



## Regulatory Announcement

<b>Company</b>	Kofax PLC
<b>TIDM</b>	KFX
<b>Headline</b>	Interim Management Statement
<b>Released</b>	07:00 11-Nov-08
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### Kofax plc: Interim Management Statement

**Basingstoke, November 11, 2008 – Kofax plc (LSE: KFX)**, the leading provider of Intelligent Capture & Exchange solutions, releases its Interim Management Statement for the period from 1 July to 30 September 2008.

During the first quarter, Kofax's software business revenues continued to grow but at a lower than anticipated rate. Management and the Board believe this is due to it taking somewhat longer than anticipated for the Company to realize all of the benefits expected to occur as a result of the restructurings and new revenue growth initiatives previously announced. This delay has not impacted profits as management has maintained tight cost controls to yield lower than anticipated overhead expenses and, as a result, the Company traded in line with profit expectations for the quarter. Management and the Board remain confident in the prospects for the business and at 30 September, the Company's balance sheet remained strong with cash balances as anticipated and no debt.

Kofax has continued to make good progress with its strategic initiatives. The Company recently added significantly to its software product portfolio with the acquisition of OptilInvoice and subsequently launched Kofax e-Transactions, which adds OptilInvoice's electronic invoice processing capabilities to Kofax's existing software products. This enables organisations to automate the processing of all incoming invoices – regardless of whether they arrive in an electronic or paper form. The Company was also pleased to recently launch Kofax Express, a batch scanning application aimed at the SMB segment of the capture market, where it believes it has lost market share in recent years. Finally, in early October the Company announced the appointment of Jim Nicol as its Executive Vice President of Products, with responsibility for all product development, management and marketing activities.

Despite recent macroeconomic events and the deterioration in economic conditions since our last statement on 8 September, management and the Board have not to date seen evidence of weakness in any vertical or geographic markets. We believe this is attributable to Kofax's products providing a compelling value proposition by automating what were previously manual processes and thereby providing an easily quantified and relatively fast return on investment. As a result, Kofax customers are able to realize significant cost savings, which may be even more appealing in an increasingly uncertain economic environment.

Management and the Board continue to aim for double digit revenue growth in Kofax's software business revenues this financial year. However, it is difficult to predict potential negative changes in market conditions arising from the weaker economic environment. Kofax is unlikely to be completely immune to such trends and, therefore, achieving this goal may be more challenging than previously anticipated.



Although currency exchange rate fluctuations were not a major factor during the first quarter and it is impossible to predict future trends, at current rates the strength of the US dollar could augment our software business revenue growth as a result of translating our US dollar software business revenues into Pounds Sterling during the remainder of this financial year.

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**About Kofax plc**

Kofax plc (LSE: KFX) is the leading provider of Intelligent Capture & Exchange solutions. For more than 20 years, Kofax has provided award-winning solutions that automate document-driven business processes by managing the transformation and exchange of business-critical information arising in paper, fax and electronic formats in a more accurate, timely and cost-effective manner. These solutions provide a verifiable return on investment to thousands of customers in financial services, manufacturing, retail, government, healthcare, business process outsourcing and other markets. Kofax delivers these solutions through its own sales and service organizations, and a global network of more than 1,200 authorized partners in more than 60 countries throughout the Americas, EMEA and Asia Pacific. For more information, visit [www.kofax.com](http://www.kofax.com).