

FIRST PROPERTY ONLINE PLC
INTERIM RESULTS
For the Six Months Ended 30th September, 2001

28th November, 2001

First Property Online plc (“fprop”), which provides technical and financial services to streamline property transactions, announces interim results for the six months ended 30th September, 2001.

Corporate Highlights

The acquisition of CPD in August 2001, creating one of the largest UK property databases

The launch of bespoke loan quote and underwriting services in June 2001

The acquisition of Propertytrade in April 2001

Post period end:

Over £100,000 of new contracts signed up

Loans being organised for properties worth over £4.4m

Strutt & Parker, a leading UK agent, chooses CPD as its commercial property search function

Financial Highlights

£90,000 revenue for the period, the vast majority of which was generated in the last two months of the period (Six months to 30th September, 2000: £nil)

£287,000 loss before taxation and goodwill amortisation, in line with the business plan (Six months to 30th September, 2000: loss of £121,000)

Ben Habib, Chief Executive, said: “Through the acquisitions and product launches we have undertaken in the last six months, we have placed fprop as a market leader in our field.

“We are the only company to offer such a comprehensive range of property services.

“Since the period end, we have continued to escalate our revenue generation with considerable success.”

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UNAUDITED CONSOLIDATED INTERIM RESULTS
for the six months ended 30th September, 2001

CHAIRMAN’S STATEMENT

Results

I am pleased to report that, as indicated in our annual results released in June 2001, the Group has moved positively towards revenue generation. Turnover for the period was £90,000 (£nil

in the six months to 30th September, 2000). The vast majority of this income was generated in the last two months of the period.

The Group made a loss on ordinary activities before taxation and goodwill amortisation of £287,000 (£121,000 in the six months to 30th September, 2000). The Directors are not declaring the payment of an interim dividend.

Developments during the period

On 31st August, 2001 we completed our acquisition of Commercial Property Database Ltd and CPD Ltd (“CPD”). Since then the businesses of these companies have been integrated with fprop and both operations are now based at our offices.

This acquisition, together with that of Propertytrade in April 2001, have enabled the Group to offer a broad range of products, including property search, web design and hosting services, supported by one of the largest property databases in the UK.

Our bespoke loan quote and underwriting services have also gone live, with early signs of success.

Our balance sheets in future are likely to contain properties that we have acquired as a result of underwriting deals. The balance sheet at 30th September, 2001 contains two properties that we acquired in this way, which we will release back on to the market in due course. In the mean time they are currently yielding us an excellent weighted average return on capital in excess of 20%.

Current trading and prospects

The Group is trading in line with our expectations. We are pleased and encouraged by the rate at which revenue generation is increasing and, subject to market conditions, we would expect this growth to continue.

We have had a number of significant successes since the period end, including:

Two intranet and web design contracts collectively worth over £100,000, which will be earned over the next twelve months.

Requests for loan quotes for properties with an aggregate value of over £27.5m; of these, loans are in the process of being organised for properties collectively worth over £4.4m.

Confirmation that Strutt & Parker, one of the UK’s leading agencies, has decided to use the CPD system as its commercial property search function for the firm’s website.

The outlook of the economic environment in the UK as a whole remains uncertain and our revenue growth rate may be impacted if the economy continues to weaken. However, as our interim results show, fprop is continuing to grow in operating and financial strength.

In conclusion, I remain cautiously optimistic about the Group’s prospects for the coming year.

