



**Linking investors with  
companies and funds**



Interim Report 2001

WILink.com is an investment services group with operations in 14 countries in Europe and North America. The company has grown organically and by acquisition and comprises:

- World Investor Link ([www.worldinvestorlink.com](http://www.worldinvestorlink.com)) whose operations in Europe and North America market The ♣ Annual Reports Service (founded September 1992) and The ♣ Fund Info Service (founded January 1998)
- Andersson & Nilsson WILink Svenska AB, the leading provider of annual report advertising services in the Nordic countries (acquired March 2001)
- Informed Investors Inc. ([www.informedinvestors.com](http://www.informedinvestors.com)), the leading provider of industry specific, analyst-style conferences where key executives from quoted companies present directly to individual investors either live or over the Internet (acquired January 2001)
- Vcall, Inc. ([www.vcall.com](http://www.vcall.com) and [www.investorconference.com](http://www.investorconference.com)), the second largest provider worldwide of webcasting services to the investment community (acquired March 2001)

**“We have significantly broadened our service offering and expanded our strategic base of clients, customers and channel partners through acquisition and organic growth. Our like for like earnings growth of 19% is particularly pleasing given the difficult economic and stock market conditions.**

**We remain confident that integrating the operations of Informed Investors and Vcall at our North American Headquarters in Richmond, Virginia will give us world-class webcasting facilities and annualised cost savings in excess of £1 million from 2002. Once the integration is complete by the end of this year we will be operating in North America as one company with three excellent products rather than as three companies.”**

Peter Wakeham  
Chief Executive  
London  
5 September 2001

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## Highlights

### Highlights of the results include:

- Turnover on continuing businesses up 29.6% from £7.2m to £9.3m. Excluding acquisitions, turnover rose 13.4% from £7.2m to £8.2m
- Earnings before tax and goodwill amortisation (EBTA) down 25% from £1.09m to £0.81m. This profit was achieved despite a net EBTA loss of £0.49m from acquisitions before exceptional charges. Excluding acquisitions, EBTA grew ahead of expectations - up 19.2% from £1.09m to £1.30m, or 36.8% to £1.49m before net incremental public company infrastructure costs of £0.19m
- Net cash at half year stood at £8.3m
- Client base grows from 3,420 to 4,620; channel partners up from 137 to 209. Customer database at over 2m investors with 700,000 accessible by e-mail
- Sales and profits for Andersson & Nilsson acquisition in Sweden are ahead of expectations with record client and channel partner participation
- Informed Investors (IIF) and Vcall in the US incurred higher losses than initially expected. We have initiated a restructuring programme intended to reduce costs, integrate marketing through a single sales force, and better meet client needs by the creation of a state of the

art low cost webcasting facility serving WILink.com clients worldwide.

One-time exceptional costs of £1.03m are expected to be incurred in 2001, of which £0.32m has been charged to the first half. These costs cover relocation during the second half of the current year of both operations to World Investor Link's North American Headquarters at Richmond, Virginia. Annualised savings from restructuring and integration of these acquisitions are expected to exceed £1m during 2002

- Forecasting in current market conditions is difficult, with US economic growth falling to its lowest level in eight years and with no evidence of the originally hoped for recovery. Our current expectation is that, despite continued profitable growth at World Investor Link and Andersson & Nilsson, and the possibility of early positive impact from our restructuring plans, EBTA before exceptional items for the second half year may be similar to that achieved in the first half year. For 2002, we anticipate that the full impact of the restructuring and cost savings will provide a sound basis for the US acquisitions to become profitable.

