



A Brief History of StatPro

StatPro was founded in 1994 by Justin Wheatley. The initial product of the Company was called TAP, which was sold as an add-on module to the Standard & Poor's Fund Services database service and was used for sophisticated fund analysis. Although StatPro has ceased to develop TAP, we continue to benefit from royalty revenues each year of over £500,000.

StatPro subsequently developed other products that evolved to become StatPro Funds (previously known as Atlas) and StatPro Composites (previously known as Compass). StatPro Funds had 13 contracts at the end of 2000 and is used to produce fund fact sheets for marketing purposes. These can be extremely complex to produce due to the number of sources of data they require. The reports are even more complex when produced in different languages and currencies. StatPro Funds makes this process simple; it provides structure and added value in terms of the richness of the reports that can be generated. Most importantly, it dramatically reduces the time it takes to produce fact sheets.

StatPro Composites is used to help fund managers comply with GIPS (Global Investment Performance Standards). These have been recently introduced and are designed to ensure that the presentation of performance by managers to investors is consistent, complete and ethical. At the end of 2000 we had 36 contracts signed up for StatPro Composites and we expect that we will soon sign many more, as managers come to realise the cost benefit ratio of using an efficient system like ours. StatPro Composites adds value by centralising the required data and having significant scalability. The reports that can be produced are extremely sophisticated and allow managers to do analysis and reporting that would otherwise not be feasible.

In 1999, StatPro disposed of Micropal France S.A., which resulted in a surplus on disposal of £1.47 million. This provided funds to allow the Group to focus on the future development of its core products.

With our acquisition of AMS S.A. last

year, we now have a product called StatPro Performance & Attribution. This product is leading the industry and has functionality that is in great demand. As systems of this nature become more sophisticated, managers need to keep abreast of the latest developments. Many systems use an outdated method called "Buy and Hold", which now has limited use. StatPro Performance & Attribution is a stock level, daily, transaction-based system that is able to do the most refined calculations and is easy to use. We have had tremendous success selling this product in the short time since we acquired it. At the end of 2000, there were 25 contracts with annual revenue that had increased fourfold since the acquisition to date.

In May 2000, StatPro floated on the official list of the London Stock Exchange and is a constituent of techMARK, the index of technology companies. In doing so we raised the finance to build our sales infrastructure to grow the business.