





The Stockcube group produces research and analysis of the relative strengths and weaknesses of price trends of stocks, stock indices, currencies, bonds and technical data to assist professional and non-professional investors with the timing of investment transactions.

Contents

- Highlights **01**
- Chairman's Statement **02**
- Group Profit and Loss Account **04**
- Group Balance Sheet **05**
- Group Statement of Cash Flows **06**
- Notes to Interim Report **08**
- Review Report by Ernst & Young LLP **09**

Board of Directors

- EDWARD FORBES** Chairman*
- JULIAN BURNEY** Chief Executive Officer
- SHIRLEY YEOH** Finance Director
- ANDREW ASHMAN** Director
- TIMOTHY HORLICK** Director*
- DENNISON VERU** Director*

* non-executive



Highlights

for the six months ended 30 June 2004

- ◆ Turnover up 9% at **£1,258,000 (2003: £1,153,000)**
- ◆ Profit before tax **£82,000 (2003: £34,000)**
- ◆ Earnings per share **0.06p (2003: 0.03p per share)**

Stock and market timing remain as important as ever—especially when markets are more challenging. Clear, straightforward and consistent opinion and advice is always at a premium and that's what we aim to give all our customers at Stockcube.

We have increased our group turnover by 9% over 2003, which is pleasing as we continue to build on our reputation by producing clear market assessments with some very well-timed calls for our clients.

I am also pleased that the group continues to grow its turnover and its pre-tax profits as our institutional investor clients show their appreciation of our bespoke portfolio review service which tailors our analysis and advice directly to the client's needs.

Julian Burney

Chief Executive of Stockcube
29 September 2004

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Our website is www.stockcube.com

Chairman's Statement

Introduction

We continue to improve the quality and accessibility of our research services and to build our reputation in the UK and the USA.

Financial review

Turnover for the six months ended 30 June 2004 amounted to £1,258,000, an increase of 9% over £1,153,000 for the same period in 2003, contributing to our first operating profit for the period of £23,000 compared with losses of £34,000 in 2003.

This is a sound performance. Our share of losses from the investment in Sportcal was £14,000 for the period and the related goodwill amortised was £15,000.

Earnings of 0.06p per 1p ordinary share for the period to 30 June 2004 compare to earnings of 0.03p in 2003.

We had cash balances of £3,805,000 at 30 June 2004, after making our investment in Sportcal, compared with £4,145,000 at the beginning of the year.

Review of operations

Income from our institutional investor consultancy grew by 9% over the same period for 2003, which is an improvement that we expect to continue for the remainder of this year. Our portfolio analysis review service is being well received by clients who value its bespoke nature.

Fullermoney, our global strategy advisory service, is making solid progress in its new on-line format with daily audio coverage and, while format changes can be disruptive, we are pleased to record an increase of 5% in paying subscribers since the start of the year.

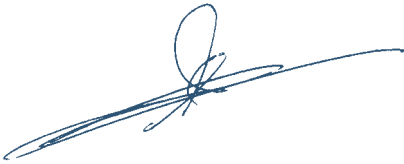
We have now restructured our wider market subscription services under the overall **Investors Intelligence** brand. This offers modules in US stocks, US market timing analysis, UK, European, Japanese, South East Asian and Global stocks, all available through a single web platform (www.investorsintelligence.com). We have also integrated our currencies, commodities and financial futures services into Investors Intelligence. These new services offer considerable improvements in chart generation and modelling capabilities. The non-US services are currently undergoing a 'soft launch' and market trialling.

Our investment in Sportcal is not yet generating the sort of returns of which it is capable, due in some part at least, to the disruption to the business during our investment process. However, we expect an improvement in returns, following personnel changes and refocusing on sales and customer care operations.

Ecube continues to build and develop web-based solutions for the group and third parties. Much staff effort was directed during the last six months to building the infrastructure and operating processes for www.investorsintelligence.com. We look to Ecube to expand its external customer base steadily in the future.

Trading outlook

We remain confident in the potential for our business and we expect continued growth in future quality earnings.



Edward Forbes

Chairman

London

29 September 2004



Group Profit and Loss Account

| | Unaudited Six Months 30 June 2004 £'000 | Unaudited Six Months 30 June 2003 £'000 | Audited Year to 31 Dec 2003 £000 |
|--|--|---|--|
| Turnover | 1,258 | 1,153 | 2,458 |
| Administrative expenses | (1,235) | (1,187) | (2,452) |
| Group operating profit | 23 | (34) | 6 |
| Share of operating loss of associated undertaking and amortisation of goodwill | (29) | — | — |
| (Loss)/profit on ordinary activities | (6) | (34) | 6 |
| Interest receivable and similar income | 88 | 68 | 135 |
| Profit on ordinary activities before taxation | 82 | 34 | 141 |
| Tax on profit on ordinary activities | (22) | (6) | (21) |
| Profit on ordinary activities after taxation | 60 | 28 | 120 |
| Dividends | — | — | (48) |
| Profit retained for the period | 60 | 28 | 72 |
| | | | |
| Basic earnings per share | 0.06p | 0.03p | 0.13p |
| Diluted earnings per share | 0.06p | 0.03p | 0.11p |

Group Statement of Total Recognised Gains & Losses

| | Unaudited Six Months 30 June 2004 £'000 | Unaudited Six Months 30 June 2003 £'000 | Audited Year to 31 Dec 2003 £000 |
|--|--|---|--|
| Profit for the period | 60 | 28 | 120 |
| Exchange difference on retranslation of net assets of subsidiary undertaking | 36 | — | 34 |
| Total recognised gains during the period | 96 | 28 | 154 |



