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

AMENDMENT NO. 1
TO THE
Form 10-QSB/A No. 1

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

For quarterly period ended June 30, 1998

Commission file number 10039

DYNAMICWEB ENTERPRISES, INC.
(Exact name of registrant as specified in this 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 June 30, 1998, there were 2,245,947 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 June 30,1998 (unaudited) and September 30, 1997.

Condensed Consolidated Statements of Operations for the three months and nine months ended June 30, 1998 and 1997 (unaudited).

Condensed Consolidated Statements of Cash Flows for the nine months ended June 30, 1998 and 1997 (unaudited).

Notes to Condensed Financial Statements.

DYNAMICWEB ENTERPRISES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 1998 (Unaudited)	September 30, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 212,803	$ 188,270
Accounts receivable, less allowance for doubtful accounts $83,673 and $83,673	214,059	100,425
Prepaid expenses and other current assets	36,703	20,738
Deposits securing orders	68,465	
Total current assets	532,030	309,433
Property and equipment, less accumulated depreciation of $143,942 and $116,965	286,771	284,512
Patents and trademarks, less accumulated amortization of $9,430 and $4,851	27,986	21,808
Software development costs less accumulated amortization of $11,960	171,972	
Excess of cost over net assets of acquired business, less accumulated amortization of $6,948	409,955	
Customer list, less accumulated amortization of $31,667 and $16,667	68,333	83,333
Deferred financial fees, less accumulated amortization of $129,127		51,373
Deferred registration costs		128,169
Other Assets	9,088	9,088
Total assets	$ 1,506,135	$ 887,716
LIABILITIES		
Current liabilities:		
Accounts payable	$ 211,370	$ 182,340
Accrued expenses	15,428	79,691
Accrued expenses - professional fees		86,250
Current maturities of long-term debt	7,250	7,925
Loan payable - banks		24,049
Loans from stockholders		117,163
Deferred revenue	20,918	15,065
Subordinated notes payable		840,873
Taxes payable- current	3,320	
Taxes payable- deferred	10,300	
Total current liabilities	268,586	1,353,356

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Long-term debt, less current maturities	179,853	185,811
Total liabilities	448,439	1,539,167
STOCKHOLDERS' EQUITY/CAPITAL DEFICIENCY		
Common stock, $.0001 par value, 50,000,000 shares authorized; 2,967,574 shares issued and outstanding at June 30, 1998; and 2,141,740 shares issued and outstanding at September 30, 1997	297	214
Additional paid-in capital	10,777,327	3,530,324
Unearned portion of compensatory stock options	(117,750)	(204,000)
Accumulated deficit	(5,595,349)	(3,577,989)
	5,064,525	(251,451)
Less treasury stock, 721,257		

shares at June 30, 1998 and 66,660 shares at September 30, 1997	(4,006,829)	(400,000)
Total stockholders' equity/(capital deficiency)	1,057,696	(651,451)
Total liabilities and stockholders' equity/ (capital deficiency)	$ 1,506,135	$ 887,716

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

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DYNAMICWEB ENTERPRISES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<TABLE>
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	THREE MONTHS ENDED JUNE 30,		NINE MONTHS ENDED JUNE 30,	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Net sales:				
Transaction processing	$ 150,410	$ 110,289	$ 328,993	$ 217,569
Professional services	191,159	68,336	331,552	177,029
Other - systems	8,778	42,675	59,287	103,497
Total	350,347	221,300	719,832	498,095
Cost of sales:				
Transaction processing	110,053	29,618	253,744	78,166
Professional services	145,680	22,318	212,716	42,278
Other - systems	8,331	10,015	22,999	40,186
Total	264,064	61,951	489,459	160,630
Gross profit	86,283	159,349	230,373	337,465
Expenses:				
Marketing and sales	211,560	115,338	543,023	365,967
General and administrative	441,447	246,251	1,087,918	639,428
Research and development	69,753	71,451	260,062	164,875
Total	722,760	433,040	1,891,003	1,170,270
Operating (loss)	(636,477)	(273,691)	(1,660,630)	(832,205)
Purchased research and development		25,000		(713,710)
Interest expense (including $310,500, $186,000 and $186,000 amortization of deferred financing fee and debt <PAGE 5> discount for nine months ended June 30, 1998 and for the three and nine months ended June 30, 1997,				

respectively)	(5,421)	(200,310)	(369,049)	(210,585)
Interest income	7,992	1,362	19,384	3,790
Net (loss) before (provision) benefit for income taxes	(633,906)	(447,639)	(2,010,295)	(1,753,310)
(Provision) benefit for income taxes	(785)	(1,684)	(7,065)	21,700
Net (loss)	(634,691)	(449,323)	(2,017,360)	(1,731,610)
Net (loss) per common share - basic and diluted	$(.29)	$(.21)	$(.99)	$(.89)
Weighted average number of shares outstanding - basic and diluted	2,215,114	2,097,834	2,028,897	1,952,116

