



## press release

### Interim report and accounts 2007

Share plc, parent company of The Share Centre, has released its interim results for the half year ending 30 June 2007, showing an increase of 9% in turnover to £5.8 million (2006: £5.4 million) and increase in operating profit from £0.3 million to £0.5 million.

**Commenting on these results Chairman, Sir Martin Jacomb, said** "These results reflect the benefits now coming through from the investment in marketing which the Group has made over the past two years. In particular, the increase in revenues and operating profit are noteworthy in the context of relatively flat dealing volumes across the market as a whole. The stock market is currently experiencing a period of volatility but the Board is confident that the Group's full year results will be in line with the expectations set at the time of our preliminary announcement in March. We continue to make progress with our investigations into a possible AIM quotation and in reviewing a number of opportunities for acquisition."

#### Corporate summary:

- Turnover increased 9% to £5.8m (2006: £5.4m)
- Operating profit £0.5m (2006: £0.3m)
- Pre tax profits £1.7m (2006: £2.3m)
- Earnings per share 0.7p (2006: 1.0p)
- Normalised EPS (before LSE share sales) 0.5p (2006: 0.4p)
- Strong balance sheet with £11.6m cash (2006: £12.8m) and no debt
- Assets under administration increased 24% to £1.24bn (2006: £1.0bn)

#### Further information:

Gavin Oldham - CEO	01296 439100
	07767 337696
Richard Stone - Finance Director	01296 439270
	07919 220599
Lisa-Marie Nelson - PR Executive, The Share Centre	01296 439426



## Risk Warning:

This document is not intended to constitute an offer or agreement to buy or sell investments and does not constitute a personal recommendation. The investments and services referred to in this document may not be suitable for every investor and if in doubt independent financial advice should be sought. No liability is accepted whatsoever for any loss howsoever arising from any information in this document subject to the rules of the Financial Services Authority or the Financial Service and Markets Act 2000. Share prices, value and income can go down as well as up and investors may get back less than their initial investment.

## Notes for Editors:

1. Share plc is the parent holding company of The Share Centre Ltd and its shares are traded on Sharemark ([www.sharemark.co.uk](http://www.sharemark.co.uk)), the auction-based trading platform designed especially for growing companies.
2. The Share Centre was formed in 1990 and provides a range of account-based services to enable investors to share in the wealth of the stock market.
3. Retail services include ISAs, PEPs, CTF accounts and SIPPs, all with the benefit of free investment advice, and dealing in a wide range of investments.
4. Services available to corporate clients include Share plan administration, Fund administration and 'white-label' dealing platforms.
5. For more details contact 0800 800 008, or visit [www.share.com](http://www.share.com).

## Chairman's statement

Share plc, parent company of The Share Centre, presents its interim results for the half-year ended 30 June 2007 with an increase in turnover of 8.7% to £5.8m (2006: £5.4m) and a 74% increase in operating profit from £0.3m to £0.5m. After taking into consideration dividends and interest receivable and a further disposal of London Stock Exchange shares (receipts from which were 56% lower than in 2006 at £0.7m (2006: £1.6m)), profit before taxation reduced from £2.3m to £1.7m, and Earnings Per Share were therefore 0.7p (2006: 1.0p). Exclusion of the beneficial impact of the LSE share sales from the EPS calculation results in an EPS on a "normalised" basis of 0.5p per share, up from 0.4p for the corresponding period in 2006.

### Operating Results

Dealing activity has remained at similar levels to 2006 thus far, notwithstanding relatively strong market conditions which have been buoyed by persistent takeover activity throughout the first half.

The Share Centre's promotional campaign is now, however, starting to show some consistent results in terms of our chosen benchmarked revenue comparisons. This measure shows an improvement against our peers of 8.5% over the first half of 2007 and 11.2% since 30 June 2006, and is broadly on target so far as return on investment is concerned. Promotional expenditure during the first six months of the year was £1.2m (2006: £0.9m), and the cost base rose by 4% over the period.

Our sale of London Stock Exchange shares reduced our holding to 200,000 shares (2006: 252,941), and we are pleased to note its continuing price strength and its plans for acquisition of Borsa Italiana.

### Business Development

Success in encouraging use of our services has increased assets under administration by 24% to £1.24bn. This increase reflects strong uptake in ISAs and PEP transfer, including the acquisition of Computershare's PEP book. Child Trust Fund business also continues to build, and more generally across our customer accounts there has been a significant increase in investment in funds over the first half.

We are delighted that the new West Midlands regional trading platform, Investbx, has recently launched its services based on The Share Centre's investment and Sharemark services. The new platform, available online at [www.investbx.com](http://www.investbx.com), provides a real focus on investment activity for small companies in the West Midlands, and we have worked closely with Investbx over the past two years to deliver an effective and professional service.

