



press release

Preliminary Results for the Year Ended 31 December 2006

Share plc, parent company of The Share Centre, a major independent retail stockbroker and operator of ShareMark, the trading platform for growing companies, announces its annual results for the year ended 31 December 2006.

Highlights:

- **Turnover rises by 12.6% to £10.6 million (2005: £9.4 million)**
- **Profit before tax rises by 13.4% to £3.4 million (2005: £3.0 million)**
- **Earnings per share increases by 7.1% to 1.5p (2005: 1.4p)**
- **Proposed dividend per share increases by 12.5% to 0.18 p (2005: 0.16p)**
- **Proposed special dividend of 1.0p per share**
- **Strong balance sheet with £12.1 million in cash (2005: £10.3 million) ^{Note 6}**

Sir Martin Jacomb, Chairman, commented on the results:

"During 2006 Share plc has actively pursued its vision of 'more people enjoying straightforward investing'. This has been supported by a significant investment in marketing activity and technology to improve our services for customers. Progress to date against a number of key performance indicators is encouraging, particularly in terms of the number of active new Share Accounts being opened. The higher than anticipated deal volumes, combined with a strong stockmarket performance which has boosted fee income, enabled the Group to absorb this additional spending more readily than had been anticipated. It is therefore pleasing to be able to report strong revenue growth and growth in both operating profit and earnings per share. This is the fourth consecutive year in which the company has delivered revenue and profit growth.

This continued successful performance enables a further year on year increase in the proposed dividend per share, and the additional cash generated through sales of London Stock Exchange shares has been such that the Board is also proposing a special dividend of 1.0p per share.

The Group is well positioned and sufficiently strong financially to enable it to make further progress in 2007. While continuing significant promotional expenditure will hold back operational profit, early turnover figures and activity levels for the year are encouraging. The Board continues to believe that this growth strategy will deliver increasing volumes of new customer accounts and activity leading to increased revenues and ultimately improved shareholder performance."

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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 Services and Markets Act 2000. Share prices, values and income can go down as well as up and investors may get back less than their initial investment. ShareMark is an auction-based dealing facility designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The securities traded on ShareMark may not be listed. The ShareMark trading facility is operated by The Share Centre Limited. The Share Centre is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority. ShareMark is not a recognised investment exchange, recognised clearing house or regulated market within the meaning of the Investment Services Directive. The ShareMark dealing facilities constitute an Alternative Trading System.

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), 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.
6. Included in this amount is £0.8 million (2005: £2.0 million) 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.

Chairman's statement

A strong stockmarket and an 8% increase in relative market share has helped Share plc to keep pace with rising promotional expenditure, to produce full year operating profit of £1,020,000 (2005:£959,000) on turnover of £10.6m (2005: £9.4m). These figures include a £197,000 (2005: £169,000) charge for profit-sharing based on further significant disposals of shares in London Stock Exchange plc during the year of £1.6m (2005:£1.4m). This substantial boost to our results combined with a 15% increase in interest on cash reserves to produce a full year profit before tax of £3,398,000 (2005: £2,997,000).

Share plc's continuing improvement in performance owes much to our strategy of increasing The Share Centre's appeal to the personal investor. We have significantly broadened the scope of our activities during 2006, with more focus on investment funds and providing help and advice to our customers in structuring their investments. This inclusive approach recognises the wide diversity of risk appetite amongst our customers, as we now cater effectively for both the novice and the experienced investor. Meanwhile our reputation for customer service satisfaction has been consistently high, and we are delighted that this has been recognised with the top rating in 'Which?' magazine's February 2007 review of share-dealing services.

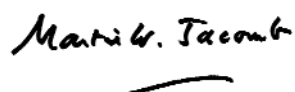
We seek, however, not only to provide good services for our customers and good customer service but also to take a keen interest in their circumstances as private investors. For example, over the past 17 years since our establishment, we have campaigned for shareholder rights for those whose investments are held in nominees: including all shareholdings within Individual Savings Accounts, Personal Equity Plans or Self-invested Personal Pensions. Due principally to our consistent pressure including an investor petition with more than 1,000 signatures, Ministers finally agreed to enfranchise nominee shareholders with a new section in the Companies Act, which received Royal Assent in November 2006.

Attention now turns to Stamp Duty on shares, which we feel should not be sustained beyond 2007. Already this 0.5% transaction tax has caused immense damage to London as a financial centre. With the arrival of the Markets in Financial Instruments Directive (MiFID) and the acquisition of Euronext by the New York Stock Exchange, securities trading will flow easily into those jurisdictions without such a tax. MiFID also presents challenges for UK-domiciled investment firms which will face new competition from those operating from countries prepared to interpret the new cross-border regulation more lightly: the United Kingdom is a very open and accessible market in contrast to some other countries in the European Union.

