

INTEGRATED ASSET MANAGEMENT PLC

INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30th JUNE 2002

Integrated Asset Management plc

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Integrated Asset Management plc

Chairman's Statement

I am pleased to announce that during the six month period ended 30th June 2002, your company has achieved a number of milestone objectives against a backdrop of extremely tough market fundamentals. As you will be aware, this set of interim results is the first since the Company moved its year end to 31st December and developments should be viewed in this light.

Undoubtedly, the market continues to be a challenging one in which to operate successfully. However I am delighted to be able to report that we continue to grow, despite the adverse conditions. Turnover for the six months period has now surpassed £2.5 million reaching £2,525,254 compared with £2.3 million for the longer eight month period ended 31st December 2001.

In operational terms, the Company continues to advance towards break even and our operating loss for the six-month period has been reduced by 29% on a pro-rata basis compared to the eight month period to December 2001.

Since I last reported to you, Integrated has acquired the remaining 20% of shares not previously held in the Italian money broker Interfin SIM SpA. This was acquired in July 2002. With clients including many of the largest wire houses, as well as Italian and international banks operating in Italy, Interfin delivers to the Company a strong presence in the Italian marketplace. Indeed, Interfin has benefited from the recent rebound in the fixed income markets and its performance has made very significant progress over the summer months.

We have also been excited about the recent launch of the GAIM Market Neutral Hedge Fund announced in July. GAIM Market Neutral Fund, which is managed by Integrated's wholly owned subsidiary Global Investment Advisers Limited (GIA), continues our stated strategic policy of bringing innovative hedge fund products to the sophisticated investment community. As the second fund of hedge funds launched by the Group within the past twelve months, GAIM Market Neutral has a passive investment strategy which enables investors to gain access to the hedge fund industry through a portfolio of leading market neutral hedge funds.

Our hedge fund products continue to attract investor interest and funds under management in this area have risen to \$49m. The performance of GAIM Hedge Fund Ltd (GAIM) from inception to 30th June 2002, shows a negative return of 0.87% with a monthly standard deviation of 2.15%. For the period, our principal benchmark, the CSFB Tremont Index advanced by 3.61%, with a standard deviation of 2.40%. However, in the same timeframe, the S&P 500 Index fell by 18.10% (16.51% Standard deviation) and the MSCI World Index by 15.22% (Standard deviation 14.77%).

We continue to enjoy the benefits of our joint venture with GIA JD Farrods, which has facilitated the expansion of our distribution network, particularly in Europe and the Middle East. Paragon has made notable progress in appointing a number of independent distributors in Latin America.

Integrated Asset Management plc

Extraordinary General Meeting

Notice of an EGM has been issued to all shareholders. This will be held on 30th September at the registered office of the Company at 4 Hill Street, London W1J 5NE to seek shareholder approval to increase the authorised share capital of the Company, and to obtain a waiver of shareholders' pre-emption rights relating to the possible future issue of Variable Rate Convertible Loan Notes 2008. For further details, please contact the registered office.

Finally, I would like to offer my thanks to all our shareholders and staff for their continued support and efforts throughout the past six months. We look forward to converting these efforts into returns for our investors as market conditions improve.

J.D.S.Booth

Chairman

25th September 2002

Integrated Asset Management plc

**Unaudited Consolidated Profit and Loss Account
For the six months ended 30th June 2002**

	Six months ended 30 th June 2002 £ Unaudited	Six months ended 31 st October 2001 £ Unaudited	Eight months ended 31 st December 2001 £
Turnover			
From continuing operations	2,525,254	570,087	1,111,415
From acquisitions	-	515,576	1,187,489
	2,525,254	1,085,663	2,298,904
Operating costs	<u>(3,018,851)</u>	<u>(1,948,383)</u>	<u>(3,433,970)</u>
Operating loss before goodwill amortisation	(493,597)	(862,720)	(1,135,066)
Goodwill amortisation	<u>(287,600)</u>	<u>(214,299)</u>	<u>(328,838)</u>
Operating Loss	(781,197)	(1,077,019)	(1,463,904)
From continuing operations	(781,197)	(818,535)	(281,238)
From acquisitions	-	(195,484)	(1,182,666)
Investment income	22,952	62,476	78,382
Interest payable	(134,934)	(124,759)	(205,696)
Sale of investments	-	-	134,648
Loss on Ordinary Activities before Taxation	(893,179)	(1,139,302)	(1,456,570)
Taxation on Loss on Ordinary Activities	6 -	-	-
Loss for the Period	(893,179)	(1,139,302)	(1,456,570)
Minority interest	86,614	55,809	88,004
Loss Attributable to Shareholders	<u>(806,565)</u>	<u>(1,083,493)</u>	<u>(1,368,566)</u>
Loss Per Ordinary Share	5 (10.90p)	(19.92)p	(25.13)p

