



F L A S H R E P O R T



**Financial results of
Synergon Information Systems plc.
for the quarter January 1 – March 31, 2001**

Unaudited Consolidated Financial Statements
Prepared in accordance with
International Accounting Standards

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The results of Synergon Information Systems plc. for the 1st quarter of 2001 were as forecast earlier by the management. The Company's sales revenue, contribution and profit after taxation were, respectively, HUF 4,929 million, HUF 949 million and HUF –296 million for the 1st quarter of 2001. The substantial increase of the sales revenue is partly due to the fact that the foreign subsidiaries of Synergon have been consolidated as of February 1, 2001. With effect as of January 15, 2001, the Company terminated the appointment of József Antal as the General Manager of the Company, by common consent. The Board of Directors appointed Tibor Gyurós for the performance of the duties of the Chief Executive Officer, while retaining his post as Chairman. According to the plans of the management, the Company is expected to return back to profitability during the second half of the year.

In order to ensure the organisational framework required for a more efficient operation, during the period in question, the Company completed the reorganisation processes started in 2000. Synergon Information Systems plc. currently offers its products and services in four Divisions, as follows:

- Communications Systems Division,
- Hardware-Software Integration Division,
- Consulting Division, and
- Services Division.

The current organisational structure reflects the functional areas of information systems as well as the various types of activities. The Communications Systems Division performs the implementation of the network elements of the information infrastructure, from cable television to the WAN networks. The Hardware-Software Integration Division provides and integrates the (hardware and software) information devices required jointly by the users, following the merging of the former Hardware Systems and Applications Divisions. Due to the transformations in priorities in terms of its portfolio according to the requirements of the market, the BSD (Business Solutions Division) now operates under the name Consulting Division, specialising in information strategy and the designing of information systems, apart from the ERP systems. The Services Division performs the follow-up work related to the projects and the operation of the systems, under long-term contracts with the customers.

Synergon's strategy focuses on becoming a stable and profitable company delivering and providing information solutions, in order to play a decisive role on the Central European IT market. One of the main assets of the Company has been its ability to efficiently manage the accumulated experience on the regional level, so that the creativity and the skills of its employees and their efficient teamwork enable Synergon to become a valuable partner for its customers. The professional achievements, the flexibility and dynamic innovation activity of the Group have ensured the most efficient solutions. The key factors to long-term success have included long-term customer relations through the high standard of Synergon's services, ensuring the most important benefits for each participating parties, such as uninterrupted business and continuous income-generation. Based on these factors, in 2001, the Company focuses on the products ensuring strong market positions, high added value and enabling the generation of recurring revenues.

In 2001, Synergon, now operating in three countries, will focus on strengthening the operation of its regional subsidiaries. The Company aims at intensifying its co-operation with Span and Infinity, and taking advantage of the opportunities provided by the economy of scale, through establishing efficient working relations.



Analysis of Synergon's financial results in 2001

Comparing the quarter ending March 31, 2001 with the 1st quarter of 2000

The data contained in this report are based on the unaudited, consolidated balance sheet and profit and loss accounts, prepared in accordance with the IAS. For convenience of the readers, forint amounts have been converted into US dollars. The exchange rates applied for the items of the profit and loss account are HUF 259.41 and HUF 287.49 per US\$ for the first quarter of 2000 and 2001, respectively. The exchange rates applied for the balance sheet items are HUF 269.94 and HUF 302.49 per US\$ as of March 31, 2000 and March 31, 2001, respectively.

Company results

An important consideration in terms of the assessment of the Company's results the IT industry is characterised by a high level of seasonality, which considerably affects Synergon's operation. In 2000, this factor resulted in Synergon generating app. one-third of both its annual sales revenue and contribution during the fourth quarter. The substantial growth of sales revenue during the 1st quarter of 2001 is partly due to the fact that the foreign subsidiaries of Synergon Information Systems plc. have also been consolidated since February 1, 2001.