## Pro-Forma Interim Profit and Loss Statement<sup>(3)</sup>

	Unaudited 30 June 2001 (£000)	Unaudited 30 June 2000 <sup>(1)</sup> (£000)	Unaudited +/- % change
<b>Sales Revenue</b>			
- existing	8,171	7,203	+13.4%
- acquisitions	1,162	-	
<b>- Continuing Businesses</b>	<b>9,332</b>	7,203	+29.6%
- discontinued	935	1,567	-40.4%
<b>Total Revenue</b>	<b>10,267</b>	nm <sup>(5)</sup>	-
<b>Earnings Before Tax and Goodwill</b>			
<b>Amortisation (EBTA)<sup>(4)</sup></b>			
- existing	1,300	1,091	+19.2%
- acquisitions (before exceptionals)	(486)	-	-
<b>- Continuing Businesses</b>	<b>814</b>	1,091	-25.4%
- exceptional items <sup>(2)</sup>	(317)	(1,523)	-
<b>- Continuing businesses</b>			
(after exceptionals)	497	(432)	-
- discontinued	144	(121)	-
<b>Total EBTA</b>			
- before exceptional items	957	nm	-
- after exceptional items	641	nm	-

(1) The figures shown in this table as the "continuing businesses" for the first half of 2000 are the activities of W-I-Link.com Inc., which was acquired by the Group on 14 July 2000.

The "discontinued" business represents the activities of the Group prior to that acquisition, principally David Conrad International (DCI), a leather goods business

(2) W-I-Link.com Inc. incurred exceptional costs of £1.523m in the first half of 2000 in relation to its

acquisition by the Group. The exceptional items for 2001 relate to the reorganisation of Vcall and IIF

(3) The profit and loss account showing a full comparison with the actual Group figures for 2000 follows the commentary below

(4) These EBTA figures exclude the loss of £283,655 incurred on the disposal of DCI

(5) These totals are not meaningful as indicated at (1) above

# Operating and Financial Performance

Turnover of the continuing businesses in the first half of 2001 grew by 29.6% to £9.3m, compared to £7.2m for the equivalent period a year ago. Excluding acquisitions, turnover rose 13.4% from £7.2m to £8.2m

## Existing business

The ♣ Annual Reports Service and the ♣ Fund Information Service have continued to perform well despite difficult stock market conditions with EBTA (Earnings Before Tax and Amortisation) growth ahead of expectations at 19.2%, from £1.09m to £1.30m. Underlying EBTA – i.e. after adjustment for net incremental costs of operating as a public company – grew 36.8% from £1.09m to £1.49m, which is consistent with earnings growth rates over the past three years.

This is a highly satisfactory result, achieved in spite of demand for our ♣ services having been adversely affected by the difficult market environment in the US, and in particular by the dramatic decline in private investor share trading during this period.

## Acquisitions

During the first half of 2001 we made three acquisitions:

- Andersson & Nilsson Svenska in Stockholm, Sweden, the leading provider of annual report advertising services in the Nordic countries

- Informed Investors in Sacramento, USA, the leading provider of industry specific analyst-style conferences where key executives from quoted companies present directly to investors either live or over the Internet - [www.informedinvestors.com](http://www.informedinvestors.com)
- Vcall in Philadelphia, USA, the second largest provider worldwide of webcasting services to the investment community - [www.vcall.com](http://www.vcall.com)

## Andersson & Nilsson

Andersson & Nilsson was a geographic bolt-on acquisition to our existing ♣ Annual Reports Service business in Europe. It was a highly successful business before we acquired it and we are delighted with its continued progress. First half sales and profits were ahead of expectations. The number of clients participating in their services was the highest ever at 590. The number of channel partners providing their services was also the highest ever at 49. We expect the business to continue to perform ahead of initial expectations for the remainder of 2001.

## Operating and Financial Performance (continued)

### **Informed Investors and Vcall**

Informed Investors (IIF) and Vcall in the US were making losses when we acquired them and have subsequently incurred higher losses than initially expected. We have initiated a restructuring programme intended to reduce costs, integrate marketing through a single sales force, and better meet client needs by the creation of a state of the art low cost webcasting facility serving WILink.com clients worldwide.

- **Informed Investors** has been adversely affected in the first half by the severe downturn in the US technology industry, largely due to the fact that most technology companies have been reluctant to participate in investor conferences during a period when their earnings are declining and discretionary expenses are being radically reduced. Biotechnology companies have continued to be interested in getting their message out to investors and we have run successful conferences in this sector.

