U. S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

Quarterly Report under Section 13 or 15(d)
of the Securities and Exchange Act of 1934

For quarterly period ended March 31, 1997

Commission file number 10039

DYNAMICWEB ENTERPRISES, INC.
(Exact name of registrant as specified in its charter)

New Jersey	22-2267658
(State or other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

271 Route 46 West, Building F
Suite 209, Fairfield, New Jersey 07004
(Address of Principal Executive Offices)

(973) 244-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

As of March 31, 1997, there were 7,658,511 shares of Common Stock, $0.0001 par value, of the registrant outstanding.

PART I

FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

Condensed Consolidated Balance Sheets as at March 31, 1997 (unaudited) and September 30, 1996

Condensed Consolidated Statements of Operations for the three and six months ended March 31, 1997 and 1996 (unaudited)

Condensed Consolidated Statements of Cash Flows for the six months ended March 31, 1997 and 1996 (unaudited)

Notes to Condensed Financial Statements

DYNAMICWEB ENTERPRISES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>

<CAPTION>

A S S E T S	March 31, 1997 (Unaudited)	September 30, 1996
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents.	$ 48,998	$ 174,403
Accounts receivable, less allowance for doubtful accounts.	161,295	70,518
Prepaid and other current assets	29,084	32,068
Total current assets	239,377	276,989
Property and equipment, net.	275,513	239,889
Patents and trademarks, net.	20,950	19,299
Customer list, net	93,333	
Deferred registration cost	30,000	
T O T A L.	$ 659,173	$ 536,177
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 186,373	$ 34,581
Accrued expenses and other	76,871	18,487
Current maturities of long-term debt . . .	9,234	12,434
Loan payable - bank.	14,750	
Due to officer/stockholder	50,000	
Deferred revenue	19,295	11,330
Total current liabilities.	356,523	76,832
Long-term debt, less current maturities. . .	189,938	197,661
Total liabilities.	546,461	274,493
Stockholders' equity:		
Common stock - $.0001 par value; 50,000,000 authorized, 7,658,511 and 6,548,511 issued and outstanding at March 31, 1997 and September 30, 1996.	766	655
Additional paid-in capital	1,811,103	676,215
Accumulated deficit.	(1,699,157)	(415,186)
Total stockholders' equity	112,712	261,684
T O T A L.	$ 659,173	$ 536,177

</TABLE>

The accompanying notes are an integral part of these condensed financial statements.

DYNAMICWEB ENTERPRISES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<TABLE>
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	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996	Six Months Ended March 31, 1997	Six Months Ended March 31, 1996
<S>	<C>	<C>	<C>	<C>
Net sales:				
System sales	$ 42,264	$ 26,916	$ 59,883	$ 80,534
Services	139,634	72,021	216,912	171,512
T o t a l	181,898	98,937	276,795	252,046
Cost of sales:				
System sales	10,282	13,656	23,625	42,690

Services	50,183	22,150	75,054	44,498
T o t a l	60,465	35,806	98,679	87,188
Gross profit.	121,433	63,131	178,116	164,858
Expenses:				
Selling, general and administrative	361,340	131,922	644,657	229,992
Research and development	65,348	3,750	92,573	6,750
T o t a l	426,688	135,672	737,230	236,742
Operating (loss).	(305,255)	(72,541)	(559,114)	(71,884)
Purchased research and development (Note C).			(738,710)	
Interest expense.	(6,230)	(5,577)	(10,275)	(10,884)
Interest income	670	642	2,428	1,058
Net (loss) before benefit for income taxes	(310,815)	(77,476)	(1,305,671)	(81,710)
Benefit for income taxes.	21,700		21,700	
NET (LOSS).	$(289,115)	$ (77,476)	$(1,283,971)	$ (81,710)
	=========	==========	===========	==========
Net (loss) per common share	$(.04)	$(.01)	$(.18)	$(.01)
	=====	=====	=====	=====
Weighted-average number of shares outstanding.	7,658,511	6,205,000	7,300,214	6,205,000
	=========	=========	=========	=========

</TABLE>

The accompanying notes are an integral part
of these condensed financial statements.