Profit and loss statement	Three-month period ending March 31					
	2001		2000		Change %	
	000 HUF	000 USD	000 HUF	000 USD	HUF basis	USD basis
NET SALES*	4 949 289	17 216	2 580 480	9 947	92%	73%
Of which services (%)	29%		32%			
Of which products (%)	71%		68%			
NET COST OF SALES	3 999 845	13 913	1 939 440	7 476	106%	86%
As % of net sales	81%		75%			
CONTRIBUTION	949 444	3 303	641 041	2 471	48%	34%
Contribution margin (%)	19%		25%			
OPERATING EXPENSES	1 224 347	4 259	687 082	2 649	78%	61%
OPERATING PROFIT	-274 903	-956	-46 042	-177	497%	439%
Operating margin (%)	-6%		-2%			
Net financial income	28 630	100	74 940	289	-62%	-66%
Extraordinary items	-300	-1	3 622	14	-108%	-107%
PROFIT BEFORE TAX	-246 572	-858	32 520	125	-858%	-784%
Minority interest	30 519	106	0	0		
Corporate tax	19 046	172	12 669	49	50%	253%
NET PROFIT	-296 138	-1 136	19 851	77	-1592%	-1585%
Net margin (%)	-6%		1%			

* Including other revenues.

Sales revenue

In the 1st quarter of 2001, Synergon Information Systems plc, including its consolidated subsidiaries, achieved a sales revenue of HUF 4,929 million, representing 92-percent increase compared to the HUF 2,580 million during the base period. Within the Group, the Communications Systems and the Hardware-Software Integration Divisions and the subsidiary Infinity generated the overwhelming weight of the volume of the Group's sales, whereas the remaining 20-25 percent of sales was generated in nearly equal proportion by the smaller operating units, i.e. the Services and the Consulting Divisions, Fibex Ltd. (Value-Added Distribution Division) and Span, the Croatian subsidiary. Of the overall sales volume of Synergon (net of the sales of the new subsidiaries), the telecommunications and the financial sectors accounted for 41 percent and 4 percent respectively, whereas industrial companies, the public utilities/transport industries and the public sector represented 9 percent, 12 percent and 14 percent respectively. Other, non-classified sales accounted for 20 percent of the sales total.



In the 1st quarter of 2001, the service content of sales was 29 percent. This decrease, as compared to the 32 percent in the 1st quarter of 2000, was the consequence of the increasing weight of lower-service-content Divisions within the sales revenue, as well as of the start of the consolidation, during the period, of the foreign subsidiaries, operating at a service content level below Synergon's average.

Cost of sales

The cost of sales comprises primarily the costs of products soled, base materials, payments to contractors and direct labour costs. The 106-percent increase in the cost of sales amounted to HUF 3,999 million during the 1st quarter of 2001, compared to the HUF 1,939 million of the base period. The reasons of the increase of the cost of sales in excess of the sales revenue included the facts that most Divisions increased their sales-proportionate cost of sales and that the weight of high-service-content Divisions (Services and Consulting) diminished in terms of the Group's revenue. Since direct labour costs are also included in the cost of sales, the reducing effect of seasonality also affected the cost of sales to an extent lower than the sales revenue.

Contribution

Contribution in the 1st quarter of 2001 amounted to HUF 949 million, compared to the HUF 641 million in the 1st quarter of 2000, representing an increase of 48 percent. The lag compared to sales was due primarily to the increase of the cost of sales. Because of the different rates of the change of the sales and the contribution, in 2001, the contribution margin dropped to 19 percent from the 25 percent achieved in the 1st quarter of 2000.

Operating expenses

Operating expenses increased by 78 percent, to HUF 1,224 million in the 1st quarter of 2001. The increase of operating expenses below the rate of the growth of revenues was primarily due to the cost rationalisation and efficiency programs implemented by the Company. Of the operating expenses, the labour costs (+39 percent), amortization (+37 percent), marketing expenses (+372 percent) and vehicle expenses (+218 percent) grew considerably during the quarter. Within the operating expenses, significant items during the period under review included wages and salaries (HUF 341 m), amortization (HUF 186 m), marketing expenses (HUF 95 m), rental fees (HUF 39 m) and telephone expenses (HUF 36 m).