There are no recognised gains or losses other than those included in the profit and loss account.

Integrated Asset Management plc

Unaudited Consolidated Balance Sheet – 30th June 2002

	30th June 2002	31st October 2001	31st December 2001
	£	£	£
	<u>Unaudited</u>	<u>Unaudited</u>	
Fixed Assets			
Intangible assets	2,605,293	3,932,376	4,017,627
Tangible assets	150,761	225,658	189,114
Investments	138,796	148,102	138,793
	<u>2,894,850</u>	<u>4,306,136</u>	<u>4,345,534</u>
Current Assets			
Debtors	1,710,328	1,255,193	1,411,050
Cash and short term deposits	1,148,337	1,507,726	2,206,454
	<u>2,858,665</u>	<u>2,762,919</u>	<u>3,617,504</u>
Creditors, amounts falling due within one year	<u>(1,453,242)</u>	<u>(1,804,603)</u>	<u>(1,851,567)</u>
Net Current Assets	1,405,423	1,218,316	1,765,937
Total Assets Less Current Liabilities	4,300,273	5,264,452	6,111,471
Creditors, amounts falling due after more than one year	<u>(2,696,553)</u>	<u>(3,103,040)</u>	<u>(3,040,279)</u>
	<u>1,603,720</u>	<u>2,161,412</u>	<u>3,071,192</u>
Capital and Reserves			
Called up share capital	1,678,802	1,092,718	1,483,628
Shares to be issued	350,561	1,442,142	1,482,383
Share premium account	4,210,996	3,193,024	3,874,871
Profit and loss account	<u>(4,705,570)</u>	<u>(3,613,932)</u>	<u>(3,899,005)</u>
Equity Shareholders' Funds	1,534,789	2,113,952	2,941,877
Minority interests - equity interest	68,931	47,460	129,315
	<u>1,603,720</u>	<u>2,161,412</u>	<u>3,071,192</u>

The interim financial statements were approved by the board on
and signed on their behalf by

J.D.S. BOOTH)		
)	Directors	25 th September 2002
E.M. ARBIB			

Integrated Asset Management plc

**Reconciliation of the Movement in Equity Shareholders' Funds
For the six months ended 30th June 2002**

	Six months ended 30th June 2002	Six months ended 31st October 2001	Eight months ended 31st December 2001
	£ Unaudited	£ Unaudited	£
Loss for the period	(806,565)	(1,083,493)	(1,368,566)
Shares issued	531,299	10,000	1,082,757
Shares to be issued	(1,131,822)	1,442,142	1,482,383
Net additions to equity shareholders' funds	(1,407,088)	368,649	1,965,574
Opening equity shareholders' funds	2,941,877	1,745,303	1,745,303
Closing equity shareholders' funds	1,534,789	2,113,952	2,941,877