</TABLE>

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

DYNAMICWEB ENTERPRISES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	NINE MONTHS ENDED JUNE 30, 1998	1997
Cash flows from operating activities:		
Net (loss)	$(2,017,360)	$(1,731,610)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:		
Depreciation and amortization	65,464	34,415
Purchased research and development		713,710
Amortization of compensatory stock options	86,250	
Deferred income taxes		(21,700)
Amortization of deferred financing fee and debt discount	310,500	186,000
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(66,149)	(20,371)
(Increase) decrease in prepaid expenses and other current assets	(80,869)	855
Increase in accounts payable	29,030	137,280
Increase (decrease) in accrued expenses	(150,513)	5,395
Increase in income taxes payable		
Increase in deferred revenue	5,853	6,743
Net cash (used in) operating activities:	(1,817,794)	(689,283)
Cash flows from investing activities:		
Acquisition of property and equipment	(25,558)	(66,152)
Acquisition of patents and trademarks	(10,757)	(4,251)
Proceeds from sale of equipment		1,954
Increase in software development costs	(183,932)	
Cash acquired upon acquisition of subsidiary	2,855	15,235
Net cash (used in) investing activities:	(217,392)	(53,214)

Cash flows from financing

activities:		
Payment of long-term debt	(6,633)	(7,838)
Net proceeds from issuance of common stock	3,179,395	250,000
Proceeds from loan - banks	74,557	4,750
Proceeds from loan - officer/ <PAGE 7> stockholder	117,800	50,000
Payment of loan - banks	(98,606)	
Payment of loans from officer/ stockholder	(234,963)	(50,000)
Payment of subordinated debt	(1,100,000)	
Decrease in deferred registration costs	128,169	
Proceeds from sale of units consisting of notes and common stock		600,000
Payment of deferred registration costs		(75,000)
Payment of deferred financing fees		(108,000)
Net cash provided by financing activities	2,059,719	663,912
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,533	(78,585)
Cash and cash equivalents - beginning of period	188,270	174,403
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 212,803	$ 95,818

Supplemental disclosure of non-cash investing activities:

On May 1, 1998, the Company purchased the outstanding stock of Design Crafting, Inc. in exchange for 92,500 shares of the Company's stock which was valued at $474,063.

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

DYNAMICWEB ENTERPRISES, INC. and SUBSIDIARIES

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 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 of the nine-month period ended June 30, 1998 are not necessarily indicative of the results that may be expected for the year ended September 30, 1998.

The balance sheet at September 30, 1997 has been restated giving effect to the acquisition of Design Crafting, Inc. which is being accounted for as a Purchase as described in Note E and has been derived from the audited financial statements at the 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. ("DWEB") and its wholly owned subsidiaries, Megascore, Inc., DynamicWeb Transactions Systems, Inc. ("DWTS"), Design Crafting, Inc, and Software Associates, from the date of acquisition (November 30, 1996) (collectively the "Company"). All significant intercompany balances and transactions have been eliminated.

The Company:

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

Software Associates, Inc. is a 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.

Design Crafting, Inc., is an information technology professional services company that provides services primarily to customers in the distribution, retail and financial industries.

Significant Accounting Policies:

[1] Basic loss per share of common stock:

The Company adopted Statement of Financial Accounting Standards No. 128 (SFAS No. 128). Basic loss per share of common stock is based on the weighted average number of shares outstanding. Contingent shares issuable in connection with the acquisition of Software Associates, Inc. are excluded from the weighted average shares outstanding. Stock options did not have an effect on the computation of dilutive loss per share in the three and nine month periods ended June 30, 1998 since they were anti-dilutive. The adoption of SFAS No. 128, which requires a retroactive adjustment did not have a material effect on the Company's financial statement.

[2] Software development costs:

Costs relating to the conceptual formulation and design of software are expensed as research and development. Costs incurred subsequent to establishment of technological feasibility to produce the finished product are generally capitalized. Technological feasibility was established when a product design and a working model were completed. Capitalized software costs are amortized by the straight-line method over a maximum of five years or the expected life of the product, whichever is less.