Operating profit

The level of the operating profit was influenced primarily by the high level of the cost of sales. In the 1st quarter of 2001, the Company generated an operating loss of HUF –275 million, compared to the HUF –46 million of the 1st quarter of last year.

Net financial income

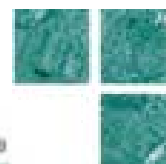
The net financial income was HUF 29 million during the 1st quarter of 2001, compared to the HUF 75 million achieved in the 1st quarter of 2000. The decline was due primarily to the reduction in the value of government securities, as the result of the payments associated with the acquisitions at the beginning of 2001.

Profit before tax

Compared to the HUF 33 million of the first three months of 2000, profit before tax amounted to HUF –247 million for the same period of 2001. The decline was due essentially to the same factors as described under the operating profit, neither the net financial income, nor the extraordinary items influencing significantly the level of the operating profit.

Net profit

Taxation of the Group for the 1st quarter was HUF 19 million, compared to the HUF 13 million paid in the same period of 2000. Tax liability was recognised at Synergon's subsidiaries. The HUF 296 million loss after taxation is arrived at after the deduction of the HUF 31 million minority interest associated with the new subsidiaries, as compared to the positive result of HUF 20 million achieved in the 1st quarter of 2000.



Divisions and subsidiaries

Since February 2001, the revenue of the subsidiaries has been added to the divisional distribution of the Company's sales revenue. The Communications Systems and the Value-Added Distribution Divisions, however, managed to retain their weight achieved during the same period of the previous year, which indicates the substantial continuing demand for network infrastructure implementation and the associated devices, providing the opportunity for higher-than average growth for these areas.

Divisions and subsidiaries	Three-month period ending March 31							
	Th HUF	2001 Th USD	%	Th HUF	2000 Th USD	%	Change % HUF	Change % USD
Net sales*	4 949 289	17 216	100%	2 580 480	9 947	100%	92%	73%
<i>of which:</i>								
Communicat. Syst.	1 786 456	6 214	36%	917 563	3 537	36%	95%	76%
HW-SW Integr.	1 024 466	3 563	21%	1 079 367	4 161	42%	-5%	-14%
Services	279 801	973	6%	230 517	889	9%	21%	10%
Consulting	217 116	755	4%	299 046	1 153	12%	-27%	-34%
Fibex	228 880	796	5%	118 306	456	5%	93%	75%
Infinity**	1 006 019	3 499	20%	0	0	0%	n.a.	n.a.
Span**	338 327	1 177	7%	0	0	0%	n.a.	n.a.
Consolidation	68 223	237	1%	-64 319	-248	-2%	-206%	-196%

* Including other revenues.

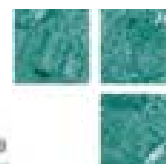
** From February 1, 2001.

Communications Systems Division

The Communication Systems Division, specialising in the design, supply and the installation of the integrated communications infrastructure and the related services, multimedia communication and cable television networks, achieved a revenue of HUF 1,786 million during the first three months of 2001, compared to the HUF 918 million in the same period of the previous year, which represents a growth of 95 percent.

Communications Systems	Three-month period ending March 31					
	2001		2000		Change, %	
	HUF m	USD 000	HUF m	USD 000	HUF	USD
NET SALES	1 786	6 214	918	3 537	95%	76%
<i>Of which services (%)</i>		17%		17%		
<i>Of which products (%)</i>		83%		83%		
COST OF SALES	1 496	5 203	784	3 021	91%	72%
<i>as % of sales</i>		84%		85%		
CONTRIBUTION	291	1 011	134	516	117%	96%
<i>as % of sales</i>		16%		15%		

The Networking Business Unit, the largest business unit of Synergon continued to increase its sales revenue at a rate substantially exceeding the company average, compared to the 1st quarter of 2000. This was due primarily to its strong position achieved in the telecommunications industry, with Vivendi taking over the leading role. Whereas the Intelligent Buildings Business Unit was able to increase its revenue, compared to the 1st quarter of 2000, due to the projects begun last year, the Cable TV Business Unit, achieving a lower rate of growth, wishes to expand its sales volume by seeking new technologies. The services content of the sales of the Division was 17 percent in the 1st quarter of both 2000 and 2001, representing contribution ratios of 16 percent and 15 percent for the 1st quarter of this year and 2000 respectively.