Integrated Asset Management plc

**Unaudited Consolidated Cash Flow Statement
For the six months ended 30th June 2002**

	Six months ended 30th June 2002	Six months ended 31st October 2001	Eight months ended 31st December 2001
	£	£	£
	Unaudited	Unaudited	
Cash Flow from Operating Activities	(1,135,098)	723,854	(1,748,661)
Return on Investments and Servicing of Finance			
Interest received	22,952	57,795	78,382
Interest payable	(134,934)	(120,078)	(205,696)
Taxation			
Capital Expenditure			
Purchase of tangible fixed assets		(26,975)	(137,166)
(Purchase)/sale of investments		(3,452)	140,505
Purchase of intangible assets		6,999	(275,087)
Acquisitions and Disposals			
Acquisition of subsidiary		(3,608,743)	(960,543)
Acquisition of loan		(172,552)	-
Net cash acquired with subsidiary		260,856	291,046
Net Cash Outflow before Financing	(1,247,080)	(2,882,296)	(669,497)
Financing			
Issue of ordinary share capital	531,299	10,000	1,075,001
Expenses paid in connection with Share issues			(10,494)
Share Capital to be issued		1,442,142	-
Cash (outflow) inflow from increase in debt and lease financing	(343,726)	-	1,021,287
Decrease in Minority Interest	1,390		
Net Cash Inflow from Financing	188,963	1,452,142	2,085,794
(Decrease)/Increase in Cash in the Period	(1,058,117)	(1,430,154)	(731,426)

Integrated Asset Management plc

**Reconciliation of Operating Profit to Net Cash Outflow from Operating Activities
For the six months ended 30th June 2002**

	Six months ended 30th June 2002	Six months ended 31st October 2001	Eight months ended 31st December 2001
	£	£	£
	Unaudited	Unaudited	
Operating Loss on Ordinary Activities	(781,197)	(1,077,019)	(1,463,904)
Depreciation charge	38,353	7,599	69,210
Amortisation of goodwill	287,600	214,299	403,132
Foreign currency translation	17,749	19,471	(7,175)
Increase in debtors	(299,278)	(113,603)	(105,380)
(Decrease) /increase in creditors	(398,325)	1,673,107	(644,544)
Net Cash Outflow from Operating Activities	<u>(1,135,098)</u>	<u>723,81</u>	<u>(1,748,661)</u>
	At 1st Jan 2002	Cashflow	At 30th June 2002
Analysis of Net Funds	<u>2,206,454</u>	<u>(1,058,117)</u>	<u>1,148,337</u>

Integrated Asset Management plc

Notes to the Interim Accounts For the six months ended 30th June 2002

1. Basis of Preparation

The unaudited interim financial information, which has been approved by the Board of Directors and which does not comprise statutory accounts has been prepared on the basis of accounting policies set out in the Group's accounts for the eight months ended 31st December 2001. The Group's accounts for the eight months ended 31st December 2001 have been reported on by the auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2. Basis of Consolidation

The consolidated accounts are based on the accounts of Integrated Asset Management Plc and its subsidiaries made up to 30th June 2002. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

3. Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal instalments over its estimated useful life of 5 years. Such goodwill is subject to periodic review for impairment in accordance with Financial Reporting Standard 11: Impairment of tangible fixed assets and goodwill.

4. Turnover

All amounts derive from continuing activities within the European Union

5. Earnings per Ordinary Share

The calculation of the basic and diluted earnings per share is based on a loss for the six months to 30th June 2002 of £806,565 (six months to 31st October 2001 loss £1,083,493 and eight months to 31st December 2001 loss £1,368,566) divided by the weighted average of ordinary shares in issue for the six months to 30th June 2002 of 8,185,715 (six months to 31st October 2001 of 5,438,356 and eight months to 31st December 2001 of 5,446,244).

Integrated Asset Management plc

Notes to the Interim Accounts For the six months ended 30th June 2002 (Continued)

6. Taxation on Ordinary Activities

	Six months ended 30th June 2002	Six months ended 31st October 2001	Eight months ended 31 st December 2001
Current year UK corporation tax	-	-	4,200
Adjustment in respect of prior years	-	-	(1,830)
	<u>-</u>	<u>-</u>	<u>2,370</u>

7. Interim Report

The Interim report will today be sent to registered shareholders. Further copies will be available to the public from the company's registered office: 4 Hill Street, London, W1J 5NE.

Independent Review Report by Moore Stephens to Integrated Assets Management Plc.

Introduction

We have been instructed by the company to review the financial information for the six months ended 30th June 2002 set out on pages 2 to 9 and 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.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The Listing Rules of the Financial Services Authority 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 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 30th June 2002.

St. Paul's House
London, EC4P 4BN

MOORE STEPHENS
Chartered Accountants
26th September 2002