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Software Engineering & Management Co.

BUSINESS PLAN SWISS ISSUE WEBTOOLS

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Products from Swiss Issue WebTools allow businesses to generate leads, sell products, run sales promotions, and capture demographic information about web site visitors, as well as communicate with visitors and obtain information about what potential customers are doing while browsing the web site. These powerful software tools allow clients to stay in complete control of their web sites and, more importantly, ensure that their customers enjoy a successful Internet experience while visiting their sites.

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EXECUTIVE SUMMARY

Swiss Issue WebTools (SIW) is a software engineering and management company that develops and sells business software technology for the Internet. It provides software tools for e-commerce, including shopping carts, point of sale, lead generation, lead distribution, security methods (including encryption), and search engine technologies. Its products help businesses to build, manage, and maintain their own web sites, sell products, generate leads, distribute information, and gain intelligence about their web site visitors. The SIW product family provides business owners with access to such services for a fraction of the costs typically incurred.

The Internet software market is relatively large and is continuing to expand. The vast majority of businesses with successful web strategies are those that have the financial resources to frequently update and redesign their web sites. Such businesses either hire and/or retain "information systems" employees to develop, support, and maintain their web sites, or alternatively purchase Internet services from multiple parties, integrate these services, and gather or purchase information on their markets to facilitate web site updates. By contrast, SIW's clients are small to medium-sized businesses that want to be able to quickly build, manage, and maintain their web sites and e-commerce solutions without incurring substantial costs by relying upon additional employees

or multiple vendors. These products provide flexibility, allowing businesses complete control of their web sites.

TARGET CUSTOMERS

SIW markets its products to small and medium-sized businesses that want total, one-stop solutions to e-commerce technology, Internet advertising, marketing, and sales concerns. Its typical "target" customers are businesses that would prefer to invest in technologies that allow them to develop their own functional, interactive Internet web sites rather than hiring information systems employees to develop such web sites.

The Internet is an interactive, worldwide network of computers and data systems allowing users to retrieve data, purchase products, send and receive communications, and buy and sell goods or services. The Internet's use has grown substantially since it was commercially introduced in the early 1990s. Estimates indicate that the number of Internet users in the United States will grow from approximately 35 million in 1996 to about 160 million by the year 2000. The increase in the number of users has resulted in a rapid increase in the number of advertisers, products, and services available on the Internet.

Business-to-Business Segment

According to the September issue of *Business 2.0,* business-to-business commerce on the Internet already exceeds the business-to-consumer market, growing from $43 billion in 1998 to an expected $1 trillion by 2003, versus $7.8 billion to $108 billion on the business-toconsumer side. The Internet economy already generates a total of $301 billion in U.S. revenue, about the same as cars or telecommunications. Hub revenue from advertising and transactions will grow from $290 million in 1998 to $20 billion by 2002. Says *Business 2.0* : "A new breed of intermediaries is emerging to facilitate business to business e-commerce."

According to *Investor's Business Daily* (September 15, 1999), J. D. Edwards has 7 out of 10 people working on e-business similar to their 4 nearest competitors. MySAP.com has emerged just to service business-to-business transactions. There are 1.2 million small businesses online (only a fraction of the 7 million small businesses with fewer than 100 employees); a figure that is expected to nearly double next year. This year 400,000 businesses are expected to conduct business online up from 150,000 last year. Next year the number is expected to be 850,000.

CUSTOMERS

Sales & Marketing

SIW's competitors are not effectively targeting this market niche: a complete, Internet-based, end-to-end business solution for small to medium-sized businesses. SIW products allow businesses to generate leads, sell products, run sales promotions, capture demographic information about web site visitors, communicate with visitors and obtain information about what potential customers are doing while browsing the web site. SIW products allow clients to stay in complete control of their web sites and provide tools that facilitate a successful Internet experience for their customers.

SIW currently markets and sells its products through reseller channels, an internal sales force, 15 independent consultants (outside sales), and strategic partners. As of July 15, 1999, SIW has entered into Reseller Agreements with six companies.

HISTORY

- May 1987 – Predecessor-in-interest Corporation established under the name Wooster Associates.
- March 1998 – Began development of prepackaged software solutions for e-commerce.

- April 1998 – Began shift from consulting business to prepackaged software solutions.
- October 1998 – Filed trademark on major web tool product.
- November 1998 – Completed first prepackaged e-commerce software with release of major web tool product. Incorporated in Idaho.
- January 1999 – SIW merged with Wooster Associates and became a publicly traded company.
- February 1999 – SIW released its second version of its major web tool product, and first version of its shopping web tool product.
- July 1999 – Signed agreements with six resellers for its line of WebTools. Filed trademarks on three of its major software products.
- October 1999 – Opened new online shopping network with proprietary features; signed joint venture agreement on same online shopping network.
- November 1999 – Signed joint venture agreement on Commerce Central, Inc.

BACKGROUND

Products

SIW has developed software technologies that allow businesses to create, manage and maintain their own web sites and e-commerce storefronts from any Internet-capable computer. The SIW product family is made up of powerful, intuitive and easy-to-use software tools.

Users of these tools can create an online e-commerce storefront, generate sales leads, process credit cards in real-time, communicate with customers, collect statistical information and monitor web site visitors. Businesses can create, manage and maintain every aspect of their web site at all times of the day or night. This functionality, combined with an easy-to-use visual interface, provides a point-and-click complete Internet business solution for approximately $3,000 per year (less than 10% of the cost of a traditional consultant).