The Board is confident, however, that the Group can not only meet the challenges of the new environment but also seek out the opportunities that will arise. We also consider that the market should cope well with the prospect of falling economic growth rates, since the same flexible environment which allows international business to arbitrage between different jurisdictions also enables corporate profits to maintain a strong proportion of GDP. Business can look forward to a benign treatment of corporation tax for the same reason: for example, Ireland's 12% rate compares favourably with the UK's 30%, and is attracting much interest within the financial services industry post MiFID.

With thanks to our staff for their efforts, we look forward to an active year of building the business during 2007, and to using our financial strength to deliver increased market share and revenues. Those factors in turn will deliver improved performance for our shareholders over the years to come.

Sir Martin Jacomb, Chairman



12 March 2007

Consolidated profit and loss account

	Notes	2006 £'000	2005 £'000
Turnover		10,618	9,427
Administrative expenses		(9,598)	(8,468)
Operating profit		1,020	959
Profit on sale of fixed asset investments		1,589	1,362
Income from other fixed asset investments		127	112
Interest receivable		662	574
Interest payable		-	(10)
Profit on ordinary activities before taxation		3,398	2,997
Taxation	2	(961)	(720)
Profit for the financial year		2,437	2,277
Earnings per share	4	1.5p	1.4p
Diluted earnings per share	4	1.5p	1.4p

All results are in respect of continuing operations.

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.

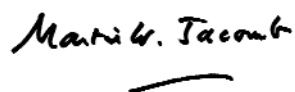
shareplc:

Consolidated and Company balance sheets at 31 December 2006

Notes	Group		Company	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Fixed assets				
Intangible	84	100	-	-
Tangible	184	135	-	-
Investments	217	217	264	264
	485	452	264	264
Current assets				
Debtors	6,329	5,627	150	928
Cash at bank and in hand	12,053	10,298	1,071	1,497
	18,382	15,925	1,221	1,647
Creditors: amounts falling due within one year	(6,459)	(6,125)	(244)	(215)
Net current assets	11,923	9,800	977	1,432
Total assets less current liabilities	12,408	10,252	1,241	1,696
Capital and reserves				
Called up share capital	798	798	798	798
Share premium account	29	29	29	29
Employee benefit reserve	(416)	(370)	-	-
Profit and loss account	11,997	9,795	414	869
Equity shareholders' funds	12,408	10,252	1,241	1,696

These financial statements were approved by the Board on 12 March 2007.

Signed on behalf of the Board



Sir Martin Jacomb

Consolidated cash flow statement

	Notes	2006 £'000	2005 £'000
Net cash inflow from operating activities	a	506	680
Return on investments and servicing of finance			
Interest received		662	574
Interest paid		-	(10)
Dividend received		127	112
Net cash inflow from returns on investments and servicing of finance		789	676
Taxation			
Tax paid		(698)	(836)
Capital expenditure and financial expenditure			
Payments to acquire tangible fixed assets		(120)	(90)
Receipts from sale of investments		1,589	1,362
Payments to acquire shares for employee benefit trust		(141)	(231)
Receipts from sale of shares from the employee benefit trust to employees exercising share options		81	75
Net cash inflow (outflow) from capital expenditure		1,409	1,116
Equity dividends paid		(251)	(219)
Net cash inflow before financing		1,755	1,417
Financing			
Redemption of convertible loan stock		-	(50)
Net cash (outflow) from financing		-	(50)
Increase in cash		1,755	1,367

Notes to the cash flow statement

a Reconciliation of operating profit to net cash inflow from operating activities

	2006 £'000	2005 £'000
Operating profit	1,020	959
Depreciation and amortisation charges	87	107
Loss/(profit) on sale of fixed assets	30	-
(Increase) in debtors	(741)	(634)
Increase in creditors falling due within one year	110	248
Net cash inflow from operating activities	506	680

b Analysis of changes in net funds

	At 1 January 2006 £'000	Cash flows £'000	At 31 December 2006 £'000
Cash at bank and in hand	10,298	1,755	12,053
Total	10,298	1,755	12,053

c Reconciliation of net cash flow to movement in net funds

	£'000
Change in net funds	1,755
Net funds at 1 January 2005	10,298
Net funds at 31 December 2005	12,053



Notes to the financial statements

1 Accounting policies

The financial statements are prepared in accordance with applicable UK law and accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Consolidation

The Group accounts consolidate the financial statements of the Company and its subsidiaries, which all make up their financial statements to 31 December each year.

Turnover

Turnover is recognised on an accruals basis and primarily comprises gross commission, turn on client money and fees earned in the provision of broking and custodian services and is stated after deducting value added tax. The Group operates within one main geographical market, being the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles, computer hardware and fixtures, fittings and equipment 25% per annum

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Intangible fixed assets

The Group's investment in the share.com domain name is stated at cost and is amortised over 10 years on a straight-line basis from the year of completion of the transaction purchase.

Operating leases

Operating lease rentals are charged to profit and loss in equal amounts over the lease term.

Interest rate derivatives

Derivative instruments are used solely by the Group to reduce or eliminate exposure to interest rate risks. Derivative instruments are considered to be hedges because they are used to reduce the risk profile of an existing underlying exposure. Premiums arising on the purchase of derivative instruments are amortised over the shorter of the life of the instrument or the life of the underlying exposure.