We have already taken steps to size Informed Investors in line with current market conditions by reducing overhead costs in Sacramento and accelerating the integration of its sales and marketing structure into our existing North American operations. In the second half we will close its operations in Sacramento and relocate them to our facility in Richmond, Virginia.

We have also begun the process of rolling out Informed Investors in Europe, with conferences planned in the UK and Eire in the autumn. The impact of these marketing initiatives and cost reduction actions will be felt towards the end of 2001, with the expectation that the business will be profitable during 2002.

- **Vcall** was acquired effective March 1st 2001. Since then our single-minded goal has been to stabilise the business following a period of neglect resulting from its former parent company's financial difficulties. We have focused our efforts on improving product quality and reliability by eliminating process inefficiencies and by upgrading service to the inherited client base. We have also filled vacant sales territories to broaden sales force coverage of existing and prospective clients.

Our priorities now for Vcall are fourfold:

- 1) Grow turnover, with full strength sales force targeting new clients and cross selling Vcall to existing ♣ Annual Reports Service clients;
- 2) Decrease operating costs by closing the operations in Philadelphia and relocating them to our facility in Richmond, Virginia;
- 3) Implement full sales force integration with the ♣ Annual Reports Service and Informed Investors; and
- 4) Commence roll out of Vcall to our European client base.

We expect the impact of these sales and cost reduction initiatives to be felt from late in the fourth quarter, with the expectation that the business will be profitable in 2002.

The potential to market Informed Investors and Vcall to our client base in North America and Europe is excellent and we remain confident that continued sales and marketing investment in these brands is both desirable and necessary to take advantage of this opportunity.

The relocation of Informed Investors and Vcall to Richmond, Virginia will create a world-class, low cost webcasting facility serving WILink.com client needs worldwide. Moreover, this restructuring programme will yield annualised cost savings in facilities and reduced staff levels in excess of £1m, with the expectation of bringing Informed Investors and Vcall to profitability during 2002.

### **Exceptional cost**

One-time exceptional costs of £1.03m are expected to be incurred in the current financial year, of which £0.32m has been charged to the first half, to cover the costs of restructuring, relocation and integration of Informed Investors and Vcall without loss of service quality or key personnel.

### **Disposal**

In January 2001 we disposed of David Conrad International, a leather goods business.

### **Goodwill**

Amortisation of goodwill in the half year amounted to £5.7m. We have undertaken a goodwill impairment review, which in the case of the acquisition of W-I-Link.com Inc. in 2000 is required by FRS11, to determine whether or not the goodwill amount in the Balance Sheet is supported by the future cash flow potential of the businesses. The results of this exercise have confirmed that the current goodwill value of each business is appropriate, and that no impairment of goodwill is necessary.

### **Earnings per share**

The loss per share of 0.68p is calculated on the loss on ordinary activities after taxation and minorities of £5.9m for the six month period ending 30 June 2001, apportioned over the weighted average number of ordinary shares in issue for the period of 870,339,162. The fully diluted weighted average number of shares is 928,696,842 although as losses are being reported due to the effects of goodwill amortisation, the fully diluted earnings per share do not differ from the undiluted figure. Earnings per share excluding exceptional items and the effects of goodwill amortisation were 0.037p for the half-year.

### **Dividends**

In accordance with the published dividend policy, no dividends were paid or are proposed.

## Operating and Financial Performance (continued)

### Cash resources

The principal cash flows were cash inflow from operations of £1.20m, with a further £0.31m of net interest received, whilst the net cash expenditure on acquisitions and disposals was £6.1m, and loan stock of £3.0m was repaid. In total net cash at the half year stood at £8.3m.

### Basis of preparation of the accounts

The accounts of the Group for the six months ended 30 June 2001, which are unaudited, have been prepared on the basis of the accounting policies set out in the 2000 financial statements contained in the Annual Report. The data for the comparative period to 30 June 2000 relate solely to the discontinued businesses, and do not include the continuing operations described above, which were acquired on 14 July 2000. The Pro-Forma Profit and Loss account above is provided as an aid to comparison.

### Strategy progress

#### 4C Asset base

We have succeeded in growing all components of our 4C asset base (Countries, Channel Partners, Clients and Customers) during this period, despite the deteriorating macro-economic environment putting pressure on companies and mutual funds to reduce discretionary expenditure on investor relations services.

