



INTERIM REPORT 2004

NUMIS CORPORATION PLC

CHIEF EXECUTIVE'S STATEMENT

RESULTS

We are pleased to report that the Group's profit before tax for the six months ended 31 March 2004 more than doubled to £11.2 million (2003: £5.1 million). Operating profit, which excludes an exceptional profit of £0.8 million relating to a sale of shares in Abbey Legal Holdings Limited, increased by 111% to £9.7 million (2003: £4.6 million). Turnover increased in the period to £21.2 million (2003: £11.5 million). Basic earnings per share before the exceptional profit were 40.7p (2003: 23.4p) while net assets have increased to £41.2 million (2003: £20.6 million).

DIVIDEND AND SCRIP ALTERNATIVE

The board declares payment of a maiden interim dividend of 2.5p per share (2003: nil). The dividend will be payable on 7 July 2004 to all shareholders on the register on 7 May 2004. Shareholders will be offered the option to receive shares instead of a cash dividend. The details of this will be explained in a circular to accompany our Interim Report.

CORPORATE FINANCE & CORPORATE BROKING

We have successfully raised a record £268 million (2003: £240 million) for corporate clients in the first six months of the financial year. During the first quarter 2004 Numis was ranked as the leading book runner in the UK for IPOs (Source: Thomson Financial) and we continue to strive to bring high quality companies to our institutional clients.

We now have 70 corporate clients compared with 40 at the same time 12 months ago. We are continuing to attract high quality corporate clients across all the sectors where we specialise whilst at the same time building our corporate broking team to enhance our service. Numis has become recognised as a leading corporate broker to mid and small cap UK companies.

We continue to develop our Corporate Finance business through the addition of a number of high quality individuals and we are confident of growing our client list whilst at the same time improving the level of service that we provide.

RESEARCH, SALES & TRADING

We have added a number of analysts in the last six months to enhance our coverage of UK quoted companies. Regulation surrounding stockbroking research is undergoing substantial revision and we are adapting our business to meet these changes. High quality analysis and opinion has always been a hallmark of our research and we are confident that this will remain the case.

The UK equity market has improved significantly in terms of volumes and levels in the last 12 months. Our share of market volume has also risen and we continue to strive to improve our service to institutional clients. This drive to improve our product and service has begun to bear fruit and institutional commissions have increased by 123% over the same period last year. Our market making team continues to make progress and we now make markets in over 200 stocks. We will increase this number where we believe we can add liquidity and expertise.

CHIEF EXECUTIVE'S STATEMENT

(CONTINUED)

NEW YORK OFFICE

We have opened a small office in New York and have recently received our dealer-broker licence. Once we have finalised our internal processes we will be able to commence trading and introduce our UK corporate clients to US institutions.

OUTLOOK

We are very grateful to everyone at Numis for their efforts, which have contributed to record profits during the period. Equity market conditions have improved but we remain cautious and we are mindful of this as we grow the business. We intend to keep a firm control on costs and are determined to build a business that can prosper in good markets and be resilient in poorer ones. Numis has developed a strong culture of equity ownership amongst employees which helps create a sense of common purpose and drive.

We have made a satisfactory start to the second half of the year and are confident that there are opportunities for us to grow the business in a consistent and measured way.

Oliver Hemsley
Chief Executive
28 April 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT

UNAUDITED RESULTS FOR THE 6 MONTHS ENDED 31 MARCH 2004

	6 MONTHS ENDED 31 MAR 04 UNAUDITED £000's	6 MONTHS ENDED 31 MAR 03 UNAUDITED £000's	YEAR ENDED 30 SEP 03 AUDITED £000's
TURNOVER	21,240	11,500	23,994
Administrative expenses	(11,515)	(6,914)	(15,097)
OPERATING PROFIT	9,725	4,586	8,897
Share of associated undertaking's profit	347	195	243
Exceptional item			
- profit on disposal of fixed asset investments	773	0	0
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND AMOUNTS WRITTEN OFF INVESTMENTS	10,845	4,781	9,140
Interest receivable and similar income	395	311	656
Amounts written off investments	0	0	(384)
Interest payable and similar charges	(6)	(8)	(11)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	11,234	5,084	9,401
Taxation on profit on ordinary activities	(3,370)	(1,525)	(2,966)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7,864	3,559	6,435
Dividends paid and proposed	(484)	0	(1,382)
RETAINED PROFIT FOR THE PERIOD	7,380	3,559	5,053
Earnings per share			
Basic	43.8p	23.4p	40.2p
Diluted	38.8p	19.5p	34.5p
Earnings per share, excluding exceptional item			
Basic	40.7p	23.4p	40.2p
Diluted	36.1p	19.5p	34.5p