DYNAMICWEB ENTERPRISES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
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	Six Months Ended March 31, 1997	1996
<S>	<C>	<C>
Cash flows from operating activities:		
Net (loss)	$(1,283,971)	$(81,710)
Adjustment to reconcile net (loss) to net cash (used in) operating activities:		
Depreciation and amortization.	21,038	6,265
Purchased research and development	738,710	
Common stock issued for services		10
Deferred income taxes.	(21,700)	
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable .	27,369	(14,204)
(Increase) decrease in prepaid expenses and other current assets	2,984	(5,886)
Increase (decrease) in accounts payable. . .	148,488	(3,235)
Increase in accrued expenses	3,362	12,067
Increase in deferred revenue	7,965	3,017
Net cash (used in) operating activities.	(355,755)	(83,676)
Cash flows from investing activities:		
Acquisition of property and equipment.	(52,576)	(10,670)
Proceeds form sale of equipment.	1,954	
Acquisition of patents and trademarks.	(3,893)	(14,773)
Cash acquired upon acquisition	15,235	

Net cash (used in) investing activities.	(39,230)	(25,443)
Cash flows from financing activities:		
Payment of long-term debt.	(5,120)	(5,636)
Proceeds from loan - bank.	4,750	
Proceeds from issuance of common stock	250,000	150,000
Due to officer/stockholder	50,000	
Payment of deferred registration costs	(30,000)	
Net cash provided by (used in) financing activities	269,630	144,364)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.	(125,405)	35,245
Cash and cash equivalents - beginning of period. .	174,403	45,164
CASH AND CASH EQUIVALENTS - END OF PERIOD.	$ 48,998	$ 80,409

</TABLE>

The accompanying notes are an integral part of these condensed financial statements.

Supplemental disclosure of noncash investing and financing activities:

The Company acquired Software Associates, Inc. on November 30, 1996 for 860,000 shares of the Company's stock in exchange for all of the stock issued and outstanding of Software Associates, Inc. (Note C)

During the six months ended March 31, 1997, the Company sold equipment for approximately $10,000 which had a book value of approximately $10,000 and related debt of approximately $8,000.

The accompanying notes are an integral part of these condensed financial statements.

DYNAMICWEB ENTERPRISES, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

(NOTE A) - Basis of Presentation and the Company:

Basis of presentation:

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Article 3 of Regulations S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the six-month period ended March 31, 1997 are not necessarily indicative of the results that may be expected for the year ending September 30, 1997.

The balance sheet at September 30, 1996 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the audited financial statements and footnotes thereto included in the annual report on Form 10-KSB.

The accompanying financial statements include the accounts of DynamicWeb Enterprises, Inc. ("DWE") and its wholly owned subsidiaries, Megascore, Inc., DynamicWeb Transaction Systems, Inc. ("DWTS") and Software Associates, Inc. (collectively the "Company"). All significant intercompany balances and transactions have been eliminated.

The Company:

DWE is in the business of facilitating electronic commerce transactions between business entities, developing, marketing and supporting software products and other services that enable businesses to engage in electronic commerce utilizing the Internet and traditional Electronic Data Interchange ("EDI"). DWE offers electronic commerce solutions in EDI and Internet-based transactions processing.

Megascore, Inc. is a full-service systems integrator specializing in distribution, accounting and point-of-sale computer software consulting services for suppliers and retailers.

DWTS, formerly a division of Megascore, Inc. was established as a separate legal entity on October 31, 1995. On February 7, 1996 DWTS issued all of its shares of its common stock to Megascore, Inc. On September 30, 1996, DynamicWeb Enterprises, Inc. acquired all the common stock of Megascore, Inc. for 50,000 shares of its common stock. The transaction was accounted as a combination of entities under common control. The accompanying financial statements retain the historical accounting basis for the net assets of Megascore, Inc. and gives effect to the operations of Megascore, Inc. for all periods presented.

On March 26, 1996 DWTS was acquired by Seahawk Capital Corporation ("Seahawk"), a publicly held corporation which had 431,369 shares of common stock outstanding and no assets. Prior to the acquisition, Seahawk distributed all of its assets to its shareholders. In the acquisition, the shareholders of DWTS received 4,913,631 shares of Seahawk's common stock. The acquisition is being accounted for as if DWTS were the acquiring entity. The shares of Seahawk are accounted for as being outstanding for all periods presented. In connection with the acquisition, 735,000 shares were issued to a finder and 75,000 shares were issued for legal fees. At the conclusion of this transaction, there were 6,155,000 shares outstanding.