**Countries:** We launched the ♣ Annual Reports Service in Luxembourg and entered the Nordic country markets following the acquisition of Andersson & Nilsson in Sweden. Our services are now available in 14 countries.

**Channel Partners:** Our worldwide channel partner base, excluding acquisitions, grew from 137 at the end of 2000 to 160 at the end of June 2001. Our acquisition of Andersson & Nilsson added a further 49 channel partners, and our worldwide channel partner base at the end of the period stood at 209.

4C Asset base	End June 2001 including acquisitions	End June 2001 excluding acquisitions	End 2000
Countries	14	10	9
Channel Partners	209	160	137
Clients	4,620	3,497	3,420
Customers	2.0m	1.63m	1.47m

**Clients:** Our worldwide client base, excluding acquisitions, grew from 3,420 at end 2000 to 3,497 during the period. Our acquisitions added a further 1,123 clients so our worldwide client base at the end of June 2001 stood at 4,620.

**Customers:** Our worldwide investor customer base, excluding acquisitions, grew from 1.47m to 1.63m. Our acquisitions added a further 400,000 customers, so our investor customer database at the end of June 2001 exceeded 2m, of which over 700,000 are now accessible through e-mail.

**Business Development**

During the past several months our focus has been almost exclusively on strengthening the market position of our current line of business, investor relations and information services. However, we have also assessed a number of opportunities for us to expand into the field of on-line investment banking as we indicated in our July 2000 prospectus. We have concluded that, for the foreseeable future, our best course of entry into this market is through strategic alliances rather than by acquisition or start up. We will be discussing opportunities with potential alliance partners during the second half of 2001.

**Trading Outlook**

Forecasting in current market conditions is difficult, with US economic growth falling to its lowest level in eight years and with no evidence of the originally hoped for recovery. Our current expectation is that, despite continued profitable growth at World Investor Link and Andersson & Nilsson, and the possibility of early positive impact from our restructuring plans, EBTA before exceptional items for the second half year may be similar to that achieved in the first half year. For 2002, we anticipate that the full impact of the restructuring and cost savings will provide a sound basis for the US acquisitions to become profitable.



**Peter Wakeham**  
 Chief Executive Officer  
 London  
 5 September 2001

# Group Profit and Loss Account

for the half year ended 30 June 2001

	Unaudited six months to 30 June 2001	Unaudited six months to 30 June 2000	Audited year ended 31 Dec 2000
Notes	£	£	£
<b>Turnover</b>			
- Continuing operations			
- existing	<b>8,170,685</b>	-	-
- acquisitions	<b>1,161,613</b>	-	6,572,148
- Discontinued operations	<b>934,840</b>	1,567,345	10,201,919
	<b>10,267,138</b>	1,567,345	16,774,067
<b>Operating Expenses</b>			
- Continuing operations			
- goodwill amortisation	<b>(5,700,202)</b>	-	(5,101,391)
- exceptional expenses	<b>(316,565)</b>	-	-
- operating expenses	<b>(8,803,987)</b>	-	(6,047,415)
- Discontinued operations			
- goodwill amortisation	<b>(10,232)</b>	(61,393)	(122,786)
- exceptional expenses	<b>-</b>	(142,973)	(142,973)
- operating expenses	<b>(793,191)</b>	(1,687,673)	(9,664,058)
	<b>(15,624,177)</b>	(1,892,039)	21,078,623
<b>Operating Profit/(Loss)</b>			
- Continuing operations	<b>(5,488,456)</b>	-	(4,576,658)
- Discontinued operations	<b>131,417</b>	(324,694)	272,102
	<b>(5,357,039)</b>	(324,694)	(4,304,556)
- Loss on disposal of discontinued operations	<b>(283,655)</b>	-	-
(Loss) before interest and taxation	<b>(5,640,694)</b>	(324,694)	(4,304,556)
Net interest receivable	<b>287,435</b>	141,873	538,149
(Loss) before taxation	<b>(5,353,259)</b>	(182,821)	(3,766,407)
Tax on (loss) on ordinary activities	<b>(511,854)</b>	(12,269)	(540,666)
(Loss) on ordinary activities after taxation	<b>(5,865,112)</b>	(195,090)	(4,307,073)
Minority interests			
- Equity	<b>(20,495)</b>	-	(54,617)
Retained (loss) for the period	<b>(5,885,607)</b>	(195,090)	(4,361,690)
(Loss) per share	<b>(0.68)</b>	(0.07)	(0.01)

