



The small company specialists

COMPANY INFORMATION

Group NBT plc (AIM:NBT)

Info sheet compiled November 2006

Company Eye Ranking

39/50

EDITOR'S NOTE

Group NBT plc is involved in the provision of domain names and related services. The company has grown organically and through acquisition and now has offices in London, mainland Europe and the US. Recently the Group has acquired Exalia Ltd, a managed hosting company. This shows that the management are intent on expanding the company rapidly.

The Group increased turnover and profits in the last financial year and the balance sheet continues to improve year on year. In our opinion NBT has a bright future ahead if it can continue to grow and maintain there status within the industry. We see this as being a good addition to a mid term investment portfolio.

3 YEARS CHART



FUNDAMENTALS

Company Name	Group NBT plc
Current Price	187.00
Status	AIM
Market Cap	38.26 m.
Shares in Issue	20.45 m.
Activities	Provision of domain name management services, web-hosting and related services
Sector	Technology
Corporate advisor	Brewin Dolphin Securities
Registrar	Capita Registrars (Beckenham)

HISTORY

Established in 1995, as NetBenefit, the group has registered hundreds of thousands of domain names and hosts thousands of websites. Group NBT plc was known as NetBenefit plc until.

The name was changed to Group NBT plc in October 2004 to reflect the growing business operations through the three trading brands, NetNames, NetBenefit and Easily.co.uk.

THE BUSINESS

Group NBT provides a range of services to a broad customer base which includes companies such as British Airways, the Royal Bank of Scotland and Centrica. Group NBT has 120 employees and is

based in London with other offices in New York, Nice, Frankfurt and Madrid. The four operating brands serve different markets with services appropriate for that market.



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ACTIVITIES

The principal activities of the Group are the provision of domain name management services, web-hosting and related services. With three market-leading brands, Group NBT plc is now made up of the following companies: NetBenefit, providing high quality managed web hosting services to SMEs in both the UK and continental Europe; NetNames, providing corporate domain name management to large organisations through its industry leading Platinum Service, which is now used by over 30% of the FTSE 100; and Easily.co.uk, a top UK provider of cost effective web hosting and domain name services to UK businesses and consumers.

NetNames

NetNames is focused on providing professional domain name services for large corporations and Intellectual Property (IP) professionals. NetNames Platinum Service is the industry leading solution for Corporate Domain Name Management. NetNames provides online domain name registration in all

available domain name suffixes world-wide. NetNames is a global company, with offices in the UK, USA and continental Europe.

NetBenefit

NetBenefit is one of the UK's most experienced website hosting companies and a leading domain name registrar. Established in 1995, NetBenefit has developed a range of shared and dedicated hosting services that are housed on a world class network infrastructure. NetBenefit's hosting clients come from many industries and include organisations such as the England and Wales Cricket Board and the Liberal Democrats.

Easily.co.uk

Easily.co.uk is a top UK provider of cost effective web hosting and domain name services. Easily was formed in 1999 to provide UK businesses and consumers with reliable services at affordable prices and backed by first class customer support.

ACQUISITION – EXALIA LIMITED

Exalia is one of the UK's leading specialist providers of Managed Hosting with a large number of branded leisure, technology and institutional clients. Its offices are based in the heart of the West End, with secure data centres in Docklands and North London. Exalia builds bespoke hosting platforms for each client using software and hardware to create, on an individual basis, the most efficient and robust hosting environment for each and every client.

The infrastructure is further enhanced by 24x7 real-time management and pro-active support services provided by Exalia's client teams and suite of security and performance automated monitoring facilities to fulfil 100% network and platform inclusive uptime guarantee.

Above all, Exalia ensures that each platform is the most appropriate combination of capacity, durability, security and scalability.

CLIENTS

Partners include: American Power, BakBone Software, Cisco Systems Inc, Cyclades, AlterPath,

Dell Inc, Hewlett Packard, Microsoft, SWsoft, Sun and Zeus Technology.

DEVELOPMENT HIGHLIGHTS

1999 - NetBenefit acquired Voxpop Internet Publishing SARL

2000 - NetBenefit acquires NetNames

2001 - VoxPop voted France's top hosting provider by the IT magazine, Le Journal du Net

- Recognised by Superbrands in top50 eBrand Leaders

2002 - Recognised by Deloitte & Touche as Technology Fast 50 Winner

2004 - Acquired Easily Limited

- Recognised in Deloitte's Technology Fast 50 for second time

2006 - Acquisition of Exalia Ltd



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EXPANSION

Growth has been led by the NetNames Platinum Service, which manages portfolios of valuable domain names for companies. This market remains robust, as medium and large companies increasingly recognise the importance of expanding and defending their brands online. The company expects new opportunities in Europe as companies there follow the same path. The Group have been building on existing sales teams in the UK, the US, and

France, and opened new offices on schedule in Germany and Spain.