Our own promotional activities continue with a new "Introduce a Friend" initiative and a range of share services provided in conjunction with the Telegraph Media Group. We have also seen considerable interest in our Investment Club Services, and our "Shares4Schools" competition completed a successful fourth year of operations in June with the winning school (Queen Elizabeth Community College, Crediton, Devon) achieving growth of 26.8% since October 2006, in contrast with the FTSE All Share's performance over that same period of 7%.

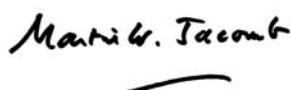
Following on from our successful campaign to enfranchise nominee shareholders we are campaigning hard for the abolition of Stamp Duty on Shares. Our programme has included meetings at the Treasury and with a number of Members of Parliament, and we hope the Government will agree to introduce a programme by which any increased taxation on Private Equity can be used to relieve the burden imposed on ordinary investors and pensioners as a result of Stamp Duty on Shares.

### Outlook and Trading Update

The market is experiencing a period of volatility, which may continue for a more prolonged period than earlier corrections. However we expect a recovery in confidence later in the year, and the strength of corporate earnings should continue to provide good prospects for investors, although the level of corporate activity by way of takeovers and mergers may not continue to provide the fillip to valuations it has in recent times. Your Board therefore remains optimistic that the full year operating results will be in line with those anticipated in our preliminary announcement in March.

Finally, at our Annual General Meeting in May we set out the next steps planned for Share plc, and our intention to explore the prospects for taking the company onto AIM as a step towards a main market listing. Our preparations are continuing well, and we are preparing for a number of discussions with potential advisers. As reported at the Annual General Meeting the Group is also reviewing a range of opportunities for acquisition.

Sir Martin Jacomb, Chairman



15 August 2007

# shareplc:

## Consolidated profit and loss account

For the six months ended 30 June 2007

	Notes	Half year 30 June 2007 (unaudited) £'000	Half year 30 June 2006 (unaudited) £'000	Year 31 December 2006 (audited) £'000
<b>Turnover</b>		<b>5,832</b>	5,367	10,618
Administrative expenses		<b>(5,359)</b>	(5,095)	(9,598)
<b>Operating profit</b>		<b>473</b>	272	1,020
Profit on sale of fixed asset investments		<b>707</b>	1,576	1,589
Dividends receivable		<b>79</b>	127	127
Interest receivable		<b>398</b>	319	662
<b>Profit on ordinary activities before taxation</b>		<b>1,657</b>	2,294	3,398
Taxation	2	<b>(484)</b>	(694)	(961)
<b>Profit for the period</b>		<b>1,173</b>	1,600	2,437
Earnings per share	4	<b>0.7p</b>	1.0p	1.5p
Diluted earnings per share	4	<b>0.7p</b>	1.0p	1.5p

There are no recognised gains or losses for the current or prior years other than as stated above. Accordingly no statement of total recognised gains and losses is given.

# shareplc:

## Consolidated balance sheet

	Notes	30 June 2007 (unaudited) £'000	30 June 2006 (unaudited) £'000	31 December 2006 (audited) £'000
<b>Fixed assets</b>				
Intangible		76	92	84
Tangible		164	179	184
Investments		217	218	217
		<b>457</b>	489	485
<b>Current assets</b>				
Debtors		8,595	5,993	6,329
Cash at bank and in hand	5	11,554	12,834	12,053
		<b>20,149</b>	18,827	18,382
<b>Creditors:</b> amounts falling due within one year		<b>(8,862)</b>	(7,751)	(6,459)
<b>Net current assets</b>		<b>11,287</b>	11,076	11,923
<b>Total assets less current liabilities</b>		<b>11,744</b>	11,565	12,408
<b>Capital and reserves</b>				
Called up share capital		798	798	798
Share premium account		29	29	29
Employee benefit reserve		(436)	(406)	(416)
Profit and loss account		11,353	11,144	11,997
<b>Equity shareholders' funds</b>	6	<b>11,744</b>	11,565	12,408

# shareplc:

## Consolidated cash flow statement

	Notes	Half year 30 June 2007 (unaudited) £'000	Half year 30 June 2006 (unaudited) £'000	Year 31 December 2006 (audited) £'000
<b>Net cash inflow from operating activities</b>	<b>7</b>	<b>705</b>	1,144	506
<b>Return on investments and servicing of finance</b>				
Interest received		398	319	662
Dividend received		79	127	127
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>477</b>	446	789
Taxation paid		(504)	(266)	(698)
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets		(19)	(76)	(120)
Receipts from sale of investments		707	1,589	1,589
Payments to acquire shares for employee benefit trust		(60)	(85)	(141)
Receipts from sale of shares from the employee benefit trust to employees exercising share options		46	35	81
<b>Net cash inflow from capital expenditure</b>		<b>674</b>	1,463	1,409
<b>Equity dividends paid</b>	<b>3</b>	<b>(1,851)</b>	(251)	(251)
<b>Net cash inflow before financing</b>		<b>(499)</b>	2,536	1,755
<b>Increase in cash</b>		<b>(499)</b>	2,536	1,755

## Notes to the accounts

### 1 Basis of preparation

This interim statement has been prepared on the basis of accounting policies set out in the Group financial statements for the year ended 31 December 2006.