(NOTE B) -- Contribution of Stock By Certain Shareholders

On December 23, 1997, certain of the Company's existing shareholders, who in the aggregate held approximately 79% of the issued and outstanding common stock of the Company, contributed 40% of their common stock to the capital of the Company in exchange for warrants to purchase an aggregate of 125,000 shares of the Company's common stock (the Contribution of Stock). The total number of shares contributed was 654,597 shares, representing approximately 32% of the issued and outstanding common stock at the time of contribution. The effect of the Contribution of Stock transaction was to reduce the outstanding number of shares of common stock from 2,074,710 to 1,420,113. The Company valued such transactions, based upon the market value of the Company's common stock which aggregated $3,606,829.

(NOTE C) -- Public Offering:

On February 6, 1998 the Company completed a public offering of 733,334 shares of its common stock at $6.00 a share and received net proceeds of approximately $3,179,000.

(NOTE D) -- Reverse Stock Split

At the Company's Annual Meeting held on June 12, 1997, the Company's shareholders approved an amendment and restatement of the Company's Certificate of Incorporation (the Amendment and Restatement) which, among other things, effected a 0.2608491 - -for-one reverse stock split of the Company's common stock (the Reverse Stock Split). The Amendment and Restatement was filed with the New Jersey Secretary of State and took effect on January 9, 1998. Pursuant to the reverse stock split, each share of the Company's common stock outstanding on the effective date was converted into 0.2608491 of one share, except that no fractional shares were issued and shareholders who would otherwise receive a fractional share as a result of the reverse stock split will receive cash in lieu thereof.

(NOTE E) -- Acquisition of Design Crafting, Inc

On May 1, 1998, the Company purchased the outstanding stock of Design Crafting, Inc., an information technology professional services company which was financed through the issuance of 92,500 shares of the Company's stock, and up to 10,000 additional shares. The Company is obligated to issue an additional share for each $5.00 of (i) cash in the bank of design and (ii) accounts receivable on the balance sheet on the day of closing. All of the Company's shares are restricted within the meaning of Rule 144 under the Securities Act of 1933 (the Act), and will not be registered under the Act. In addition, the Company's shares will be subject to a restriction on sale through May 1, 2000, pursuant to a lock up agreement. The transaction was accounted for as a purchase in accordance Accounting Principle Board No. 16. The transaction was previously accounted for on the basis of a pooling of interests.

(NOTE F) -- Series A Convertible Preferred Stock

On August 7, 1998, the Company completed a private placement for $875,000 each consisting of 875 shares of Series A 6% Convertible Preferred Stock, par value $0.001 per share (the "Preferred Stock") together with 87,500 Common Stock Purchase Warrants which expire on August 7, 2001 and have an exercise price of $6.00 per share (the "Common Stock Purchase Warrants"). The terms of the private placement provide that a second funding of $675,000 consisting of 675 shares of Preferred stock and 67,500 Common Stock Purchase Warrants which will be sold under the same terms and conditions as the original offering, provided that a Registration Statement has been declared effective by the Commission and remains effective for at least 30 days and that certain other terms and condition are also satisfied and fulfilled. The Company has the right to redeem at anytime, any unconverted principal of the Preferred Stock at a premium of 115% of the stated value.

On August 6, 1998, the Company's Board of Directors authorized an issuance of Series A 6% Convertible Stock.

(NOTE G) -- 1997 Employee Stock Ownership Plan

On July 27, 1998 the Company's Board of Directors authorized to increase the number of shares of common stock issuable under the Company's 1997 employee stock plan by 100,000 shares to 334,764 shares. The Company's shareholders approved that increase on July 28, 1998.

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, 1997. 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, 1997.

The financial statements included in this report are consolidated for the Company and its four subsidiaries, DynamicWeb Transaction Services, Inc., (DWTS)., Megascore, Inc. (Megascore), Software Associates, Inc. (Software Associates) from the date of acquisition on November 30, 1996 and Design Crafting, Inc, (Design) from the date of acquisition on May 1, 1998. On May 1, 1998 the Company acquired all of the outstanding shares of stock of Design for 92,500 shares of the Company's stock and up to 10,000 additional shares based on certain balances at May 1, 1998. The transaction was accounted for as a purchase in accordance with Accounting Principle Board No. 16.

Financial Condition

As of June 30, 1998, the Company had cash and cash equivalents of approximately $213,000 and total current assets of approximately $532,000.