Pension scheme

If requested, the Group contributes 8% of the employee's gross salary to a defined contribution pension scheme of the employee's choice. Contributions are charged to the profit and loss account as they become payable. The assets of these schemes are held separately from those of the Group in independently administered funds.

Balances with clients and counterparties

In accordance with market practise, certain balances with clients, Stock Exchange member firms and settlement offices are included in debtors and creditors gross for their unsettled bought and sold transactions respectively.

Taxation

Current tax, including corporation tax, is provided at amounts expected to be recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Purchase of shares for Employee Benefit Trust

During the year, the Group acquired a number of shares in Share plc, which are held by ShareSecure Ltd, a trustee provider, 100% owned by Share plc. This purchase was made to meet potential obligations arising from the issue of share options made to employees. The Group has adopted the Accounting Standards Board Urgent Issues Task Force abstract 38 'Accounting for ESOP Trusts', and these transactions have been accounted for under this abstract. As such, the original cost of investment has been deducted in arriving at shareholders' funds (the amounts are shown in a separate reserve, called "Employee Benefit Reserve").

Employee share schemes

The Group has a number of employee share schemes under which it makes equity-settled share based payments to certain employees. These equity-settled share based payments are measured at fair value using the market price as determined by the previous ShareMark auction, and where necessary such as with the issue of share options, the Black-Scholes model is used to determine an appropriate valuation.

In line with FRS 20, which has been adopted this year, the fair value determined at the date of grant is expensed on a straight-line basis over the vesting period. The amount charged to the consolidated income statement is credited to reserves.

Notes to the financial statements (continued)

2 Tax charge on profit on ordinary activities

	2006 £'000	2005 £'000
United Kingdom corporation tax	(980)	(895)
Double tax relief	13	12
Adjustments in respect of prior years	34	91
	(933)	(792)
Foreign tax for current period	(13)	(12)
	(946)	(804)

Deferred Taxation

Timing differences, origination and reversal	(15)	(21)
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	-	110
Adjustment in respect of prior years	-	(5)
	(15)	84
	(961)	(720)

The tax assessed for the current year is less than that resulting from applying the standard rate of corporation tax in the UK at 30% (2005: 30%) and the differences are explained below:

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	3,398	2,997
Tax at 30% thereon	(1,019)	(899)
<i>Effects of</i>		
Items not deductible for tax purposes	(23)	(43)
Capital allowance in excess of depreciation	31	(13)
UK dividend income	13	10
Rate differences on current tax	17	17
Other deferred tax movement	1	7
Adjustments in respect of prior years	34	91
	(946)	(804)

3 Distribution to shareholders

	2006 £'000	2005 £'000
Dividends		
Proposed in previous year paid in current year per 0.5p ordinary share - 0.1452p (2004: 0.132p)	255	222
Less amount received on shares held via ESOP	(4)	(3)
	251	219

Dividends proposed for 2006 financial year to be paid in 2007 per 0.5 pence ordinary share are 0.18 pence. In addition a special dividend of 1.0p per 0.5 pence ordinary share is also proposed to be paid in 2007.

Notes to the financial statements (continued)

4 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue assuming conversion of all potential dilutive ordinary shares. The potential ordinary shares consist of those share options and warrants where the exercise price is less than the average price of the Company's ordinary shares during the year, and convertible loan notes. The calculation results in a difference of only a small fraction of a penny, which is eliminated altogether in roundings.

	2006	2005
	£'000	£'000
Profit on ordinary activities after taxation	2,437	2,277
Loan interest on convertible loan stock	-	4
Basic earnings attributable to ordinary shareholders	2,437	2,281
Diluted earnings attributable to ordinary shareholders	2,437	2,281

	Number	Number
	('000)	('000)
Weighted average number of ordinary shares	160,020	159,830
Non vested shares held by employee share ownership trust	(2,697)	(2,453)
Basic earnings per share denominator	157,323	157,377
Effect of potential dilutive share options	544	236
Diluted earnings per share denominator	157,867	157,613
Basic earnings per share (pence)	1.5	1.4
Diluted earnings per share (pence)	1.5	1.4

5 Preliminary announcement

The figures for the year ended 31 December 2006 do not constitute full accounts within the meaning of Section 240 of the Companies Act 1985. The figures for the year ended 31 December 2005 have been extracted from the accounts for 2005, which have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not contain statements under Section 237 (2) of (3) of the Companies Act 1985.

6 Availability of report and accounts

Copies of the Group's report and accounts will be dispatched to shareholders as soon as is practicable. Copies will also be available on request from the Group's head office at Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ.

7 Annual General Meeting

The annual general meeting is to be held on 11 May 2007. Formal proceedings will be preceded by an "Open Day" for shareholders at the Group's head office, and followed by an informal presentation on Group progress and market prospects. Notice of the AGM will be dispatched to shareholders with the Group's report and accounts.