# Group Balance Sheet

at 30 June 2001

Notes	Unaudited six months to 30 June 2001 £	Unaudited six months to 30 June 2000 £	Audited year ended 31 Dec 2000 £
<b>Fixed Assets</b>			
- Tangible Fixed Assets	<b>917,124</b>	101,535	798,481
- Intangible Fixed Assets	<b>51,062,042</b>	271,156	46,122,268
- Investments	<b>972,199</b>	-	551,831
	<b>52,951,366</b>	372,691	47,472,580
<b>Current Assets</b>			
- Stocks	-	1,065,238	653,343
- Debtors	<b>5,132,448</b>	547,298	6,135,839
- Cash	<b>8,250,938</b>	4,576,700	17,696,837
	<b>13,383,385</b>	6,189,236	24,486,019
<b>Creditors</b>			
Amounts falling due within one year	<b>(6,240,959)</b>	(1,027,315)	(8,529,833)
<b>Net Current Assets</b>	<b>7,142,427</b>	5,161,921	15,956,186
<b>Total Assets Less Current Liabilities</b>	<b>60,093,792</b>	5,534,612	63,428,766
<b>Creditors</b>			
Amounts falling due after one year	-	(4,700)	(1,567)
<b>Provisions for Liabilities and Charges Minority Interests</b>	<b>(2,555,848)</b>	-	-
- Equity	<b>(164,997)</b>	-	(144,502)
	<b>57,372,947</b>	5,529,912	63,282,697
<b>Capital and Reserves</b>			
- Called up share capital	<b>8,713,455</b>	2,750,900	8,642,671
- Shares to be issued	<b>179,957</b>	450,000	450,000
- Share premium	<b>13,437,622</b>	182,065	13,437,394
- Other reserves	<b>45,012,773</b>	2,265,246	45,012,773
- Profit & loss account	<b>(9,970,860)</b>	(118,299)	(4,260,141)
	<b>57,372,947</b>	5,529,912	63,282,697

# Group Statement of Cash Flows

at 30 June 2001

	Unaudited six months to 30 June 2001 £	Unaudited six months to 30 June 2000 £	Audited year ended 31 Dec 2000 £
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>1,201,615</b>	(166,342)	(1,279,569)
<b>Returns on Investment and Servicing of Finance</b>			
Interest element of finance leases	(870)	(423)	(846)
Interest received	312,575	143,890	414,950
Interest paid	(934)	(1,594)	(56,069)
<b>Net Cash Inflow from Returns on Investment and Servicing of Finance</b>	<b>310,771</b>	141,873	358,035
<b>Taxation</b>	<b>(151,485)</b>	(286,247)	(1,031,845)
<b>Capital Expenditure</b>			
Purchase of tangible fixed assets	(143,129)	(26,610)	–
Sale of tangible fixed assets	–	–	(148,711)
<b>Net Cash Outflow from Capital Expenditure</b>	<b>(143,129)</b>	(26,610)	(148,711)
<b>Acquisitions and Disposals</b>			
Purchase of subsidiary undertaking	(6,154,349)	–	(3,234,439)
Net cash acquired with subsidiary undertakings	334	–	2,182,711
Disposal of subsidiary undertaking	250,000	–	–
Net cash transferred with subsidiary	(231,900)	–	–
<b>Net Cash Outflow from Acquisitions and Disposals</b>	<b>(6,135,915)</b>	–	(1,051,728)
<b>Net Cash Outflow</b>	<b>(4,918,143)</b>	(337,326)	(3,153,818)
<b>Management of Liquid Resources</b>			
Decrease/(Increase) in short term deposits	9,495,812	–	(14,995,812)
<b>Financing</b>			
Issue of ordinary share capital	71,012	1,440	15,904,039
Expenses of share issue	–	–	(855,088)
Repayment of loan stock	(3,018,920)	–	–
Net movement in short term borrowings	(687,074)	–	–
Capital element of finance lease payments	(523)	(3,133)	(6,266)
<b>Net Cash Inflow/(Outflow) from Financing</b>	<b>(3,635,505)</b>	(1,693)	15,042,685
<b>Increase/(Decrease) in Cash</b>	<b>942,164</b>	(339,019)	(3,106,945)

