b>	<b>156,090</b>	<b>80,049</b>	<b>76,042</b>	<b>193,337</b>	<b>174,658</b>
Software	130,323	65,022	65,302	161,222	146,477
Hardware	25,767	15,027	10,740	32,115	28,181
<b>Operating expenses</b>	<b>133,514</b>	<b>68,722</b>	<b>64,792</b>	<b>174,491</b>	<b>157,617</b>
<b>Adjusted operating profit before</b>	<b>22,576</b>	<b>11,327</b>	<b>11,250</b>	<b>33,687</b>	<b>30,040</b>
Amortisation of acquired intangible assets	4,408	2,083	2,325	4,629	4,463
Reduction in goodwill arising on the utilisation of previously unrecognised tax losses	0	0	0	0	201
Restructuring costs	5,455	0	5,455	9,639	6,185
Share-based payment expense	1,318	1,110	208	573	2,151
<b>Operating profit</b>	<b>11,396</b>	<b>8,134</b>	<b>3,262</b>	<b>18,846</b>	<b>17,041</b>
Share of result of associated undertakings	173	115	58	174	110
Finance income	1,432	1,306	126	2,265	2,630
Finance expense	(1,008)	(441)	(567)	(5,988)	(228)
<b>Profit before tax</b>	<b>11,993</b>	<b>9,115</b>	<b>2,879</b>	<b>15,298</b>	<b>19,553</b>
Tax expense	3,748	2,362	1,386	8,490	4,055
<b>Profit after tax</b>	<b>8,245</b>	<b>6,752</b>	<b>1,492</b>	<b>6,808</b>	<b>16,076</b>
<b>Earnings per ordinary share</b>					
- Basic	10.0c	8.1c	1.9c	8.0c	17.6c
- Diluted	10.0c	8.1c	1.9c	7.8c	17.0c
- Adjusted basic	19.4c	9.1c	10.3c	28.9c	26.7c
- Adjusted diluted	19.4c	9.0c	10.4c	28.5c	25.9c



### Consolidated Income Statement - Segmental Disclosure

	FY09	H1 FY09	H2 FY09
	USD	USD	USD
<b>Software Revenue</b>	<b>169,391</b>	<b>86,693</b>	<b>82,698</b>
Application Software Licenses	71,413	36,905	34,508
Application Software Services	76,115	37,738	38,377
OEM/POS	21,863	12,050	9,813
<b>Hardware Revenue</b>	<b>128,804</b>	<b>67,781</b>	<b>61,023</b>
Hardware Distribution	92,613	48,954	43,660
Hardware Services	36,191	18,827	17,363
<b>Total Revenue</b>	<b>298,195</b>	<b>154,474</b>	<b>143,721</b>
<b>Cost of sales</b>	<b>142,105</b>	<b>74,425</b>	<b>67,679</b>
<b>Gross profit</b>	<b>156,090</b>	<b>80,049</b>	<b>76,042</b>
Software	130,323	65,022	65,302
Hardware	25,767	15,027	10,740
<b>Operating Expenses</b>	<b>133,514</b>	<b>68,722</b>	<b>64,792</b>
Sales	56,568	28,144	28,425
Marketing	9,787	5,102	4,685
R + D	29,125	15,098	14,027
G + A	38,034	20,378	17,655
<b>Adjusted operating profit before</b>	<b>22,576</b>	<b>11,327</b>	<b>11,250</b>
Amortisation of acquired intangible assets	4,408	2,083	2,325
Restructuring costs	5,455	0	5,455
Share-based payment expense	1,318	1,110	208
<b>Operating profit</b>	<b>11,396</b>	<b>8,134</b>	<b>3,262</b>
Share of result of associated undertakings	173	115	58
Finance income	1,432	1,306	126
Finance expense	(1,008)	(441)	(567)
<b>Profit before tax</b>	<b>11,993</b>	<b>9,115</b>	<b>2,879</b>
Tax expense	3,748	2,362	1,386
<b>Profit after tax</b>	<b>8,245</b>	<b>6,752</b>	<b>1,492</b>
<b>EBITA split</b>			
<b>EBITA</b>	<b>22,576</b>	<b>11,327</b>	<b>11,250</b>
Software	13,783	5,619	8,164
Hardware	8,793	5,708	3,086

### Consolidated Balance Sheet

	30.06.2009	31.12.2008	30.06.2008	30.06.2007
	USD	USD	USD	USD
<b>Non-current assets</b>				
Intangible assets	137,500	115,734	140,074	136,399
Property, plant and equipment	9,809	10,065	9,341	7,321
Deferred tax assts	8,440	4,537	6,854	6,816
Investments	2,252	2,203	2,365	1,884
	<b>158,001</b>	<b>132,539</b>	<b>158,634</b>	<b>152,420</b>
<b>Current assets</b>				
Inventories	15,902	13,963	18,276	14,690
Trade and other receivables	95,623	77,144	80,324	73,855
Investments - current	348	596	453	357
Current tax assets	2,173	1,898	3,368	0
Cash and cash-equivalent	49,294	47,541	72,619	78,600
	<b>163,340</b>	<b>141,142</b>	<b>175,040</b>	<b>167,502</b>
<b>Total assets</b>	<b>321,341</b>	<b>273,681</b>	<b>333,674</b>	<b>319,922</b>
<b>Current liabilities</b>				
Trade and other payables	62,281	52,303	63,245	47,715
Deferred income - current	47,049	27,731	40,833	38,087
Other financial liabilities	2,531	2,203	3,073	2,161
Current tax liabilities	2,156	0	0	5,605
Provisions - current	5,531	2,780	5,413	5,513
	<b>119,548</b>	<b>85,017</b>	<b>112,564</b>	<b>99,081</b>
<b>Non-current liabilities</b>				
Other payables	3,051	2,888	3,936	5,597
Deferred income - non current	10,127	15,384	13,440	11,015
Deferred tax liabilities	10,274	8,552	9,543	5,078
Provisions - non current	717	0	0	0
	<b>24,169</b>	<b>26,824</b>	<b>26,919</b>	<b>21,690</b>
<b>Total liabilities</b>	<b>143,717</b>	<b>111,841</b>	<b>139,483</b>	<b>120,771</b>
<b>Net assets</b>	<b>177,624</b>	<b>161,840</b>	<b>194,191</b>	<b>199,151</b>
<b>Capital and reserves</b>				
Called up share capital	4,064	3,264	4,477	4,456
Share premium account	3,874	2,797	2,732	118,201
CTA / retained earnings	197,286	176,746	206,664	73,791
Merger reserve	2,835	2,483	3,424	3,442
ESOP shares	(14,455)	(11,239)	(14,993)	(1,052)
Treasury shares	(15,980)	(12,211)	(8,113)	0
Minority interests - equity	0	0	0	313
<b>Shareholders' equity</b>	<b>177,624</b>	<b>161,840</b>	<b>194,191</b>	<b>199,151</b>

