

Managing Director's Comments on the results for year ended 30 June 2003

Specialist financial services publisher, researcher and service provider, InvestorInfo Ltd, weathered difficult trading conditions to post increased revenue for the year ended June 30, 2003. However due to non-recurring factors, net profit fell compared to the prior corresponding period.

Total revenue rose 7% to \$6.029 million compared to \$5.624 million in the prior year. Due to several one-off factors net profit fell to \$28,000 compared to \$514,000 in the prior period. However after adding back the write off and gross loss from Ethical Investor, \$199,421 and \$259,025 respectively, adjusted EBITDA for the year was \$714,756, comparing favourably to the previous corresponding period EBITDA of \$699,042.

Ethical Investor was sold in May 2003 due to: a difficult advertising market; broad decline in the circulation of newsstand titles; and poor equity markets resulting in corresponding lacklustre performance by funds manager advertising clients.

The management time spent on *Ethical Investor* has since been refocussed on existing products.

Also, reduced advertising revenue further contributed to the fall in net profit.

While the publishing division - *Investor Weekly*; *IFA*; *Master Funds Quarterly* and *InvestorDaily.com* - contributed approximately 83% of the overall revenue and increased year-on-year, this is reduced when compared to the contribution of 92% in 2002, which positively reflects the increased contributions from the newer divisions, IC&C and Research.

While we have experienced a difficult advertising market, there were several positive publishing initiatives throughout the year including:

- The successful relaunch of *Investor Weekly* in June 2003 incorporating broader editorial content reaching investment platform providers and retail funds managers; increased circulation; and a redesign and larger format;
- Full year revenue contribution from *Master Funds Quarterly*;
- Development of *InvestorDaily.com* into one of the leading daily news services to the financial services industry contributing both advertising and subscription revenue;
- Launch of *IFA Education*, a service providing continuing professional development (CPD points) to financial planners to help meet their education requirements under the Financial Services Reform Act. Financial planners read the article in *IFA* magazine and complete the questionnaire in a secure online environment.

Research and IC&C (InvestorInfo Conferences and Communications, formerly known as Marketing Services) both performed well over the year, substantially increasing their revenue contribution over the prior year. IC&C posted an increased revenue contribution of 87% as a result of hosting five industry conferences and three educational seminars for financial planners.

The primary product in the research division, *InvestorSupermarket*, an online funds manager database, further strengthened its position in the market place and increased its client base more than 200% over the prior year.

Although costs have increased as a result of additional publishing products and additional events, the company has maintained tight cost controls throughout the course of the year.

As at June 30, 2003 the company's cash balance stood at \$1.079 million, a 10.6% increase on the balance at June 30, 2002.

There were several changes at Board level throughout the year, with the appointment of two new directors, Mr Tony Young and Mr. Mark Cohen. Mr. Stephen Williams resigned as chairman and was replaced by Mr. Cohen. On behalf of the company I would like to thank Mr. Williams for his significant contribution to the business and also welcome our new chairman and director.

OUTLOOK:

All areas of the business are performing well and there are early indicators of a marked improvement in advertising performance with increased revenue contribution from *Investor Weekly* as a result of the June relaunch and solid forward advertising bookings for 2004 from all the company's titles.

IC&C has a number of confirmed and sponsored events scheduled for the first quarter 2003/2004, making it the single most active quarter for the division and a full calendar of events planned for the remainder of the financial year.

In addition, InvestorSupermarket has had a very strong start to the financial year, exceeding expectations.

The management and Board seek to grow the business both organically as well as through acquisition and are actively seeking acquisition or joint venture opportunities. The company will be opportunistic in evaluating businesses, both seeking to expand horizontally through acquiring other trade publishing companies as well as vertically within the financial services industry. The Board has spent substantial time over the course of the year performing due diligence on businesses of interest.

Management will provide a shareholder briefing on Thursday 7 August at 5pm at InvestorInfo's offices – Level 5, 37-49 Pitt Street, Sydney.

As always, it is vital to recognize the efforts of the staff, who have all made a tremendous contribution to the business. The company has been fortunate in attracting and retaining very high calibre individuals in all areas of the business – journalism, sales, research, IT, design, events, subscriptions and administration. On behalf of the Board and shareholders I would like to thank the staff.

Bernadette Brennan
Managing Director

August 5, 2003