## Reconciliation of Net Cash Flow to Movement in Funds at 30 June 2001

	Unaudited six months to 30 June 2001 £	Unaudited six months to 30 June 2000 £	Audited year ended 31 Dec 2000 £
Increase/(decrease) in cash	<b>942,164</b>	(339,019)	(3,106,945)
Cash outflow from decrease in debt and lease financing	<b>3,706,517</b>	3,133	6,266
Cash (inflow)/outflow from short term deposits	<b>(9,495,812)</b>	–	14,995,812
<b>Change in Net Debt Arising from Cash Flows</b>	<b>(4,847,131)</b>	(335,886)	11,895,133
Loans and finance leases acquired with subsidiaries	<b>(685,878)</b>	–	–
Loan notes issued on acquisition of subsidiary	–	–	(3,018,920)
Movement in the period	<b>(5,533,009)</b>	(335,886)	8,876,213
Net funds at beginning of period	<b>13,777,832</b>	4,901,619	4,901,619
Net funds at end of period	<b>8,244,823</b>	4,565,733	13,777,832

## Statement of Total Recognised Gains and Losses

	Unaudited six months to 30 June 2001 £	Unaudited six months to 30 June 2000 £	Audited year ended 31 Dec 2000 £
Loss for the period	<b>(5,885,607)</b>	(195,090)	(4,361,690)
Exchange difference on retranslation of net assets of subsidiary undertaking	<b>174,888</b>	–	24,758
Total recognised gains and losses related to the period	<b>(5,710,719)</b>	(195,090)	(4,336,932)

## Reconciliation of Shareholders Funds

	<b>Unaudited six months to 30 June 2001 £</b>	Unaudited six months to 30 June 2000 £	Audited year ended 31 Dec 2000 £
Total recognised gains and losses related to the period	<b>(5,710,719)</b>	(195,090)	(4,336,932)
New shares issued and exercises of options	<b>71,012</b>	1,440	61,896,067
Shares to be issued	<b>(270,043)</b>	-	-
Total movements during the period	<b>(5,909,750)</b>	(193,650)	57,559,135
Shareholders funds at beginning of period	<b>63,282,697</b>	5,723,562	5,723,562
	<b>57,372,947</b>	5,529,912	63,282,697

# Notes to the 2001 Unaudited Interim Report

for the half year ended 30 June 2001

## 1 Basis of preparation of interim financial information

The accounts of the Group for the six months ended 30 June 2001, which are unaudited, have been prepared on the basis of the accounting policies set out in the 2000 financial statements contained in the Annual Report.

The interim financial information has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ended 31 December 2000. The taxation charge is calculated by applying the Directors' best estimate of the annual tax rate to the profit for the period.

## 2 Exceptional Items

### Recognised before operating profit

	Six months ended 30 June 2001 £	Six months ended 30 June 2000 £	Year ended 31 December 2000 £
Integration costs	<b>316,565</b>	-	-
Aborted acquisition costs	-	-	142,973

### Recognised after operating profit

A loss of £283,655 has been recognised in relation to the disposal of a subsidiary undertaking, David Conrad International Limited.

## 3 Provisions for liabilities and charges

A provision of £3,735,326 is included for contingent consideration in respect of the acquisition of Andersson & Nilsson in the period, of which £2,555,848 is expected to be payable after one year.

## 4 Publication of non-statutory accounts

The financial information contained in this interim statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the full preceding year is based on the statutory accounts for the financial year ended 31 December 2000. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.



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