Group Balance Sheet

| | Unaudited Six Months 30 June 2004 £'000 | Unaudited Six Months 30 June 2003 £'000 | Audited Year to 31 Dec 2003 £000 |
|---|--|---|--|
| Fixed assets | | | |
| Investment in associated undertakings | 408 | — | — |
| Tangible assets | 351 | 343 | 345 |
| | 759 | 343 | 345 |
| Current assets | | | |
| Debtors | 488 | 584 | 300 |
| Short-term deposits | 3,600 | 3,800 | 3,880 |
| Cash at bank and in hand | 205 | 152 | 265 |
| | 4,293 | 4,536 | 4,445 |
| Creditors: amounts falling due within one year | (909) | (910) | (743) |
| Net current assets | 3,384 | 3,626 | 3,702 |
| Total assets less current liabilities | 4,143 | 3,969 | 4,047 |
| Capital and reserves | | | |
| Called up share capital | 961 | 961 | 961 |
| Share premium account | 3,774 | 4,114 | 3,774 |
| Merger reserve | 568 | 568 | 568 |
| Profit and loss account | (1,160) | (1,674) | (1,256) |
| Equity shareholders' funds | 4,143 | 3,969 | 4,047 |

Approved by order of the board on 29 September 2004



Julian Burney
Director

Group Statement of Cash Flows

| | Unaudited Six Months 30 June 2004 £'000 | Unaudited Six Months 30 June 2003 £'000 | Audited Year to 31 Dec 2003 £000 |
|--|--|---|--|
| Net cash inflow from operating activities | 31 | 126 | 273 |
| Returns on investments and servicing of finance | | | |
| Interest received | 88 | 68 | 135 |
| Taxation | — | — | (2) |
| Capital expenditure | | | |
| Payments to acquire tangible fixed assets | (22) | (10) | (29) |
| Acquisitions and disposals | | | |
| Payments to acquire investments | (437) | — | — |
| Net cash (outflow)/inflow before financing | (340) | 184 | 377 |
| Management of liquid resources | | | |
| Decrease/(increase) in short-term deposits | 280 | (940) | (1,020) |
| (Decrease) in cash | (60) | (756) | (643) |

Group Statement of Cash Flows

Reconciliation of net cash flow to movement in net funds

| | Unaudited Six Months 30 June 2004 £'000 | Unaudited Six Months 30 June 2003 £'000 | Audited Year to 31 Dec 2003 £000 |
|--|--|---|--|
| (Decrease) in cash | (60) | (756) | (643) |
| (Decrease)/increase in short-term deposits | (280) | 940 | 1,020 |
| Movement in net funds | (340) | 184 | 377 |
| Net funds at 1 January | 4,145 | 3,768 | 3,768 |
| Net funds | 3,805 | 3,952 | 4,145 |

Analysis of net funds

| | Unaudited Six Months 30 June 2004 £'000 | Unaudited Six Months 30 June 2003 £'000 | Audited Year to 31 Dec 2003 £000 |
|--------------------------|--|---|--|
| Cash at bank and in bank | 205 | 152 | 265 |
| Short-term deposits | 3,600 | 3,800 | 3,880 |
| | 3,805 | 3,952 | 4,145 |



Notes to the Interim Report

1. Basis of preparation of interim financial information

The interim financial information has been prepared on the basis of the accounting policies set out in the group statutory accounts for the year ended 31 December 2003. The taxation charge is calculated by applying the directors' best estimate of the annual tax rate to the profit for the period. All other accounting policies set out in the accounts for Stockcube plc for the year ended 31 December 2003 were applied for the purposes of this statement.

2. Earnings per share

The calculation of basic profit per ordinary share is based on profits of £60,000 (year to December 2003: profit of £120,000, six months to 30 June 2003: profit of £28,000) and on 96,106,300 (December 2003 and June 2003: 96,106,300) ordinary shares.

The diluted profits per share is based on 109,398,310 (December 2003: 108,677,750; June 2003: 108,706,750) ordinary shares which takes into account theoretical ordinary shares that would have been issued, based on average market value, if all outstanding options were exercised.

3. Reconciliation of operating profit to net cash inflow from operating activities

| | Unaudited Six Months 30 June 2004 £'000 | Unaudited Six Months 30 June 2003 £'000 | Audited Year to 31 Dec 2003 £000 |
|---|--|---|--|
| Operating (loss)/profit | (6) | (34) | 6 |
| Exchange differences | — | — | 34 |
| Depreciation | 27 | 13 | 30 |
| Management fees receivable | (10) | — | — |
| Share of associated undertakings losses | 14 | — | — |
| Goodwill amortisation | 15 | — | — |
| (Increase)/decrease in debtors | 179 | (190) | 94 |
| (Decrease)/increase in creditors | (188) | 337 | 109 |
| Net cash inflow from operating activities | 31 | 126 | 273 |

4. Publication of non-statutory accounts

The financial information contained in this statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the preceding full year is based on the statutory accounts of Stockcube plc for the year ended 31 December 2003. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.



Independent Review Report to Stockcube plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2004, which comprises the Group Profit and Loss Account, Group Balance Sheet, Group Statement of Cash Flows and the related notes 1 to 4. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with guidelines contained in Bulletin 1999/4 "Review of interim financial information" issued by the Auditing Practices Board. To the fullest extent permitted by the law, we do not accept or assume any responsibility to anyone other than the company for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2004.

Ernst & Young LLP

London

29 September 2004



 **stockcube**

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