On May 14, 1996, Seahawk changed its name to DynamicWeb Enterprises, Inc. and concurrently increased the authorized number of shares of its common stock to 50,000,000 at a $.0001 par value. The accompanying financial statements give retroactive effect to the above transaction.

On November 30, 1996, the Company acquired Software Associates, Inc. (Note C).

On March 7, 1997, the Board of Directors, approved a reverse stock split for each share of common stock to be converted into .2608491 of one share and authorized 5,000,000 shares of preferred stock to be effected when a public offering occurs. Cash is to be issued to the stockholders for any fractional shares. The stockholders approved these transactions on June 12, 1997 and the accompanying financial statements do not give retroactive effect to the above transactions.

(NOTE B) - Summary of Significant Accounting Policies:

Net loss per share of common stock:

Net loss per share of common stock is based upon the weighted average number of shares outstanding.

(NOTE C) - Acquisition:

On November 30, 1996, the Company entered into a stock purchase agreement with Software Associates, Inc. and its sole shareholder (the "SA Agreement") whereby the Company acquired all the issued and outstanding common stock of Software Associates, Inc. Software Associates, Inc. is an EDI service bureau engaged in the business of helping companies realize the benefits of expanding their data processing and electronic communications infrastructures through the use of EDI. The Company exchanged 860,000 shares of its common stock for all of the issued and outstanding shares of Software Associates, Inc. The Company further agreed to issue up to 1,140,000 additional shares of its common stock in the event that the average closing bid price of the Company's common stock does not equal $3.375 per share for the five trading days immediately prior to January 30, 1999. In connection with this transaction, the Company incurred approximately $25,000 of professional fees. The results of operations includes Software Associates, Inc. from December 1, 1996 through March 31, 1997.

The SA Agreement also requires that the Company issue options for the purchase of 25,000 shares of its common stock to employees of Software Associates, Inc.

In connection with the acquisition, the Company entered into a five year employment contract with the sole shareholder/President of Software Associates, Inc. The agreement provides for an annual salary of approximately $136,000 and includes a discretionary bonus as determined by the Company's Board of Directors.

Software Associates, Inc. leases its office space from a partnership whose partner is the Executive Vice President of the Company. Annual rental payments are approximately $38,000 and the lease expires on June 30, 2018. Software Associates, Inc. has guaranteed the debt (United States Small Business Administration guaranteed loan) of the condominium office space which was approximately $249,000 as at November 30, 1996; the debt matures in August 2019.

The purchase price was recorded as follows:

Current assets	$133,381
Fixed assets	5,167
Purchased research and development.	738,710
Customer list	100,000
Current liabilities. . . .	(92,258)
Total.	$885,000

The purchased research and development was charged to operations upon acquisition. The acquisition was accounted for as a purchase.

The condensed unaudited pro forma information of the Company for the six months ended and Software Associates, Inc. for the two months ended November 30, 1996 is as follows as if the acquisition of Software Associates, Inc. occurred on October 1, 1996. In addition, the pro forma adjustments are computed assuming the transaction was consummated at the beginning of the fiscal period presented giving effect to events directly attributable to the transaction and expected to have continuing impact. A material nonrecurring charge representing purchased research and development in the amount of $738,710 will be charged to operations but has been omitted from the pro forma results. The pro forma information is not necessarily indicative of the results that would have been reported had the acquisition occurred September 30, 1996, nor is it indicative of the Company's future results:

