

INTERIM REPORT

half year ended 31 JANUARY 2004



WEB SHARESHOP

(HOLDINGS) PLC

Chairman's statement

Interim report – six months ended 31 January 2004

Highlights

The Group has continued to make very acceptable progress during the past six months. Further trading profits have been taken and investments have been made in two businesses, both on favourable terms.

Results

The results for the six months to 31 January 2004 record a gross profit of £274,510 on turnover of £299,510 and a profit on ordinary activities after overheads but before taxation of £159,135.

The profit after taxation is equivalent to 0.38 pence per share, or 0.35 pence per share fully diluted.

At 31 January 2004, the Group had £396,668 cash in the bank with net current assets and net assets of £862,685. Trading investments are included in the statement at the lower of cost or mid-market valuation. Based on the mid market prices at the close of business on 30 January 2004, the valuation was £7.168m, giving unrealised profits of £6.312m.

The underlying net asset value per share based on closing mid market prices as at 30 January 2004 was 21.4 pence, or 20.1 pence fully diluted, an increase of 294% from 5.1 pence at 31 July 2003. At the close of business on 6 February 2004, the values were 25.7 pence and 24.2 pence respectively compared to a Company share price of 15.5 pence.

No dividends have been proposed for the period.

Investments and current activities

The trade investment portfolio currently comprises holdings in the following:

	<i>Activities</i>	<i>Domicile</i>
Beowulf Gold plc	Gold exploration and development	England & Wales
Brazilian Diamonds Limited	Diamond exploration	Canada
Franconia Minerals Corporation	North American minerals	Canada
Hidefield plc	North American mining & energy	England & Wales
MyHome plc	Domestic cleaning services	England & Wales
Southern African Resources plc	High value metals & minerals	England & Wales
St Helens Capital plc	Corporate finance advisor	England & Wales

In addition, the Group holds warrants, the terms of which permit the purchase of new shares at prices below the current market prices in Franconia and Southern African Resources.

The Directors continue to be most satisfied with the trade investments made and will continue to take profits as opportunities arise.

Capital requirements

As forecast in the Chairman's 2003 annual statement, the Group raised further capital amounting to £182,900 net of expenses during the period.

In view of the satisfactory investment progress, it is the opinion of the Directors that the Group is adequately funded at this time.

Director

On 1 December 2003 the Board appointed Mr Tony Scutt as a non-executive director; Tony, who has been a shareholder since inception in 2000, is an experienced private investor and investment analyst. The Directors look forward to his contribution to the benefit of all shareholders.

The Directors are very pleased with the six month results and look forward to reporting continuing positive news following the Group's July year end.

R Bruce Rowan

Chairman & Chief Executive

13 February 2004

Company information

Directors

R Bruce Rowan - Chairman
A C R (Tony) Scutt - Non-executive
John Watkins, FCA

Secretary, registered office and business address

John Watkins, FCA
123 Goldsworth Road, Woking
Surrey GU21 1LR
email@webshareshop.com
Tel: 01483 771992

Investor relations

Tony Scutt
Tel: 01483 475909
tony@webshareshop.com

Share price information

Financial Times
The Times
Evening Standard
www.prices.londonstockexchange.com

Company announcements

www.webshareshop.com
www.londonstockexchange.com/rns/announcement.asp

Expected financial timetable

Quarterly update as at 30 April 2004
Final result announcement for year to 31 July 2004
by 21 September 2004
2004 annual general meeting
by 29 October 2004

Registered number

3981468

Registrars

Northern Registrars Limited
Northern House
Woodsome Park
Fenay Bridge, Huddersfield
HD8 0LA
Telephone 0870 162 3131

Consolidated Profit & Loss Accounts

	6 months to 31 January 2004 Unaudited £,000	6 months to 31 January 2003 Unaudited £,000	Year ended 31 July 2003 Audited £,000
Turnover	299	0	160
Cost of sales	25	0	0
Gross profit	274	0	160
Group administrative expenses	(115)	(65)	(119)
Profit/(loss) on ordinary activities before taxation	159	(65)	41
Tax on ordinary activities	(48)	0	0
Profit/(loss) on ordinary activities after taxation	111	(65)	41
Dividends on equity shares	0	0	0
Retained profit/(loss) for the period	111	(65)	41
Profit/(loss) per share			
Basic	0.38	(0.24)	0.15
Fully diluted	0.35	(0.23)	0.14

Note 3

Consolidated Balance Sheet

	6 months to 31 January 2004 Unaudited £,000	6 months to 31 January 2003 Unaudited £,000	Year ended 31 July 2003 Audited £,000
Fixed assets	0	0	0
Current assets			
Debtors	3	8	12
Trading investments <i>Note 2</i>	543	402	422
Cash at bank and in hand	397	43	176
	943	453	610
Creditors			
Amounts falling due within one year	(81)	(32)	(42)
Net current assets	862	421	568
Total assets less current liabilities	862	421	568
Capital and reserves			
Called up share capital	314	262	276
Share premium account	1,498	1,325	1,352
Merger reserves	424	424	424
Profit and loss account	(1,374)	(1,590)	(1,484)
Equity shareholders' funds	862	421	568
Reconciliation of Movement in Shareholders' Funds			
	6 months to 31 January 2004 Unaudited £,000	6 months to 31 January 2003 Unaudited £,000	Year ended 31 July 2003 Audited £,000
Total recognised profits/(losses) relating to the period	111	(64)	41
Net proceeds of share issues	183	0	42
Increase/(decrease) in shareholders' funds	294	(64)	83
Opening shareholders' funds	568	485	485
Closing shareholders' funds	862	421	568

Interim report notes

1. Interim report

The information relating to the six month periods to 31 January 2004 and 31 January 2003 is unaudited.

The information relating to the year ended 31 July 2003 is extracted from the audited accounts of the Company which have been filed at Companies House and on which the auditors issued an unqualified audit report.

2. Basis of accounting

The report has been prepared using accounting policies that are consistent with those adopted in the statutory accounts for the year ended 31 July 2003 by the Group and its subsidiary undertaking, although the information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

The consolidated financial statements have been prepared using merger accounting. Under merger accounting the results and cash flows are combined from the beginning of the financial period and all comparatives are stated on the combined basis. These interim financial statements consolidate the financial statements of the Company and its subsidiaries.

The Company and Group will report again for the full year to 31 July 2004.

The Group's investments at 31 January 2004 are valued at cost.

3. Profit per share

	6 months to 31 January 2004 Unaudited £,000	6 months to 31 January 2003 Unaudited £,000	Year ended 31 July 2003 Audited £,000
These have been calculated on profit/(loss) of:	111	(65)	41
The weighted average number of shares used was:	29,317,245	26,229,130	26,825,052
The weighted average number of shares and outstanding options used was:	31,621,050	28,329,130	28,925,052
Basic profit/(loss) per share:	0.38 pence	(0.24) pence	0.15 pence
Fully diluted profit/(loss) per share:	0.35 pence	(0.23) pence	0.14 pence

Copies of this interim report are available free of charge by application in writing to the Company Secretary at the Company's registered office, 123 Goldsworth Road, Woking, GU21 1LR, or by email to info@webshareshop.com or from the Company's website at www.webshareshop.com.