The Company had a net loss of approximately $2,017,000 for the nine months ended June 30, 1998 and negative operating cash flow of approximately $1,820,000. The Company's negative cash flow for the nine months was funded by proceeds from the sale of equity securities that was completed in February 1998.

On June 30, 1998, the capital resources available to the Company were not adequate to finance the Company's activities for the full year ended September 30, 1999. However, on August 7, 1998, the Company received an aggregate of $875,000 in a private placement to the Shaar Fund, Ltd. of 875 shares of Series A 6% Convertible Preferred Stock, par value $0.001 per share (the "Preferred Stock") together with 87,500 Common Stock Purchased Warrants with a term of three years and an exercise price of $6.00 per share. This financing represents the first tranche of $1,550,000 financing with the Shaar Fund, Ltd.

Results of Operations

Beginning with the Company's filing of Form 10-QSB for the reporting period ending December 31,1997, the format of the Company's financial reports has been changed to reflect its goals and objectives as an electronic commerce company. As such, revenues are presented for the Company's two principal segments, transaction processing and professional services. Similarly, expenses for marketing and sales have been separated from expenses of general and administration to more accurately reflect the Company's increased focus on marketing and sales. Management believes that continuous investments in marketing and sales are necessary to grow the Company's business, and that a similar commitment to research and development will allow the Company's technology to achieve and to maintain a value added proposition in the marketplace.

The Company recognized net sales of approximately $350,000 for the quarter ended June 30, 1998, compared to approximately $221,000 for the same period in 1997, an increase of approximately $129,000 or 58%. The Company had net sales of approximately $720,000 for the nine month period ending June 30, 1998 as compared to approximately $498,000 for the same period in 1997, an increase of approximately $222,000 or 45%. The increase in revenue for both periods ending June 30, 1998 was attributable to new sales of the Company's EDI/Internet services and products, particularly its transaction processing service and its consulting services provided through the Company's Professional Services Group.

Net sales for the Company's transaction processing services for the three months ended June 30, 1998 were approximately $150,000 compared to approximately $110,000 for the same period in 1997, an increase of approximately $40,000 or 36%. The increase is the result of growth in transaction processing of approximately $30,000 for existing customers as new trading partners were brought on line, and new sales of EDI Services of approximately $40,000, both of which offset the elimination of revenues from an internet domain list that the Company no longer maintains for sale. Net sales for the Company's transaction processing services increased from approximately $218,000 for the nine months ended June 30, 1997 to approximately $329,000 for the same period in 1998, an increase of $111,000 of 51%. This increase is largely attributable to an increase in sales of EDI/Internet products and services, including the addition of new transaction processing customers, as well as sales of EDI/Internet services related to the addition of new trading partners for current customers.

Net sales for the Company's professional services were approximately $68,000 for the three months ended June 30, 1997 compared to approximately $191,000 for the same period in 1998, an increase of approximately $123,000 or 180%. The increase is attributable to a decline in sales of system integration services (approximately $5,000) which was offset by an increase in consulting services delivered through Design Crafting, Inc., which was acquired on May 1, 1998. Net sales for these professional services increased from approximately $177,000 for the nine months ending June 30, 1997 to approximately $332,000 for the same period in 1998, an increase of approximately

$154,000 or 87%. This increase is attributable to the shift in the Company's core business from its system integration services to electronic commerce services and consulting services rendered through Design Crafting, Inc.

Net sales for the Company's other products were approximately $43,000 for the three months ended June 30, 1997 compared to approximately $9,000 for the same period in 1998, a decrease of $34,000 or approximately 79%. Net sales for these products were approximately $103,000 for the nine months ending June 30, 1997 compared to approximately $59,000 for same period in 1998 a decrease of approximately $44,000 or 43%. These decreases are attributable to the shift in the Company's core business, from its system integration services, particularly the sale of computer hardware and software, to electronic commerce services.

Cost of transaction processing was approximately $110,000 for the three months ended June 30, 1998, for a gross profit of 27%. This compares to cost of transaction processing of approximately $30,000, or 73% for the same period in 1997. The decrease in profitability is attributable to salaries related to new hires, rental of equipment and floor space for the Company's scaleable network infrastructure, and salary increases that took effect on March 1, 1998 and June 1, 1998. In order to remain competitive, the Company has committed to compensate its employees at prevailing market rates. The cost of transaction processing was approximately $254,000 for the nine months ended June 30, 1998, for a gross profit of 23%. This compares to cost of transaction processing of approximately $78,000, or 64% for the same period in 1997. The decrease in profitability is attributable to higher monthly fixed costs associated with a re-engineered, scaleable network infrastructure and expansion of the Company's EDI support capability, as described above.