There has been improvement in the Groups product offerings and there has been expansion of sales efforts in the UK for managed hosting, the premium web-hosting service for companies. The company intend to continue investing for organic growth in both these businesses.

DIRECTORS

John Parcell - Non-Executive Chairman

John Parcell spent thirty years at Reuters Group plc. He joined the main Board in 1996, and was Chief Executive Officer of Reuters Information, the Group's major division, in charge of all news reporting and financial data services. Since leaving Reuters in 2000, he has taken several non-executive appointments with smaller listed companies, development - stage businesses, and not-for-profit organisations.

Geoff Wicks - CEO

Geoff Wicks joined the Board in September 2001. He had spent the previous twenty years with Reuters Group in a variety of roles, including heading various UK divisions and time in France and the Nordic region. Latterly he was director of corporate relations. Prior to Reuters, Geoff worked in the City within the banking and insurance industries.

Jonathan Robinson - Chief Operating Officer

Jonathan Robinson is a co-founder of Group NBT. He has a PhD in Materials Engineering and a BSc (Physics) from the University of Cape Town. He previously held research posts at Imperial College, London and the Rolls-Royce Technology Centre at the University of Cambridge. Jonathan is a current non-executive director of both the .info domain registry Afilias Limited and the .uk domain registry Nominet (UK) Limited.

Raj Nagevadiar - Finance Director

Raj Nagevadia, a qualified accountant, joined Group NBT as Financial Controller in October 2003. He

became Finance Director in February 2004 and joined the Board in November 2005. Prior to this Raj was Financial Controller at Tempo plc, a national electrical retailer, for six years and he has held various roles in an offshore oil and gas construction business and at a leading firm of accountants.

Kieth Young - Non-Executive Director

Keith Young is an entrepreneur with considerable experience in the internet, communications and publishing industries. He co-founded the Group NBT business in 1995 and was also a significant shareholder in Easynet Group plc prior to its flotation. In addition, he has significant interests in several other companies spanning a diverse range of sectors.

Tim Ashley - Non-Executive Director

Tim Ashley was responsible for Group NBT's branding and marketing strategy from March 1999 to September 2000. He was appointed to the Board during 1999, having previously founded Wicked Web Limited in 1995. Prior to that he spent ten years as an investment banker, most recently with Lehman Brothers. Tim holds degrees from both Oxford and Cambridge Universities.

Richard Madden - Non-Executive Director

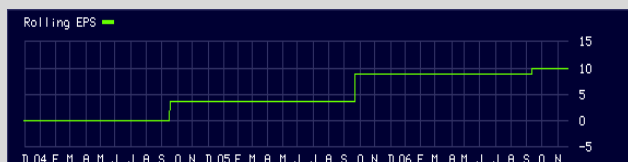
Richard Madden is an investment banker and has experience in equity and M&A transactions throughout Europe and the USA. He qualified as a chartered accountant with Arthur Andersen and holds a degree in Classics from Cambridge University.



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3 YEARS ROLLING EPS



2 YEARS P/E RATIO



SHAREHOLDINGS

	Number	%
BlackRock Group	2,979,512	14.6
Merrill Lynch Investment Managers Group Limited	2,812,762	13.8
T Ashley	2,012,500	9.8
K Young	1,993,374	9.7
J Robinson	1,820,322	8.9

	Number	%
Herald Investment Trust plc	1,721,000	8.4
J Parcell	1,575,877	7.7
Herald GP Limited	1,000,000	4.9
William Christopher Currie	635,000	3.1
G Wicks	50,000	0.24
R Nagevadia	2,500	0.01

FINANCIAL HISTORY

Profit and loss account for year ended 30th June 2006

£000	Year ended 30 th June 2006	Year ended 30 th June 2005
Turnover	13,826	11,280
Cost of sales	(2,952)	(2,446)
Gross Profit	10,874	8,834
Administrative expenses: Amortisation of goodwill	(387)	(387)
Other administrative expenses	(8,157)	(6,824)
Total administrative expenses	(8,544)	(7,211)
Operating profit	2,330	1,623
Interest receivable and similar income	153	72
Interest payable and similar charges	(26)	(5)
Profit on ordinary activities before taxation	2,457	1,690
Taxation on profit on ordinary activities	501	(26)
Profit for the financial year	1,956	1,716
Earnings per share - basic	9.98p	8.89p
Earnings per share - diluted	9.34p	8.26p