<TABLE>
<CAPTION>

	Six Months Ended DynamicWeb Enterprises, Inc.	Historical Two Months Ended Software Associates, Inc.	Pro Forma Adjustments	Pro Forma Results
<S>	<C>	<C>	<C>	<C>
Net sales	$ 276,795	$ 126,967		$ 403,762
Cost of sales	98,679	28,615		127,294
Gross profit.	178,116	98,352		276,468
Expenses:				
Selling, general and administrative . . .	(644,657)	(66,527)	(8,000)	(719,184)
Research and development.	(92,573)			(92,573)
T o t a l	(737,293)	(66,527)	$ (8,000)	(811,757)
Operating (loss) income	(559,114)	31,825	(8,000)	(535,289)
Interest income	2,428			2,428
Interest expense.	(10,275)	(61)		(10,336)
Benefit (provision) for income taxes. . . .	21,700	(12,700)		9,000
Net (loss) income before nonrecurring charge	$ (545,261)	$ 19,064	$ (8,000)	$ (534,197)
Per share data:				
(Loss) before nonrecurring charge				$(.07)
Weighed average common shares outstanding	6,728,456	860,000		7,588,456

</TABLE>

(NOTE D) - Proposed Public Offering:

On February 1, 1997, the Company signed a letter of intent with an underwriter with respect to a proposed public offering of the Company's securities. The Company expects to incur significant additional costs in this connection therewith. In the event that the offering is not successfully completed, such costs will be charged to expense.

(NOTE E) - Subsequent Events:

[1] On April 28, 1997, the Board of Directors adopted and on June 12, 1997 the stockholders approved a stock option plan for outside directors (the "Director Plan") under which nonqualified stock options may be granted to its outside directors to purchase up to 300,000 shares of the Company's common stock. Directors will be granted an option to purchase 15,000 of the Company's common stock at fair market value at the earlier of the public offering or September 30, 1997 and at each subsequent annual meeting of shareholders at which directors are elected. Options may be exercised for ten years and one month after the date of grant and may not be exercised during an eleven-month period following the date of grant unless there is a change in control, as defined in the Director Plan or the compensation committee waives the eleven-month continuous service requirement.

[2] On March 7, 1997 the Board of Directors adopted and on June 12, 1997 the stockholders approved the Company's 1997

employee stock option plan (the "Plan"), amended by the Board of Directors on April 29, 1997, under which incentive stock option and nonqualified stock options may be granted to purchase up to 900,000 shares of the Company's common stock. Grants to any one employee shall not exceed 250,000 options during any twelve-month period. Incentive stock options are to be granted at a price not less than the fair market value, or 110% of fair market value to an individual who owns more than ten percent of the voting power of the outstanding stock. Nonqualified stock options are to be granted at a price determined by the Company's compensation committee.

[3] On April 30, 1997, pursuant to Regulation D, the Company completed a private placement whereby it sold 24 units for an aggregate amount of $600,000. The placement agent is entitled to a fee and nonaccountable expense allowance aggregating $78,000 or 13% of the private placement offering. The Company incurred $30,000 of deferred financing cost. Each unit consists of a $25,000 promissory note bearing interest at 8% and 11,943 shares of the Company's common stock. The notes are due at the earlier of the closing of the proposed public offering as described in Note D[2] or when the Company obtains an aggregate financing of $2,000,000 excluding expenses or March 31, 1999. The number of shares of common stock included within a unit will be adjusted for the reverse stock split as described in Note A and by a formula as defined in the Private Placement Memorandum relating to this offering.

The value assigned to the common stock is based upon fair value and the remaining balance is allocated to the promissory notes. The difference between the stated value of the $600,000 promissory notes and the value of the notes assigned by the Company, represents debt discount. The debt discount and deferred financing fees will be amortized over the expected proposed public offering date. The Company will incur a significant charge to operations as a result of the amortization expense.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the financial statements included in this report and in conjunction with the description of the Company's Business included in the Company's Form 10-KSB for the year ended September 30, 1996. It is intended to assist the reader in understanding and evaluating the financial position of the Company.

This discussion contains, in addition to historical information, forward looking statements that involve risks and uncertainty. The Company's actual results could differ materially from the results discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed in the Company's Form 10-KSB for the year ended September 30, 1996.

The financial statements included in this report are the Company's consolidated result of operations for the Company's and its three subsidiaries, DynamicWeb Transaction Services Inc. (DWTS), Megascore, Inc. (Megascore) and Software Associates, Inc. (Software Associates).

Financial Condition

As of March 31, 1997, the Company had cash of $48,998 and total current assets of $239,377.

