Newsletter 2004/05

BURBERRY

XeBusiness

Supply chain computer solutions for quick response and cost reduction - simply and economically

XeBusiness – Maintaining the Momentum

The company continued to make progress over 2004 in consolidating its market leading position in the apparel and textile sector as the IT products and services provider of choice. Our goal remains to transform technology into optimum business performance.

The company continues be profitable and strongly cash generative, with year on year free cash flow improvement, the only reality in measuring sustained business performance.

Despite on-going turbulence and uncertainty in the IT and Apparel sectors that we feel has worsened in a number of respects since 2003, XeBusiness has continued profitable and cash generative over 2004 and we expect this to continue over 2005.

We continue to focus on the four key elements that add



David Cullis - MD of XeBusiness

on the four key elements that add value to our operations, namely, our people, our much valued customer base, our world class product and associated professional services and the growing strength and reach of the XeBusiness brand in the vertical market in which we exclusively operate.

The XeB team looks forward to 2005 with confidence.

Major Vietnam IT Project Completed

their Ho Chi Minh City manufacturing plants.

Quang Viet Enterprise Co (QVE), the largest Nike apparel

manufacturing partner in Vietnam has completed implementation of the integrated XeBusiness Time and Attendance and Production Control system modules within



The Stitch Factory Utd.

IMAGEFIRST





Employing over 6500 people over 6 manufacturing plants on a single site, QVE Vietnam, implemented the systems to facilitate conformance with

implemented the systems to facilitate conformance with their best practice and ethical manufacturing programmes.



QVE Factory Shop Floor in Vietnam

Manchester (UK) based XeBusiness worked with teams from QVE and its local re-seller, Gartex Solutions Group, to implement the modules that were customised to reflect local labour process and information requirements.

A strategic part of the software implementation was the development and provision of corporate buyer compliant reporting information to ensure buyers are kept aware of work in progress and delivery date shipment issues and also to ensure compliance with ethical manufacturing programmes for developing regions covering the welfare of local workforces in line with international standards.

New Business Sales - Hard Won Success



Uncertainty, if anything, worsened in 2004 in the apparel and textile sector amongst others for a number of clearly apparent geopolitical reasons, with a consequent impact on investment decisions.

Despite these prevailing difficulties, XeBusiness reported a number of new business contract wins and completed a record number of implementations over the year.

Client comments from a few of these contracts won in 2004 ranged as follows:

Vince Sparks, Group IT Services Manager of Stirling Brands: "We have been working with XeBusiness for many years and the service received from them throughout has been outstanding".

lain Jukes, Managing Director of Praybourne: "We chose XeBusiness to partner us based on their track record and experience and the professionalism and understanding they demonstrated of our business requirements".

Harry McLeese, Chief Executive of Corporate Wardrobe: "We chose XeBusiness as our IT partner for a variety of reasons that included their track record of successful implementations in this segment of the industry. Cost and ROI were also key issues in the decision making process".

Eric Wu, VP and General Manager of QVE, Vietnam: "The system is already transforming our approach to managing time and attendance and shop-floor production".

lain Campb ell, Director of Lynberr "I can say without hesitation that the XeBusiness product is the best we have seen to date in terms of functionality and presentation".

Richard Clough, Chief Executive of Prêt Apparel: "What impressed me about XeBusiness was their willingness to listen, adapt to our own special demands, the speed of their response and, of course, their value for money".

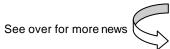
Prashant Saxena, Partner of Tex-App, India: "We researched a number of foreign IT companies before deciding that XeBusiness was the right partner with the right product for us".











Global Sales Presence Increased

Last year we reported that we had clients and business partners operating in Romania, Slovakia, Poland, Morocco, Turkey, Vietnamand Malaysia.



Over 2004, coverage has been extended to include a client in Egypt and a newly appointed value added re-seller in India. We also plan to cover China and Thailand from Vietnam as competitive pressures increase following the imminent abolition of quotas.

As you would expect, our MRP and manufacturing systems are generating a great deal of interest in these regions to where garment and textile manufacturing has shifted. Realisation is dawning on local manufacturers and exporters that low wage costs will not necessarily preserve their competitive position as this particular issue is now virtually a commodity in these areas. Reliable contract completion and delivery, quality, quick response, support for ethical manufacturing practices and on-going customer service improvement are issues that only a systems approach to managing an apparel business can deliver. This is where XeBusiness and Xe-ERP come in.......

Face to the name

John Perrett – Technical Development Manager

John has been with the XeB team for over 7 years. Apart from being our Warehouse Management and Production Control Systems specialist, he also fulfils network infrastructure (LAN and WAN including the Internet/www), network security and MS Windows consulting roles. He absorbs technical and applications knowledge like a sponge and 7 years on still has the capacity to amaze colleagues and clients with his ability to solve complex applications and technical problems.



Face to the name

Michelle Pearce – Commercial & Administration Manager

The company revolves around Michelle who joined us in April this year after taking a year out to have a baby. As her job title suggests, she provides the administrative and commercial support to other members of the XeB team to ensure our sales, marketing and client care operations are optimally effective.

Future Proofing the Product - Development Investment in Xe-ERP Continues

Development is a journey not a destination. We continue to invest in our flagship product Xe-ERP to incorporate world class best practice process and business intelligence functionality for global trading effectiveness in the apparel and textile sector.

Over 2004/5 key R & D factors areas have included:

- Enhanced web enablement to facilitate collaboration and communication both internally and externally with customers, suppliers and business partners.
- 'Sell off the web' functionality now available from a partnership between XeBusiness and Leeds based Shopcreator, a specialist ecommerce, web design and Internet Service provider (ISP).
- Enhanced functionality for the Corporate Workwear segment where we currently hold a market leading position in the UK.
- Enhanced CRM functionality to support on-going customer service and quick response improvement programmes for strategic competitive advantage.
- Enhanced graphical user interface presentation and information formatting for (even) further ease of use and speed of access by users.

All the above will improve effectiveness of Xe-ERP and will assist users to gain quicker ROI from deployment of the software within their businesses.