## Consolidated Cash Flow Statement

	FY 09	H1 FY09	H2 FY09	FY08	FY07
	USD	USD	USD	USD	USD
<b>Cash flows from operating activities</b>					
<b>Profit before tax</b>	<b>11,993</b>	<b>9,115</b>	<b>2,879</b>	<b>15,298</b>	<b>19,553</b>
Share results of associated undertakings	(173)	(115)	(58)	(174)	(110)
Finance income	(1,432)	(1,306)	(126)	(2,265)	(2,630)
Finance expense	1,008	441	567	5,988	228
Depreciation and amortisation	8,702	4,111	4,591	9,560	9,155
Share-based payment expense	889	1,110	(220)	573	2,151
Reduction in goodwill arising on the utilisation of previously unrecognised tax losses		0	0		201
Movement in provisions	5,211	1,139	4,072	2,686	4,271
Gain/(loss) on disposal of property, plant and equipment	43	3	40	(124)	(110)
Movement in working capital	(11,436)	(11,091)	(345)	9,101	(1,455)
<b>Cash generated from operations before restructuring</b>	<b>14,805</b>	<b>3,407</b>	<b>11,400</b>	<b>40,643</b>	<b>31,254</b>
Payments under restructuring	(5,214)	(2,676)	(2,538)	(8,265)	
<b>Cash generated from for operations</b>	<b>9,591</b>	<b>731</b>	<b>8,862</b>	<b>32,378</b>	<b>31,254</b>
Income tax paid	(1,926)	(1,830)	(97)	(14,358)	(6,297)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>7,665</b>	<b>(1,099)</b>	<b>8,765</b>	<b>18,020</b>	<b>24,957</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment, licences and similar rights	(12,508)	(6,497)	(6,011)	(7,375)	(3,705)
Disposal of property, plant and equipment, licences and similar rights	153	14	139	397	298
Acquisition of a subsidiary, net of cash acquired	(2,681)	(2,945)	264	(1,445)	(2,085)
Acquisition of subsidiaries, net of cash disposed	0	0	0	(1,251)	(3,253)
Disposal of subsidiaries	0	0	0	(36)	(2,829)
Sale of non-current investment	0	0	0	0	172
Movement in long term loans to non-current investments	0	0	0	0	23
Interest received	944	2,498	(1,554)	1,494	2,362
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(14,092)</b>	<b>(6,930)</b>	<b>(7,162)</b>	<b>(8,216)</b>	<b>(9,017)</b>
<b>Cash flows from financing activities</b>					
Issue of share capital	1,247	1,253	(5)	3,169	4,888
Increase/(decrease) in short term borrowings	859	(474)	1,333	(355)	(282)
Share buy back	(7,023)	(7,538)	515	(22,493)	0
Dividends paid to shareholders	(2,004)	(2,378)	185	(3,789)	(3,309)
Dividends paid to minorities interest	0	0	0	(158)	0
Capital element on finance lease payments	0	(5)	5	0	0
Currency swap	1,621	0	1,621	(3,961)	(12)
Interest paid	(305)	(117)	(188)	(283)	(201)

<b>Net cash outflow from financing activities</b>	<b>(5,605)</b>	<b>(9,259)</b>	<b>3,466</b>	<b>(27,870)</b>	<b>1,084</b>
Net (decrease)/increase in cash and cash-equivalents in the period	(12,032)	(17,289)	5,067	(18,066)	17,023
Cash and cash-equivalents at start of the period	70,034	70,034	45,353	76,943	57,150
Exchange rate effects	(9,935)	(7,392)	(2,353)	11,156	3,136
<b>Cash and cash-equivalents at the end of the period</b>	<b>48,067</b>	<b>45,353</b>	<b>48,067</b>	<b>70,033</b>	<b>77,309</b>
Cash and cash-equivalents consists of:					
Cash and cash-equivalents	49,294	47,541	49,294	72,618	78,600
Overdrafts	(1,227)	(2,188)	(1,227)	(2,585)	(1,291)
	<b>48,067</b>	<b>45,353</b>	<b>48,067</b>	<b>70,033</b>	<b>77,309</b>

### Foreign Exchange Rates

	FY09		H1 FY09		FY08		FY07	
	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
USD/GBP	0.62	0.61	0.58	0.69	0.50	0.50	0.50	0.50
USD/EURO	0.73	0.71	0.71	0.71	0.68	0.63	0.68	0.63
USD/CHF	1.12	1.08	1.12	1.06	1.11	1.02	1.11	1.02