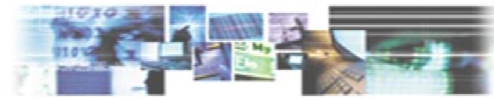

20th September 2004

INVU Inc
Interim Results for Period Ended 31 July 2004

INVU Inc, the document management software provider, announces interim results for the period ended 31 July 2004.

Financial Highlights

- Revenues up 29% on H1 2003
- Adjusted losses reduced by 41% on H1 2003
- Recurring revenues from INVUCare increased to £0.19m (H1 2003: £0.13m)
- Deferred revenues and sales provisions at the period end of £0.63m (31 July 2003: £0.33m)

	6 months ended 31 July 2004	**6 months ended 31 July 2003**
Turnover	**£1.02m**	**£0.79m**
Loss for the period	£(0.58)m	£(0.46)m
Add back unrealised exchange loss/(gain)	£0.30m	£(0.01)m
Adjusted loss for the period	£(0.28)m	£(0.47)m
Loss per share	**(0.61)p**	**(1.50)p**
Adjusted loss per share	**(0.30)p**	**(1.50)p**

Operational Highlights

- 3,861 seats of INVU software deployed, an increase of 85% on H1 2003
- 277 new customer sites, an increase of 104% on H1 2003
- 27 new resellers accredited during the period
- Key contract wins including LogicaCMG, Anglia Housing, Revlon and Menzies Hotels
- Successful recruitment programme strengthens sales team

Daniel Goldman, Non Executive Chairman of INVU, said:
"I am very pleased with the company's performance during the first half of the year and am excited about our prospects. We continue to trade in line with the market's expectations and anticipate reaching profitability during this financial year. In addition to pursuing top and bottom line growth, we have implemented several marketing and PR initiatives in order to further develop INVU's profile within both the SME and larger corporate departmental markets. The markets for our products remain large and virtually untapped, and the INVU reseller channel is well equipped to gain market share quickly.

The rate and acceleration of customer wins and repeat orders give us the confidence to plan for continued growth at the same time as putting in place the required foundations for long-term profitability."

Enquiries

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Daniel Goldman, Chairman		James Melville-Ross	
David Morgan, Chief Executive		Juliet Clarke	

Chairman's Statement

Following our AIM listing in January the last six months for the company have been very exciting. All areas of the business have developed well and I am delighted that all our first half goals have been achieved. End user numbers are up a substantial amount and sales have increased by 29%. We have invested in new employees in sales, research and development and finance, whilst broadening and increasing the quality of the reseller base through which our software is sold.

We are currently preparing to launch our new branding. Tied to this will be various focused marketing initiatives aimed at increasing the awareness of INVU's brand within specific market segments. Whilst our traditional markets, including IFAs, construction and housing associations, continue to perform strongly, we are also seeing a growing contribution from other verticals including professional services and mortgage brokers.

As reported in our final results in May, we have seen a steady increase in the quality and professionalism of our accredited resellers. This trend has continued and we are very pleased with the performance of our new resellers, which remains a key driver for incremental revenue growth.

Our main aims for the second half of this year are to achieve our first annual profit, continue to grow our reseller base, launch the new branding and maintain our competitive position with further product launches. Trading remains in line with market expectations.

We believe that we are still only scratching the surface of our addressable market and as such I am very encouraged by INVU's future prospects.

Daniel Goldman
Non Executive Chairman
20th September 2004

Chief Executive's Statement

Introduction

Trading in the first half has been strong, with a marked increase in the demand for our products. All of the key performance indicators have improved during the period, including the number of new accredited resellers, customer sites and seats deployed.

Financial Performance

Turnover for the period was £1.02m, an increase of 29% over H1 2003. Recurring revenues from INVUCare, the annual maintenance contracts, were £0.19m (H1 2003: £0.13m). Gross profit margin for the period was maintained at 92.9% (H1 2003: 92.9%), comfortably in excess of our internal benchmark of 90%. Research and development expenditure during the first half was £0.26m (H1 2003: £0.23m), reflecting a continued investment in new product development.

Distribution and administrative expenses were broadly flat at £1.21m (H1 2003: £1.10m). Within this figure, sales and marketing expenses were £0.42 million (H1 2003: £0.29m). Adjusted loss, before unrealised exchange difference, for the period was narrowed to £0.28m compared to £0.47m for the first half of last year, showing a continued focus on cost control, while the top line continues to grow. Loss after tax (and unrealised exchange loss/gain) for the period was £0.58m (H1 2003: £0.46m).

The balance sheet continues to improve with further reduction in creditors of £0.76m despite an increase in deferred revenues of £0.12m as compared to 31 January 2004. We aim to have cleared the remaining bank and other loans by the end of the year.