Hardware – Software Integration Division

The operations of the Hardware – Software Integration Division focus on the areas associated with the basic information infrastructure, its products and services ranging from desktop computers and peripherals to the servers constituting the basis of corporate systems, as well as the related sales of software, consulting and customisation. In 2001, the Division achieved a sales revenue of HUF 1,024 million, 5 percent less than the HUF 1,079 million realised during the 1st quarter of 2000.

Hardware-Software Integration Division	Three-month period ending March 31					
	2001		2000		Change, %	
	HUF m	USD 000	HUF m	USD 000	HUF	USD
NET SALES	1 024	3 563	1 079	4 161	-5%	-14%
<i>Of which services (%)</i>	35%		20%			
<i>Of which products (%)</i>	65%		80%			
COST OF SALES	901	3 133	882	3 401	2%	-8%
<i>as % of sales</i>	88%		82%			
CONTRIBUTION	124	430	197	760	-37%	-43%
<i>as % of sales</i>	12%		18%			

Sales of software have accounted for a substantial weight in terms of the sales revenue of the Division, including primarily the sales of Microsoft licences, while gradually reducing the sales of technologies whose sales are not viable on an economical scale (Novell, Lotus). Hardware sales also account for a significant part of sales of the Division; following the trends of the international markets, however, sales of hardware declined compared to the 1st quarter of last year. Although the Retail Business Unit grew, its weight is not substantial within the Division. Increasing considerably from the 20 percent of the 1st quarter of 2000, the service content of the Division reached 35 percent during the period in question; however, the narrowing overall market and tough competition gradually eroding the level of contribution, the 18-percent contribution ration achieved in the 1st quarter of 2000 dropped to 12 percent in 2001.

Services

The operation of the Services Division encompasses the operation, supervision and management of information systems under long-term arrangements with the customers, making use of the Call Center, the Helpdesk as well as continuous availability. Increasing by 21 percent from HUF 231 million in the 1st quarter of 2000, the sales revenue of the Division amounted to HUF 280 million for the same period of 2001.

Services	Three-month period ending March 31					
	2001		2000		Change, %	
	HUF m	USD 000	HUF m	USD 000	HUF	USD
NET SALES	280	973	231	889	21%	10%
<i>Of which services (%)</i>	100%		100%			
<i>Of which products (%)</i>	0%		0%			
COST OF SALES	164	570	81	313	102%	82%
<i>as % of sales</i>	59%		35%			
CONTRIBUTION	116	403	149	576	-22%	-30%
<i>as % of sales</i>	41%		65%			

The continuously accruing revenues from remote-management and outsourcing contracts have accounted for a steady income for the Division. Revenue from service and maintenance operation, consisting primarily of the follow-up support services related to systems sold by other Divisions, increased considerably. Further growth opportunities are presented by the increasing customer demand for availability and other support services. Although the Division operated at a service content of 100 percent in both the period under review and the base period, the sales proportionate contribution ratio dropped to 41 percent during the period in question from the 65 percent of the 1st



quarter of 2000, due to the continuing capacity-building and the lengthy pre-sales requirement of new projects.

Consulting Division

The Consulting Division, specialising in business solutions and consultancy – including ERP systems, decision-support systems and other areas of consulting – realised a revenue of HUF 217 million in the 1st quarter of 2001, a 27-percent decline compared to the HUF 299 million generated during the first three months of 2000.