The Company had a net loss of $289,115 and $1,283,971, respectively, for the three months and six months ended March 31, 1997, and negative operating cash flow for the six months ended March 31, 1997 of $355,755, which negative cash flow was funded by cash from a short-term officer's loan of $50,000, from a $250,000 private placement of common stock that closed in November, 1996, and from a $600,000 private placement of 24 units consisting of common stock and promissory notes that closed in April, 1997.

Results of Operation

The Company recognized net sales of $181,898 for the quarter ended March 31, 1997 and $276,795 for the six months ended March 31, 1997, compared to $98,937 and $252,046 for the three and six months ended March 31, 1996. The increase in sales was attributable to sales of the Company's new EDI/Internet products and services offered through Software Associates, Inc., a subsidiary acquired on November 30, 1996.

The Company had an increase in system sales, to $42,264 for the quarter ended March 31, 1997 from $26,916 in 1996, which was due to sales of custom software related the Company's new EDI Service Bureau. However, system sales declined for the six months ended March 31, 1997 to $59,883 from $80,534 for the prior year. This decline was attributable to ongoing efforts, before the acquisition of Software Associates, to migrate away from some of the Company's historical products and to focus on the Company's core business. System sales include sales of hardware and software to customers.

Service sales increased to $139,634 for the three months ended March 31, 1997 from $72,021 for the three months ended March 31, 1996. Service sales also increased from $216,912 for the six months in 1997 as compared to $171,512 for the six months in fiscal 1996. In each case, the increase was due largely to transaction processing through the Company's new EDI Service Bureau, and the rollout of EDIxchange, one of the Company' new EDI/Internet services.

Cost of system sales was $10,282 for the quarter and $23,625 for the six months ended March 31, 1997, for a gross profit of 75.7% and 60.5% respectively. This compares to cost of system sales of $13,656 and $42,690, for gross profit of 49.3% and 46.9% in 1996. The increase in profitability is attributable to sales of higher margin customized EDI software to facilitate transaction processing through the EDI Service Bureau.

Cost of services was $50,183 in 1997 for the quarter and $75,054 for the six months ended March 31, 1997, for a gross profit of 64.1% and 65.4%. This compares to cost of services of $22,150 and $44,498, for gross profit of 69.2% and 74.1% in 1996. The decrease in profit margins on service sales is attributable to the costs associated with the addition of new employees who were added to increase the Company's EDI/Internet capabilities, in anticipation of the growth in demand for the Company's EDI/Internet services.

Quarterly selling, general and administrative expenses increased by $229,418, from $131,922 in 1996 to $361,340 in 1997. For the six month period, they increased by $414,665, from $229,992 in 1996 to $644,657 in 1997. The increase is attributable to the higher marketing expenses, salaries and office expenses associated with the Company's increased effort to market its EDI/Internet services and to implement an outreach program directed at the electronic commerce community. Management expects the outreach program to provide the Company with access and introductions to talent and expertise within the electronic commerce community, with the intention to assist the Company in its marketing, recruiting, and operations. There is no assurance that the outreach program will be successful.

Research and development expenses increased $61,598 for the quarter, from $3,750 in 1996 to $65,348 in 1997, and by $85,823 for the six months ended March 31, from $6,750 in 1996 to $92,573 in 1997. The increase is attributable to expanded development of existing services, and ongoing development of new services (EC Integrator and ShipTrac).

Liquidity and Capital Resources

The capital resources available to the Company, including the $600,000 of proceeds received from the private placement in April 1997, are not adequate to finance the Company's activities for the full year ended September 30, 1997. The Company will require substantial additional financing in order to continue its operations. There is no assurance, however, that the Company will receive additional financing.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings
Not applicable

Item 2. Changes in Securities
Not applicable

Item 3. Defaults Upon Senior Securities
Not applicable

Item 4. Submission of Matters to a Vote of Securities Holders
Not applicable

Item 5. Other Information
Not applicable

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 Financial Data Schedule

(b) Reports on Form 8-K

Not applicable

SIGNATURES

In accordance with the requirements of the Securities Exchange of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DynamicWeb Enterprises, Inc.
(Registrant)

July 31, 1997
(Date)

By: /s/ Steve Vanechanos, Jr.
Steve Vanechanos, Jr.
President and Chief Executive Officer

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