Operations

Trading

Trading has been in line with expectations, with an increasing end user demand for our products creating a growing pipeline of opportunities. At the end of the period there were a total of 17,658 seats of software at 1,087 end user sites, in comparison to 11,637 seats at 639 sites in H1 2003. This includes 5,371 new seats of INVU software deployed by our partners at 277 end user sites in the first half, of which 1,510 were of CodeFree. In addition 27 new resellers were accredited during the first half. The continued growth in INVUCare, which has increased by 46% as compared to H1 2003, reinforces our confidence in the company's ability to achieve profitability in the current year.

A key element of the strategy this year has been a plan to reduce the amount of sales in the form of stock supplied to the resellers. This is an ongoing process that will have a gradual effect on the mix of sales.

Resellers

During the first half of this year the company has made further progress in recruiting good quality accredited resellers. Key resellers recruited during the period included Evesham Technology and the Danwood Group, both of whom are replacing existing document management systems with INVU's suite of products. IKON, which became accredited at the end of last year, has now intensified the training programme for its sales force, releasing the INVU product range across IKON's entire organisation. INVU also featured as part of a series of IKON sales seminars that have been running since June, greatly increasing the awareness of INVU both within IKON and its customers.

We have continued the process of not renewing the accreditation of under-performing resellers, in order to achieve the maximum return from our reseller network by enabling our sales team to focus their attentions on successful resellers.

Recruitment

One of the key aims of the listing in January was to aggressively recruit new employees in several key areas of the business. We successfully completed this process during the first half adding 3 business development managers (BDMs) to the sales team, a marketing co-ordinator, one extra engineer and a financial controller. All of these employees have settled in well and I am especially pleased with the reception our new BDMs have received from the reseller network.

Marketing and Product Development

We have initiated a re-branding of the company, which will better reflect our core brand values. This will be launched in early October at a conference for our accredited resellers at which we will also be giving updates on several other new PR and marketing initiatives designed to support their efforts in the channel, both directly and indirectly.

The launch of the new branding is also a prelude to further product releases during the coming months. We are particularly excited about our new technology in the area of forms processing, which can be applied to various types of forms such as purchase invoices or application forms. We are expecting to launch a commercial beta version of this technology during the second half of the year, going to full commercial launch during the next financial year. In addition we are planning to launch Version 5.4 of the core products including some exciting additional features.

We have made good progress towards a beta release of Version 6 which we expect to launch in the middle of 2005. This version will see all of our products re-launched using Microsoft's .Net platform. Early signs are that this transition will greatly enhance the company's products. I am particularly pleased that these developments are being achieved without harming the potential profitability of the company.

Contract Wins

We have added 277 new end user sites during the half year, bringing the total to 1,087. These sites include many financial services and construction companies, as well as several legal and accounting firms. Other new end user sites include Anglia Housing, leading IT company LogicaCMG, Numis Securities, The Crown Prosecution Service and Menzies Hotels.

Outlook

I am very pleased with the company's performance during the first half of the year. We continue to trade in line with the market's expectations and expect to reach profitability during this financial year.

The SME market for our products remains large and almost untapped. This allows us to plan for continued growth at the same time as putting in place the required foundations for long-term profitability.

David Morgan
Chief Executive Officer
20th September 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the 6 month period ended 31 July 2004

	6 months ended 31 July 2004 (unaudited) £'000	6 months ended 31 July 2003 (unaudited) £'000	12 months ended 31 January 2004 (audited) £'000
Turnover	**1,015**	785	1,997
Cost of sales	**(72)**	(56)	(113)
Gross profit	**943**	729	1,884
Distribution costs	**(114)**	(82)	(182)
Administrative expenses	**(1,099)**	(1,015)	(2,801)
Unrealised exchange (loss)/gain	**(298)**	14	81
Operating loss	**(568)**	(354)	(1,018)
Net interest	**(8)**	(103)	(359)
Loss on ordinary activities before taxation	**(576)**	(457)	(1,377)
Tax on loss on ordinary activities	**-**	-	1,251
Loss for the period transferred from reserves	**(576)**	(457)	(126)
Loss per ordinary share			
Basic and diluted	**(0.61p)**	(1.50p)	(0.36p)