The financial information as set out in this statement is unaudited and does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985.

The comparative figures for the year ended 31 December 2006 have been taken from, but do not constitute, the Company's statutory financial statements for that financial year. Those financial statements have been reported on by the Company's auditors and delivered to the Registrar of Companies. Their report was unqualified and did not contain a statement made under either section 237(2) of the Companies Act 1985 (accounting records or returns inadequate or accounts not agreeing with records or returns) or section 237(3) (failure to obtain necessary information and explanations).

### 2 Taxation

The charge to taxation is an estimate based on the anticipated effective rate of tax for the year ending 31 December 2007.

### 3 Distribution to shareholders

	30 June 2007 £'000	30 June 2006 £'000	31 December 2006 £'000
Final dividend proposed in previous year paid in current year per 0.5p ordinary share – 1.18p including 1p special dividend (2006: 0.16p)	<b>1,884</b>	255	255
Less amount received on shares held via ESOP	<b>(33)</b>	(4)	(4)
	<b>1,851</b>	251	251

### 4 Earnings per share

	30 June 2007 £'000	30 June 2006 £'000	31 December 2006 £'000
Profit for the period	<b>1,173</b>	1,600	2,437
Basic earnings attributable to ordinary shareholders	<b>1,173</b>	1,600	2,437
Diluted earnings attributable to ordinary shareholders	<b>1,173</b>	1,600	2,437

	Number (‘000)	Number (‘000)	Number (‘000)
Weighted average number of ordinary shares	<b>161,954</b>	161,107	160,020
Non vested shares held by employee share ownership trust	<b>(2,374)</b>	(2,717)	(2,697)
Effect of potential dilutive share options	<b>291</b>	291	544
Adjusted weighted average number of ordinary shares	<b>159,871</b>	158,681	157,867

	Pence per share	Pence per share	Pence per share
Basic earnings per share	<b>0.7</b>	1.0	1.5
Diluted earnings per share	<b>0.7</b>	1.0	1.5

## Notes to the accounts (continued)

### 5 Cash at bank and in hand

	<b>30 June 2007 £'000</b>	30 June 2006 £'000	31 December 2006 £'000
Cash	<b>10,732</b>	11,270	11,236
Cash held on trust for clients (a)	<b>732</b>	1,564	817
	<b>11,464</b>	12,834	12,053

(a) This amount is held by The Share Centre Limited in trust on behalf of clients but may be used to complete settlement of outstanding bargains and dividends due.

(b) At 30 June 2007 segregated deposit amounts held by the Group on behalf of clients in accordance with the client money rules of the Financial Services Authority amounted to £98.6 million (2006: £78.4 million). The Group has no beneficial interest in these deposits and accordingly they are not included on the balance sheet.

### 6 Movements on consolidated shareholders' funds and statement of movements in reserves

#### The Group

	<b>Total 2007 £'000</b>	Issued share capital £'000	Share premium account £'000	Employee benefit reserve £'000	Retained earnings £'000
At 1 January	<b>12,408</b>	798	29	(416)	11,997
Purchase of ESOP shares	<b>(60)</b>	-	-	(60)	-
Sale of ESOP shares	<b>46</b>	-	-	46	-
Profit on sale of ESOP shares and dividends received	<b>-</b>	-	-	(6)	6
Share based payments credit	<b>28</b>	-	-	-	28
Profit on ordinary activities after taxation	<b>1,173</b>	-	-	-	1,173
Dividends paid	<b>(1,851)</b>	-	-	-	(1,851)
<b>At 30 June 2007</b>	<b>11,744</b>	798	29	(436)	11,353

### 7 Cash Flow

Reconciliation of operating profit to net cash inflow from operating activities

	<b>30 June 2007 £'000</b>	30 June 2006 £'000	31 December 2006 £'000
Operating profit	<b>473</b>	272	1,020
Depreciation and amortisation charges	<b>47</b>	40	87
Share based payments	<b>28</b>	-	30
(Increase) in debtors	<b>(2,265)</b>	(366)	(741)
Increase in creditors falling due within one year	<b>2,422</b>	1,198	110
Net cash inflow from operating activities	<b>705</b>	1,144	506