CONSOLIDATED BALANCE SHEET

UNAUDITED AS AT 31 MARCH 2004

	31 MAR 04 UNAUDITED £000's	31 MAR 03 UNAUDITED £000's	30 SEP 03 AUDITED £000's
FIXED ASSETS			
Tangible fixed assets	788	910	848
Fixed asset investments	3,189	1,720	2,803
Investment in associated undertaking	795	617	644
	4,772	3,247	4,295
CURRENT ASSETS			
Debtors	96,348	17,324	52,393
Investments	21,087	3,972	8,952
Cash at bank and in hand	16,778	15,698	13,100
	134,213	36,994	74,445
CREDITORS			
Amounts falling due within one year	(97,768)	(19,616)	(48,101)
Net current assets	36,445	17,378	26,344
NET ASSETS	41,217	20,625	30,639
CAPITAL AND RESERVES			
Share capital	4,843	3,906	4,595
Share premium account	14,558	3,781	11,608
Profit and loss account	21,816	12,938	14,436
EQUITY SHAREHOLDERS FUNDS	41,217	20,625	30,639

CONSOLIDATED CASHFLOW STATEMENT

UNAUDITED FOR THE SIX MONTHS ENDED 31 MARCH 2004

	31 MAR 04 UNAUDITED £000's	31 MAR 03 UNAUDITED £000's	30 SEP 03 AUDITED £000's
NET CASH INFLOW / (OUTFLOW)			
FROM OPERATING ACTIVITIES	3,499	3,355	(4,969)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	332	307	624
Interest paid	(6)	(8)	(11)
Dividends received	4	4	11
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	330	303	624
TAXATION			
Corporation tax paid	(1,720)	(636)	(2,144)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets	(174)	(33)	(179)
Purchase of fixed asset investments	(136)	(500)	(620)
Sale of fixed asset investments	870	0	0
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS	560	(533)	(799)
Equity dividends paid	(1,010)	(607)	(607)
FINANCING			
Issue of ordinary shares	2,019	230	7,409
Increase / (decrease) in cash in the period	3,678	2,112	(486)
RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS			
Increase / (decrease) in cash balances in the period	3,678	2,112	(486)
Net funds at the beginning of the period	13,100	13,586	13,586
NET FUNDS AT THE END OF THE PERIOD	16,778	15,698	13,100

NOTES

ACCOUNTING POLICIES

The accounting policies that have been applied to the unaudited results are consistent with the latest published audited accounts.

EXCEPTIONAL ITEM

On 30 January 2004, Numis realised a profit on disposal of £0.8m from the sale of its 26.42% shareholding in Abbey Legal Holdings Limited. As part of the sale proceeds, Numis retains 30.0% of the company that acquired Abbey Legal Holdings Limited and, of the sales proceeds, £719,000 remains receivable at the balance sheet date.

EARNINGS PER SHARE

Basic earnings per share is based on profit on ordinary activities after taxation of £7,864,000 (2003: £3,559,000), adjusted to £7,828,000 (2003: £3,538,000) to remove dividends held in the Numis Employee Share Trust, on a weighted average number of ordinary shares in issue during the period of 17,885,592 (2003: 15,118,029). Diluted earnings per share assumes that options outstanding at the end of the financial period were exercised at the beginning of the financial period where the exercise price per share is less than the fair value of the price of the share in the period.

ADMINISTRATIVE EXPENSES

Administrative expenses include a provision for incentive payments of £4.3m (2003: £2.2m).

DIVIDEND

The board declares payment of an interim dividend of 2.5p per share (2003: nil). The dividend will be payable on 7 July 2004 to all shareholders on the register on 7 May 2004.

**RECONCILIATION OF OPERATING PROFIT TO NET CASHFLOW
FROM OPERATING ACTIVITIES**

	31 MAR 04 UNAUDITED £000's	31 MAR 03 UNAUDITED £000's	30 SEP 03 AUDITED £000's
Operating profit	9,725	4,586	8,897
Depreciation charges	234	202	407
Amounts written off tangible fixed assets	0	0	3
(Increase) / decrease in debtors (excluding taxation receivable)	(43,221)	1,307	(33,737)
Net increase in trading investments	(12,135)	(1,132)	(6,112)
Increase / (decrease) in creditors (excluding taxation and dividends payable)	48,896	(1,608)	25,573
Net cash inflow / (outflow) from operating activities	3,499	3,355	(4,969)

AUDITED RESULTS

The audited results for the year ended 30 September 2003 are an extract from the latest published audited accounts and do not constitute the statutory accounts as defined in Section 240 of the Companies Act 1985. The published audited accounts have been delivered to the Registrar of Companies and included the report of the auditors that was unqualified.

MANAGEMENT & ADMINISTRATION

DIRECTORS

M A Spencer* (Chairman)
O A Hemsley (Chief Executive)
C A Crick
D B J Sweetland (Finance Director)
G O Vero*
* Non-executive Director

NOMINATED BROKER

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