CONSOLIDATED BALANCE SHEET at 31 July 2004

	As at 31 July 2004 (unaudited) £'000	As at 31 July 2003 (unaudited) £'000	As at 31 January 2004 (audited) £'000
Fixed assets			
Intangible assets			
Goodwill	**-**	656	-
Other	**-**	33	17
Tangible assets	**120**	137	141
	120	826	158
Current assets			
Stocks	**168**	144	182
Debtors	**1,409**	808	1,296
Short term deposits	**125**	-	425
Cash at bank and in hand	**324**	1	1,122
	2,026	953	3,025
Creditors: amounts falling due within one year	**(1,241)**	(5,514)	(1,993)
Net current assets/(liabilities)	**785**	(4,561)	1,032
Total assets less current liabilities	**905**	(3,735)	1,190
Creditors: amounts falling due after more than one year	**(1)**	(957)	(8)
Net assets/(liabilities)	**904**	(4,692)	1,182
Capital and reserves			
Called up share capital	**-**	-	-
Share premium account	**5,562**	243	5,562
Profit and loss account	**(4,658)**	(4,935)	(4,380)
Shareholders' funds/(deficit)	**904**	(4,692)	1,182

CONSOLIDATED CASH FLOW STATEMENT
For the 6 month period ended 31 July 2004

	6 months ended 31 July 2004 (unaudited) £'000	6 months ended 31 July 2003 (unaudited) £'000	12 months ended 31 January 2004 (audited) £'000
Net cash outflow from operating activities	**(279)**	(78)	(470)
Returns on investments and servicing of finance			
Interest received	**10**	-	1
Interest paid	**(17)**	(51)	(126)
Hire purchase contract interest paid	**(1)**	-	(5)
Net cash outflow from returns on investments and servicing of finance	**(8)**	(51)	(130)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	**(16)**	(26)	(65)
Sale of tangible fixed assets	**-**	34	34
Net cash (outflow)/inflow from capital expenditure and financial investment	**(16)**	8	(31)
Management of liquid resources			
Purchase of short term deposits	**-**	-	(425)
Sale of short term deposits	**300**	-	-
Net cash inflow/(outflow) from management of liquid resources	**300**	-	(425)
Financing			
Issue of share capital	**-**	**-**	3,000
Issue costs	**-**	-	(620)
Receipts from borrowings	**-**	221	567
Repayments of borrowings	**(790)**	(58)	(324)
Capital element of hire purchase contracts	**(5)**	(53)	(57)
Net cash (outflow)/inflow from financing	**(795)**	110	2,566
(Decrease)/increase in cash	**(798)**	(11)	1,510
Reconciliation of net cash flow to movements in net funds/(debt)			
(Decrease)/increase in cash	**(798)**	(11)	1,510
Net cash outflow/(inflow) from financing	**790**	(163)	(243)
Net cash outflow from hire purchase contracts	**5**	53	57
Net cash (inflow)/outflow from (decrease)/increase in liquid resources	**(300)**	-	425
Change in net funds/(debt) from cash flows	**(303)**	(121)	1,749
Conversion of debt to share capital	**-**	-	2,298
Effect of foreign exchange changes	**-**	(45)	179
Movement in net funds/(debt) in the period	**(303)**	(166)	4,226
Net funds/(debt) at beginning of period	**519**	(3,707)	(3,707)
Net funds/(debt) at end of period	**216**	(3,873)	519

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the 6 month period ended 31 July 2004

	6 months ended 31 July 2004 (unaudited) £'000	6 months ended 31 July 2003 (unaudited) £'000	12 months ended 31 January 2004 (audited) £'000
Loss for the period	**(576)**	(457)	(126)
Currency differences on foreign currency net investments	**298**	(145)	79
Total recognised gains and losses for the period	**(278)**	(602)	(47)

NOTES TO THE INTERIM RESULTS
For the 6 months ended 31 July 2004

i The interim results have been prepared on the basis of the accounting policies set out in the audited financial statements for the 12 months ended 31 January 2004.

ii The calculation of earnings per share is based on the loss after taxation for the period divided by 93,994,595 (31 July 2003: 30,386,539 , 31 January 2004: 35,440,330) shares being the weighted average number of shares in issue during the period.

iii **New share option schemes**

On 12 March 2004 the company cancelled all of the options held under the Enterprise Management Share Option Schemes A and B and 400,000 of the options held under the Executive Share Option Scheme.

The company granted the following options on 12 March 2004:

Scheme	**Option price per share**	**Expiry date**	**Number of options**
Enterprise Management Share Option Scheme (Group A)	10.3	March 2014	1,483,528
Enterprise Management Share Option Scheme (Group B)	10.3	March 2014	746,855

iv The financial information set out above does not constitute financial statements. The statutory financial statements for the year ended 31 January 2004 have been delivered to AIM and the auditor's report on those financial statements was unqualified. The figures for the year ended 31 December 2003 have been extracted from the statutory financial statements for that year. The financial information for the 6 months ended 31 July 2004 and 31 July 2003 are unaudited.

This interim report is being sent to all shareholders and is available to the public from the company's registered office.