Alasdair Locke
Chairman

21st November, 2001

CONSOLIDATED PROFIT & LOSS ACCOUNT
for the six months ended 30th September, 2001

		Six months to 30 th September, 2001 (unaudited)			Six months to 30 th September, 2000 (unaudited)		
	Notes	Results before Goodwill Amortisa- tion £'000	Goodwill Amortisa- tion £'000	Total Results £'000	Results before Goodwill Amortisa- tion £'000	Goodwill Amortisa- tion £'000	Total Results £'000
Turnover							
- continuing operations		26	-	26	-	-	-
- acquisitions		64	-	64	-	-	-
Total turnover	3	90	-	90	-	-	-
Cost of sales							
acquisitions		(8)	-	(8)	-	-	-
Gross profit		82	-	82	-	-	-
Net operating expenses		(440)	(1,620)	(2,060)	(209)	-	(209)
Operating loss							
- continuing operations		(317)	(1,602)	(1,919)	(209)	-	(209)
- acquisitions		(41)	(18)	(59)	-	-	-
Total operating loss		(358)	(1,620)	(1,978)	(209)	-	(209)
Net interest receivable		71	-	71	88	-	88
Loss on ordinary activities							
before taxation		(287)	(1,620)	(1,907)	(121)	-	(121)
Taxation on loss on ordinary activities		-	-	-	-	-	-
Loss on ordinary activities after taxation							
		(287)	(1,620)	(1,907)	(121)	-	(121)
Loss per Ordinary 1p share							
- basic before goodwill amortisation	4	(0.33p)			(0.30p)		
Loss per Ordinary 1p share							
- basic after goodwill							

Year to 31 st March, 2001 (audited)				
	Notes	Results before Goodwill Amortisation £'000	Goodwill Amortisation £'000	Total Results £'000
Turnover				
- Continuing operations		-	-	-
- acquisitions		-	-	-
Total turnover	3	-	-	-
Cost of sales				
- acquisitions		-	-	-
Gross profit				
Net operating expenses		(547)	(801)	(1,348)
Operating loss				
- continuing operations		(547)	(801)	(1,348)
- acquisitions		-	-	-
Total operating loss		(547)	(801)	(1,348)
Net interest receivable		184	-	184
Loss on ordinary activities before taxation				
		(363)	(801)	(1,164)
Taxation on loss on ordinary activities		-	-	-
Loss on ordinary activities after taxation				
		(363)	(801)	(1,164)
Loss per Ordinary 1p share				
- basic before goodwill amortisation	4	(0.68p)		
Loss per Ordinary 1p share				
- basic after goodwill amortisation	4			(2.18p)

CONSOLIDATED BALANCE SHEET
as at 30th September, 2001

	Notes	As at 30 th Sept, 2001 (unaudited) £'000	As at 30 th Sept, 2000 (unaudited) £'000	As at 31 st March, 2001 (audited) £'000
Fixed assets				
Intangible assets		4,334	-	5,607
Tangible assets		94	-	42
Investments		238	238	238

		4,666	238	5,887
Current assets				
Stocks - land and buildings		1,107	-	-
Debtors		467	372	337
Cash at bank and in hand		2,064	3,387	2,604
		3,638	3,759	2,941
Creditors: amounts falling due within one year				
		(679)	(339)	(484)
Net current assets				
		2,959	3,420	2,457
Total assets less current liabilities				
		7,625	3,658	8,344
Creditors: amounts falling due after more than one year				
		(843)	-	-
Net assets				
		6,782	3,658	8,344
Capital and reserves				
Called up share capital	6	910	423	850
Share premium	6	2,661	2,911	2,663
Other reserves	6	5,790	-	5,550
Shares to be issued	6	47	-	-
Profit and loss account	6	(2,626)	324	(719)
Equity shareholders' funds				
		6,782	3,658	8,344

SUMMARISED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30th September, 2001

	Notes	Six months to 30 th Sept, 2001 (unaudited) £'000	Six months to 30 th Sept, 2000 (unaudited) £'000	Year to 31 st March, 2001 (audited) £'000
Net cash (outflow)/ inflow from operating activities	7	(1,430)	(207)	111
Returns on investment and servicing of finance				
Net interest received		77	79	185
Net cash inflow from returns on investment and servicing of finance				
		77	79	185
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(9)	-	(15)
Net cash outflow from capital expenditure and financial investment				
		(9)	-	(15)
Acquisitions and disposals				
Cash consideration on acquisition		(20)	-	-
Net cash inflow/ (outflow) from acquisitions		15	-	(213)
Net cash inflow from disposals of				