The Company's cost of providing its professional services was approximately $146,000 for the three months ended June 30, 1998 or a gross profit of 24%. This compares to cost of providing its professional service of approximately $22,000 for the three months ended June 30, 1998, or a gross profit of approximately $46,000 or 67% for the same period for 1997. The decrease in gross profit percentage for the Company's professional services is attributable to the ongoing transition, including a redeployment of personnel from services related to system integration to services related to EDI/Internet solution, salaries related to new hires, and the addition of consultants through the acquisition of Design Crafting, Inc. A portion of the decrease is also attributable to salary increases that took effect on March 1, 1998 and June 1 1998.

Cost of other products was approximately $8,000 for the three months ended June 30, 1998, or a gross profit of 5%, as compared to approximately $10,000, or a gross profit of 77% for the same period in 1997. This decrease is attributable to the transition from sales of high margin computer products ancillary to system integration services and a redeployment of resources despite the

continued demand for computer products. Cost of other products was approximately $23,000 for the nine months ended June 30, 1998, or a gross profit of 61%, as compared to approximately $40,000, or a gross profit of 61% for the same period in 1997.

Quarterly marketing and sales expenses increased by approximately $96,000, or 83%, from approximately $115,000 for the three months ending June 30, 1997 to approximately $212,000 in 1997. The increase is attributable to attendance at trade shows by more Company personnel, and an increase in advertising expenses and salaries related to new hires. A portion of the increase is also attributable to salary increases that took effect on March 1, 1998 and June 1, 1998. The increase in marketing and sales expenses by approximately $177,000, or 48%, from approximately $366,000 for the nine months ending June 30, 1997 to approximately $543,000 for the same period in 1998, is attributable to the costs of increased attendance at trade shows, salaries for new hires and salary increases.

General and administration expenses increased by approximately $195,000, or 79%, from approximately $246,000 for the three months ending June 30, 1997 to approximately $441,000 in 1998. The increase is attributable to the cost of new hires in general and administrative, the cost of legal, financial and consulting services, the cost of administrative support for new hires in other departments, the cost of insurance coverage for the Company's directors, the addition of a senior executive, amortization of capitalized software development costs, and compensation expense for the 1997 Employee Stock Option Plan. A portion of the increase is also attributable to salary increases that took effect on March 1, 1998 and June 1 1998. The increase in general and administration expenses by approximately $448,000 or 70%, from approximately $639,000 for the nine months ending June 30, 1997 to approximately $1,088,000 for the same period in 1998, is attributable to the cost of new hires in general and administrative and other departments, the cost of insurance coverage for the Company's directors, the addition of a senior executive, amortization of capitalized software development costs, compensation expense for the 1997 Employee Stock Option Plan and the phase-in of salary increases.

Research and development expenses decreased by approximately $1,000 or 2% for the quarter, from approximately $71,000 for the three months ending June 30, 1997 to approximately $70,000 in 1998. The decrease is attributable to capitalization of costs in 1998 for related expanded development of existing services, and ongoing development of new services, such as EDIxchangeConnect. These expenses were also impacted by salaries to new hires and salary increases that took effect on March 1, 1998 and June 1, 1998.

Research and development expenses increased by approximately $95,000 or 58% from approximately $165,000 for the nine months ending June 30, 1997 to approximately $260,000 for the nine months ending June 30, 1998. The increase is attributable to

salaries of new hires, and salary increases that took effect on March 1, 1998 and June 1, 1998.

Interest expense decreased by approximately $195,000, or 97% from approximately $200,000 for the three months ended June 30, 1997 to approximately $5,000 in 1998. The decrease is attributable to the elimination of amortization of debt discount on deferred financing fees related to its interim bridge financing. Interest expense increased by approximately $158,000, or 75% from approximately $210,000 for the nine months ended June 30, 1997, to approximately $369,000 in 1998. The increase is attributable to amortization of debt discount and deferred financing fees related to the interim bridge financing.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable

Item 2. Changes in Securities

(a) Acquisition of Design Crafting, Inc

On May 1, 1998, the Company purchased the outstanding stock of Design Crafting Inc, an information technology professional services company which was financed through the issuance of 92,500 shares of the Company's stock, and up to 10,000 additional shares. The Company is obligated to issue an additional share for each $5.00 of (i) cash in the bank of design and (ii) accounts receivable on the balance sheet on the day of closing. All of the Company's shares will be restricted within the meaning of Rule 144 under the Securities Act of 1933 (the Act), and will not be registered under the Act. In addition, the Company's shares will be subject to a restriction on sale for a period of two years from the Closing Date, pursuant to a lock up agreement.