Consulting Division	Three-month period ending March 31					
	2001		2000		Change, %	
	HUF m	USD 000	HUF m	USD 000	HUF	USD
NET SALES	217	755	299	1 153	-27%	-34%
<i>Of which services (%)</i>	100%		86%			
<i>Of which products (%)</i>	0%		14%			
COST OF SALES	191	664	135	519	42%	28%
<i>as % of sales</i>	88%		45%			
CONTRIBUTION	26	91	164	634	-84%	-86%
<i>as % of sales</i>	12%		55%			

In the field of ERP systems, the Division has continued its projects started earlier, which represents growth in terms of the SAP Business Unit and decline in terms of the JD Edwards Business Unit, as compared to the 1st quarter of 2000. The decline of the revenue of the Business Intelligence Business Unit was counterbalanced by the revenue growth from security-related consulting. The cutting back of several capacities, whose sales had not been viable on an economical scale, also contributed to the drop in the sales of the Division. Although, in the lack of the sales of new licences, the Consulting Division has operated at an outstandingly high service content (1st quarter, 2001: 100 percent; 1st quarter, 2000: 86 percent), the ratio of contribution dropped to 12 percent during the period in question from the 55 percent in the 1st quarter of 2000, due to idle capacities.

Fibex Ltd. – Value-Added Distribution Division (VAD)

The Fibex Ltd., specialising in the sales of optical and copper cables and accessories, has operated as Synergon's 100-percent subsidiary. Compared to the base period, the sales of the VAD Division increased by 93 percent during the 1st quarter of 2001. 26 percent of the sales of the Division went to the other divisions of Synergon, as compared to the 29 percent of the 1st quarter of 2000. The growth of the sales of Fibex Ltd. continued to be generated by major infrastructural projects as well as the powerful demand for optical cables. The contribution ratio of the Division was 14 percent during the period in question as compared to 19 percent during the 1st quarter of 2000; the decline can be attributed primarily to the price competition with respect to particular products as well as to additional expenses associated with the expansion of the Company.

VAD	Three-month period ending March 31					
	2001		2000		Change, %	
	HUF m	USD 000	HUF m	USD 000	HUF	USD
NET SALES*	229	796	118	456	93%	75%
<i>Of which services (%)</i>	0%		1%			
<i>Of which products (%)</i>	100%		99%			
COST OF SALES	196	683	96	369	105%	85%
<i>as % of sales</i>	86%		81%			
CONTRIBUTION	32	113	23	87	44%	30%
<i>as % of sales</i>	14%		19%			

* Including other revenues.



Infinity

Infinity a.s. is a Czech subsidiary in the majority ownership (50 percent + 1 share) of Synergon, consolidated as of February 1, 2001. Most of the sales revenue of Infinity is generated by the sales of Compaq and Microsoft products and the associated services as well as the remote management and support services based on these products. During the post-acquisition period of the 1st quarter of 2001, Infinity operated at a service content level of 14 percent and a contribution ratio of 16 percent.

<i>Infinity</i>	Three-month period ending March 31					
	2001		2000		Change, %	
	HUF m	USD 000	HUF m	USD 000	HUF	USD
NET SALES*	1 006	3 499	0	0		
<i>Of which services (%)</i>	14%					
<i>Of which products (%)</i>	86%					
COST OF SALES	842	2 927	0	0		
<i>as % of sales</i>	84%					
CONTRIBUTION	164	572	0	0		
<i>as % of sales</i>	16%					

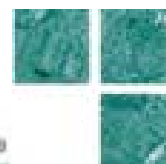
* Including minority interest.

Span

Span d.o.o. is a Croatian subsidiary in the majority ownership (51 percent) of Synergon, consolidated as of February 1, 2001. Most of the sales revenue of Span is currently generated by the sales of Microsoft products and the associated services. During the post-acquisition period of the 1st quarter of 2001, Span operated at a service content level of 10 percent and a contribution ratio of 15 percent.

<i>Span</i>	Three-month period ending March 31					
	2001		2000		Change, %	
	HUF m	USD 000	HUF m	USD 000	HUF	USD
NET SALES*	338	1 177	0	0		
<i>Of which services (%)</i>	10%					
<i>Of which products (%)</i>	90%					
COST OF SALES	287	-1 000	0	0		
<i>as % of sales</i>	85%					
CONTRIBUTION	51%	177	0	0		
<i>as % of sales</i>	15%					

* Including minority interest.