operations	-	632	-
Net cash (outflow)/ inflow from acquisitions and disposals	(5)	632	(213)
Cash (outflow)/ inflow before management of liquid resources and financing	(1,367)	504	68
Management of liquid resources			
Decrease in short term deposits	596	-	150
Financing			
Loans advanced	831	-	-
Loans repaid	(2)	-	(100)
Issue of Ordinary share capital	-	110	110
Issue cost of shares	(2)	-	(247)
Net cash inflow/ (outflow) from financing	1,423	110	(87)
Increase/ (decrease) in cash in period	56	614	(19)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

Notes	Six months to 30 th Sept, 2001 (unaudited) £'000	Six months to 30 th Sept, 2000 (unaudited) £'000	Year to 31 st March, 2001 (audited) £'000
Increase/ (decrease) in cash in period	56	614	(19)
Movement in short term deposits	(596)	-	(150)
Loans acquired with subsidiaries	(15)	-	(100)
Hire purchase contracts acquired with subsidiaries	(13)	-	-
Movement in loans	(829)	-	100
Movement in net funds in period	(1,397)	614	(169)
Net funds at beginning of period	2,604	2,773	2,773
Net funds at end of period	1,207	3,387	2,604

NOTES TO THE CONSOLIDATED RESULTS For the six months ended 30th September, 2001

1. The interim accounts have been prepared on a basis which is consistent with the accounting policies adopted for the year ended 31 March 2001.
2. On 31st August, 2001, the company acquired 100% of the issued share capital of CPD Limited and Commercial Property Database Limited. The total provisional fair value of the consideration was £373,000, the provisional fair value of the assets acquired was £46,000 and goodwill of £327,000 arose. In addition during the period the

company acquired the business of Propertytrade plc for total consideration of £20,000 and goodwill of £20,000 arose on this acquisition.

3. Turnover consists entirely of revenue arising in the United Kingdom and relates solely to the Group's principal activity.
 4. The basic loss per Ordinary Share is calculated on the loss on ordinary activities after taxation and on the weighted average of 85,979,916 Ordinary Shares in issue during the period (30th September, 2000: 41,011,168 and 31st March, 2001: 53,350,093). The adjusted earnings per share has been calculated on the loss on ordinary activities after taxation but before goodwill amortisation and based on the shares in issue during the period as detailed in the basic earnings per share calculation.
 5. The company has no recognised gains or losses other than those disclosed in the profit and loss account.
6. Capital and Reserves

	Share capital £000	Share premium £000	Merger reserve £000	Shares to be issued £000	Profit and loss account £000
At 1 April 2001	850	2,663	5,550	-	(719)
Shares issued on acquisitions	60	-	240	47	-
Share issue costs written off against share premium	-	(2)	-	-	-
Loss for the period	-	-	-	-	(1,907)
At 30 September 2001	910	2,661	5,790	47	(2,626)

7. Reconciliation of operating loss to net cash (outflow)/ inflow from operating activities

	Six months to 30 th Sept, 2001 (unaudited) £'000	Six months to 30 th Sept, 2000 (unaudited) £'000	Year to 31 st March, 2001 (audited) £'000
Operating loss	(1,978)	(209)	(1,348)
Depreciation	12	-	6
Amortisation	1,620	-	801
Movement in stocks	(1,107)	-	-
Movement in debtors	(9)	9	692
Movement in creditors	32	(7)	(40)
Net cash (outflow)/ inflow from operating activities	(1,430)	(207)	111

8. The financial information contained in this interim report does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. This information has been neither audited nor reviewed within the meaning of APB Bulletin 1999/4 by the company's auditors. The financial statements for the year

ended 31st March 2001, incorporating an unqualified report of the auditors, have been filed with the Registrar of Companies.

9. The Board of First Property Online plc approved these interim results on 21st November, 2001. The interim results are being circulated to all shareholders. Further copies can be obtained from the registered office at 17 Quayside Lodge, William Morris Way, London SW6 2UZ.