Balance Sheet as at 30th June 2006

£000	30 th June 2006	30 th June 2005
Intangible assets	3,708	4,095
Tangible assets	818	781
Fixed assets	4,526	4,876
Debtors	1,895	1,464
Cash at bank and in hand	6,088	3,219
Current assets	7,983	4,683
Creditors: amounts falling due within one year	(4,996)	(4,070)
Net current assets	2,987	613
Total assets less current liabilities	7,513	5,489
Provisions	-	(47)
Net assets	7,513	5,442
Capital and reserves		
Called up share capital	204	195
Share premium account	3,462	3,280
Merger reserve	1,044	1,044
Profit and loss account	2,803	923
Shareholders' funds	7,513	5,442



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RISK FACTORS

In addition to the other relevant information, the following specific factors should be considered carefully when evaluating whether to make an investment in the Company. The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective Investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective Investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her. There are various risk and other factors associated with an investment of the type described in this document. In particular:

The value of an investment in the Company is largely dependent upon the expertise of the Directors and their ability to identify and acquire or invest in suitable companies or businesses. There can be no certainty that the Company will be able to identify suitable acquisition targets or complete the purchase of any identified targets at a price the Directors consider acceptable. In the event of an aborted acquisition it is likely that resources may have been expended on investigative work and due diligence, which cannot be recovered.

The acquisition of other businesses can involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Company.

CONTACT

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 241 Borough High Street
 London
 SE1 1GA
 UK

RANKING

	Ranking out of 50 (50 being highest)
Business model - competitive advantage	
Competition	40
Customers	42
Low cost	43
Management	
- corporate governance	37
- quality	37
- shareholding	39
Product	38
Sector	43
Financial evaluation	
Early and profitable exit potential	35
Financial strength	
- cash flow	35
- conservative accounting	39
- need for funding	39
Growth at a reasonable price	40
Risk	39
Overall average rating	39



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FURTHER INFORMATION ABOUT THE RANKING

Competitive advantage

Companies are assessed according to their business model and how this translates into strong and sustainable competitive advantage. This can only be achieved with low cost activities and doing something different from the competition. This 'differentiation' must add value to the customer who is then prepared to pay a premium price. The differentiation is most obvious in the product but it can exist anywhere in the company's value chain of activities, such as

easy payment terms, convenient locations, superior management, and quality of suppliers. Companies that do not achieve competitive advantage because they have the same costs and/or do the same as the competition are marooned in a profitless zone. They helplessly try to compete with the one weapon left open to them, which is the disaster of cutting prices and typically leads to similar retaliation by competitors, with disastrous results.

THE FOLLOWING ELABORATES ON THE RANKING CRITERIA

Competition

How intense is the competition and are there barriers to entry?

Customers

Is the company controlling its customers and therefore its revenue streams? Are customers glued to the company and providing valuable and reliable recurring revenue or are they one-off, or 'transactional', providing shaky revenue? The company should ideally have weak and numerous customers.

Low costs

Has the company achieved low cost activities thus allowing more of the top line revenue to trickle down to the profit line?

Management

Is there good corporate governance? What is the quality of management, as this is crucial to any business? Are the directors' shareholdings significant but not so large that they control the company?

Product

Is the product different from the competition and adds value to the customer? Are there threatening substitutes? Does it have a powerful brand?

Sector

Is the company in an attractive sector that is profitable and adds value?

Services tend to be more protected than products from international competition. Does the sector ride the tailwind of multi-year mega trends? Is the business well positioned in the current stage of the economic cycle? What is its resistance to a recession?

Profitable exit potential

What is the potential for selling the share profitably? This is more applicable to pre-flotation investments.

Financial strength

Does the company have strong cash flow, the lifeblood of any business? Is the accounting conservative or is there 'accounting for growth'? Does it need more funding? Is the profit margin healthy and at least equal to its sector? What has been the track record in the growth rate of profits?

Growth at a reasonable price

Does the share offer growth at a reasonable price? This is commonly measured using the PEG. This is the price earnings ratio (PE) divided by the forecast growth rate in earnings per share (EPS). The lower the PEG the better and under 1.0 is considered good for a blue chip company and under 0.6 for a small growth company.

Risk

What is the risk rating of the share due to factors such as new markets, its business model and strategies?

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