Analysis of the balance sheet and liquidity position as of March 31, 2001

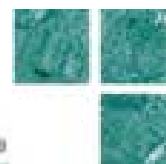
<i>Balance sheet</i>	March 31, 2001		March 31, 2000		Change, %	
	HUF 000	USD 000	HUF 000	USD 000	HUF basis	USD basis
ASSETS						
Non-current assets	3 429 370	11 337	2 613 084	9 680	31%	17%
Fixed assets	2 491 787	8 238	2 289 348	8 481	9%	-3%
Intangible assets	906 996	2 998	319 530	1 184	184%	153%
Investments	30 587	101	4 206	16	627%	549%
Current assets	8 922 026	29 495	7 895 959	29 251	13%	1%
Inventories	2 297 513	7 595	1 358 614	5 033	69%	51%
Accounts receivable	3 730 134	12 331	2 196 394	8 137	70%	52%
Cash and equivalents	1 987 913	6 572	102 788	381	1834%	1626%
Other current assets	906 466	2 997	4 238 163	15 700	-79%	-81%
Total Assets	12 351 396	40 832	10 509 043	38 931	18%	5%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	8 312 086	27 479	9 210 146	34 119	-10%	-19%
Share capital	1 910 926	6 317	1 910 926	7 079	0%	-11%
Capital reserves	5 540 682	18 317	5 566 364	20 621	0%	-11%
Profit reserves + Balance sheet profit	860 478	2 845	1 732 856	6 419	-50%	-56%
Short-term liabilities	3 698 347	12 226	1 297 980	4 808	185%	154%
Accounts payable	2 289 058	7 567	877 268	3 250	161%	133%
Other short-term liabilities	1 409 289	4 659	420 712	1 559	235%	199%
Long-term liabilities	95 289	315	917	3	10291%	9173%
Minority interest	245 673	812	0	0		
Total liabilities and shareholders' equity	12 351 395	40 832	10 509 043	38 931	18%	5%

The balance sheet total of the Company (HUF 12,351 m), as of March 31, increased by 18 percent compared to the closing value of the same period of the previous year, due primarily to the acquisition of 50-percent interest in the Croatian Span d.o.o. and the Czech Infinity a.s. subsidiaries.

The consolidated balance sheet of the Group displays a substantial change (HUF 8,922 m) of the current assets. The main reason behind the 13-percent growth is the figures of Infinity, with trade receivables of nearly HUF 1 billion and inventories of HUF 1.1 billion as of March 31, accounting for 21 percent of the consolidated balance sheet total of the Company. Cash at the end of the period was HUF 1,988 m, nearly HUF 1.5 billion of which appeared in the accounts of the parent company. The closing value of other current assets was HUF 906 million. In 2000, the corresponding figure was HUF 4,238 million, the overwhelming part of which constituted by the government securities in the Company's possession. The financial transactions associated with the acquisition of the two subsidiaries accounted primarily for the 79-percent decline.

The net value of tangible assets (HUF 2,491 m) increased by 9 percent. This growth is entirely related to the expansion; without these items there was a 7-percent decline as the result of new purchases and the depreciation recognised. The 184-percent growth of the intangible assets was due to the change in the goodwill items associated with the acquisition of the subsidiaries.

The 185-percent growth of the closing value of short-term liabilities (HUF 3,698 m) was the collective result of the 235-percent increase of other short-term liabilities (HUF 1,409 m) and the 161-percent growth of accounts payable (HUF 2,289 m). The growth of both items was the result of the consolidation of the two subsidiaries. For the two companies, the collective value of the accounts payable and the other short-term liabilities amounted to HUF 1,738 m and HUF 707 m respectively.