(b) Private Placement of Securities

See Item 5 concerning a private placement of unregistered securities which closed on August 7, 1998.

Item 3. Defaults Upon Senior Securities

Not applicable

Item 4. Submission of Matters to a Vote of Securities Holders

No matters were submitted to Shareholders for a vote. However see Item 5 for a discussion of the Company's 1998 Annual meeting of Shareholders.

Item 5. Other Information

(a) Private Placement.

On August 7, 1998, the Company completed a private placement to the Shaar Fund, Ltd. Of 875 shares of Series A 6% Convertible Preferred Stock, par value $0.001 per share (the "Preferred Stock") together with 87,500 Common Stock Purchase Warrants with a term of three years and at an exercise price of $6.00 per share (the "Common Stock Purchase Warrants") for a purchase price of $875,000. The terms of the private placement provide that a second funding of $675,000 for 675 shares of Preferred stock and 67,500 Common Stock Purchase Warrants will be sold to the Shaar Fund, Ltd. Under the same terms and conditions as the original offering provided that a Registration Statement has been declared

effective by the Commission and remains effective for at least 30 days and that certain other terms and condition are also satisfied and fulfilled. The offering was made pursuant to an exemption from registration under Rule 506 of Regulations D promulgated under the Securities Act of 1933 (the "Securities Act") and equivalent state securities laws exemptions. The Shaar Fund, Ltd. Is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

(b) Annual Meeting of Shareholders

On July 28, 1998, the Company held its 1998 Annual Meeting of Shareholders. At such meeting the shareholders were asked to vote upon (i) the election of three Class I directors to the Company's Board of Directors, and (ii) an amendment to the Company's 1997 Employee Stock Option Plan to increase the number of shares reserved for issuance thereunder by 100,000 shares. The shareholders approved the amendment to the stock option plan and elected management's three nominees of class I directors.

Item 6. Exhibits and Reports on Form 8 -K

(a) Acquisition of Design Crafting, Inc.

The Company filed Form 8-K on May 15, 1998 related to the acquisition of Design Crafting, Inc. on May 1, 1998.

The Company filed Form 8-K/A No. 1 on July 16, 1998 related to the acquisition of Design Crafting, Inc., to provide financial information and pro-forma financial information.

The Company filed Form 8-K/A No. 2 on November 10, 1998 related to the acquisition of Design Crafting, Inc., to reflect the transactions as a purchase under Accounting Principle No. 16. The transaction was previously accounted for on the basis of a pooling of interests.

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)

November 12, 1998

By:/s/ Steven L. Vanechanos, Jr.
Chief Executive Officer

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<LEGEND>
This schedule contains summary information extracted from the Consolidated Statements of Operations and consolidated balance sheets of DynamicWeb Enterprises, Inc. and is qualified in its entirety by reference of such financial statements.
</LEGEND>

<S>	<C>
<PERIOD-TYPE>	9-MOS
<FISCAL-YEAR-END>	SEP-30-1998
<PERIOD-START>	OCT-01-1997
<PERIOD-END>	JUN-30-1998
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<SECURITIES>	0
<RECEIVABLES>	297,732
<ALLOWANCES>	83,673
<INVENTORY>	0
<CURRENT-ASSETS>	532,030
<PP&E>	430,713
<DEPRECIATION>	143,942
<TOTAL-ASSETS>	1,506,135
<CURRENT-LIABILITIES>	268,586
<BONDS>	0
<PREFERRED-MANDATORY>	0
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<COMMON>	297
<OTHER-SE>	1,507,399
<TOTAL-LIABILITY-AND-EQUITY>	1,506,135
<SALES>	719,832
<TOTAL-REVENUES>	719,832
<CGS>	489,459
<TOTAL-COSTS>	1,891,003
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<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	369,049
<INCOME-PRETAX>	(2,010,295)
<INCOME-TAX>	7,065
<INCOME-CONTINUING>	(2,017,360)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(2,017,360)
<EPS-PRIMARY>	(.99)
<EPS-DILUTED>	(.99)

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