Liquidity position

The cash of the Company as of March 31, 2001, was HUF 1,988 m, due to the same reasons as described under the closing value of current assets. The overall liquidity position was well balanced. Cash flow from operations amounted to HUF 450 million, due to the changes, as described above, of the accounts payable, trade receivables and inventories, as of March 31, 2001, as well as to the negative operational result of the quarter. The value of investments was HUF 1,100 million, including the acquisition of the subsidiaries. The change in credit is the sum of the short-term and long-term credits in Infinity's accounts. The change in the value of capital includes the consolidation effect of the minority interest as well as the accumulated profit as of January 31 of the two new subsidiaries. Consequently, liquid funds increased by HUF 239 million compared to December 31, 2000.

Cash-flow	Three-month period ending March 31			
	2001		2000	
	HUF 000	USD 000	HUF 000	USD 000
Net income before taxation and minority interest	-324 768	-1 130	-55 089	-212
Depreciation and amortization	186 976	650	136 095	525
Change in payables	894 552	3 112	-1 019 271	-3 929
Change in accruals	-23 636	-82	36 119	139
Change in inventories	-511 249	-1 778	-563 038	-2 170
Change in receivables, other assets	227 361	791	2 072 871	7 991
Change in provisions	707	2	0	0
Cash flow from operations	449 944	1 565	607 688	2 343
Net financial result	28 630	100	74 940	289
Cash flow from financing activities	478 574	1 665	682 628	2 631
Change in assets	-517 599	-1 800	-247 101	-953
Change in investments	-583 265	-2 029	-561 750	-2 165
Cash flow from investing	-1 100 864	-3 829	-808 851	-3 118
Net change in loans	615 258	2 140	917	4
Change in share capital	245 673	855	4 095	16
Cash flow from financing	860 931	2 995	5 012	19
Net change in Cash	238 642	830	-121 211	-467
Opening cash position	1 749 272	6 085	224 000	863
Closing cash position	1 987 913	6 915	102 788	396
Change in cash	238 641	830	-121 212	-467

Number of staff

The table below shows the average number of Synergon employees. The change between the two periods is mainly due to the negative effect of the cost- and staff rationalisation programs implemented at the end of 2000 and the positive effect of the integration of the new subsidiaries. This is indicated by the decline of the number of staff at each Division of Synergon (except Services) and at the company support units. The closing overall number of staff for the Group was 542 and 582 in the 1st quarter of 2000 and 2001 respectively.

Average number of employees	1 st quarter, 2001	1 st quarter, 2000	Change, %
Communications S.	57	71	-20%
Hardware-Software Int.	43	80	-47%
Services	72	42	71%
Consulting	70	107	-34%
Fibex	29	28	2%
Infinity	154	-	
Span	26	-	
Strategic Sales and Marketing + Company support units	148	227	-35%
Total	598	555	8%



Shareholder structure and company events

According to Synergon's shareholders' register, no significant change occurred to affect the major shareholders in terms of the ownership structure during the past quarter. In March 2001, the Company sold its treasury shares to its employees under an employee participation program. The shareholders' register shows the following ownership structure as of March 31, 2001:

Synergon' ownership structure		
Owner	March 31, 2001	Jan. 1, 2001
Bankers Trust (depository)	40.7%	40.7%
Avonhouse	15.2%	15.2%
Davon Kft.	12.1%	12.1%
RCX Kft.	11.2%	11.2%
Tibor Gyurós	4.7%	4.7%
Financial investors, below 5 percent of shares each	16,1%	15,0%
Treasury shares	0%	1,1%
Total	100%	100%

During the period between January 1 – March 31, 2001, the Board of Directors of Synergon Information Systems plc. held 4 meetings. At the meeting on 15 January, the Board of Directors exonerated József Antal and appointed Tibor Gyurós as the Chief Executive Officer of the Company. At the meeting held on 20 March, resolution was made concerning the date and the agenda of the ordinary General Assembly, the reports on the 2000 operation of the Company and the amendments of the statutes of Synergon were approved and recommended for approval to the General Assembly. The Board of Directors also approved the share purchase scheme of CEO Tibor Gyurós.

For further information please contact:

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