Features of Major Web Tools

ChangeTool quickly and easily allows clients to update, modify or enhance their web sites. Changes can be made 24 hours a day, 7 days a week from anywhere. It includes an easy-to-use, powerful visual "WYSIWYG" (What You See Is What You Get) interface, with familiar "drag-and-drop" functions that allow clients to make changes instantaneously. Changes are updated automatically and placed online in minutes. WebWizard allows manipulation of web site layout, colors, content, resizing, cutting and pasting text, graphics, and tables. This tool gives businesses a library of hundreds of graphics and animations to use throughout their site and even the ability to upload their own graphics and files. ChangeTool lists the web site with the major search engines, sets up email accounts, and registers domain names.

ShopFirst adds custom "electronic storefronts" to web sites. It assists in setting up merchant accounts and in facilitating secure, real-time credit card transactions. ShopFirst provides a completely customizable product database. Products and all variables such as price, color, and size are entered into a password-protected database that can be updated or edited at any time. Customizable price and shipping modifiers, receipt options, sale flagging, product option variables and regional tax calculations are available.

MultiChannels sends email to multiple customers, marketing directly to them at a fraction of traditional postage costs. Clients can send announcements, sales information, updates, promotions, newsletters or any other correspondence to customers at any time. With MultiChannels, subscribers can add or remove themselves from the automated email database.

WhoProfiler gathers demographic information from custom questionnaires providing direct feedback from site visitors. With WhoProfiler, businesses obtain information from targeted audiences such as customer satisfaction and preferences. WhoProfiler assists businesses in obtaining information necessary to improve

customer relations and products. It conducts surveys notifying customers of product specials and gathers additional information.

VisitStats monitors web site visits determining the effectiveness of changes to web sites and which pages draw the most interest. VisitStats keeps a detailed two-year history of visits and activities within subscribers' web sites and can generate reports of site activity. It produces reports showing yearlong sales trends that identify product purchasers and track the effectiveness of sales and promotions during specific time periods or from specific locations.

ChangeTool and ShopFirst are basic products and come in two versions: "Express" and "Pro." The "Express" and "Pro" versions provide different product features and support options to clients. MultiChannels, WhoProfiler and VisitStats are available as upgrades to our customers for an additional license fee.

The new online shopping site is a joint venture owned by SmartQ Systems Inc. and Swiss Issue WebTools. This site is a powerful, easy-to-use e-commerce portal that brings online consumers together with merchants in a network of virtual storefronts. It also gives the consumer incredible product searching capabilities across the entire network of merchants. The new release of the shopping site includes many new features, including advanced search functions and increased payment processing integration.

Might-T-Fine Commerce is a "bolt-on" e-commerce solution for any size business. Might-T-Fine Commerce enables businesses with an existing web presence to immediately add e-commerce capability directly into their web sites. It is a full, back-end storefront and product management system combined with an integrated shopping cart technology that is fully compatible with the online shopping site. Any customer who uses Might-T-Fine will have the ability to market their products within the shopping network and take advantage of the marketing and traffic-producing resources that it offers.

SALES PLAN

SIW has developed multiple channels to sell their products: Strategic Partners, Resellers, Inside Sales, and Independent Consultants.

Strategic Partner projects include Planet Now Network and the online shopping network.

Planet Now Network is a marketing company formed to promote and sell products from Swiss Issue WebTools, American Top Merchant Systems, and SmartQ. Planet Now Network has recently begun an Internet Business Opportunity seminar series offering affiliate opportunities to become a SIW independent consultant, an affiliate for a high-use vacation web site and IdeserveASite.com. Planet Now Network anticipates they will be able to present SIW product to over 500 potential purchasers and affiliates each week.

IDeserveASite.com is a program that allows affiliates to solicit users for Planet Now Network by giving away free, easy-to-create web sites. Users of these web sites receive a web site that they can immediately design with IDeserveASite.com's quick and easy graphical interface and free lifetime hosting. All users of IDeserveASite.com will be allowed to upgrade to SIW's full line of products and other options that include Might-T-Fine Commerce, the online shopping network, our unique web tool products, and any additional support or design services.

SIW's independent consultant recruiters will contact nonbuyers at the Business Opportunity Seminars. SIW anticipates that by mid 2000 they will have over 200 independent consultants representing the entire SIW product family. SIW has also begun an Internet business-to-business seminar series in which the initial results of this program show that over 35 percent of attendees purchase SIW products for their businesses. As the customer base for SIW grows, recurring revenues will grow accordingly. Annual hosting fees for successive years are equal to approximately 50 percent of the first year revenue paid by the client.

FINANCIAL

SIW began selling WebWizard Pro late November 1998. WebWizard Express went on sale in the first quarter of 1999. During 1997 SIW had 41 clients, who accounted for no more than 5 percent of gross revenue. During 1998, SIW had a client base of 85. Four clients each accounted for more than 5 percent of gross revenues for that year. By second quarter of 1999, SIW increased its client base to several hundred. No single client provided more than 5 percent of gross revenue in 1999.

Written sales have now reached $13,000 a day or $3.4 million on an annualized basis.

MANAGEMENT

Lawrence C. Potter - President and Chief Executive Officer of Swiss Issue WebTools . In July 1993 he started UPTIP, Inc., developing custom and commercial software for animation and special effects. UPTIP had 28 employees. Potter was then recruited by Tim Tepe to become the Chief Operations Officer for SIW. After leading and growing the company for two years, Tepe stepped down and asked if Potter would take over as President and CEO of SIW. A combination of determination, vision, leadership, and relationship building abilities has made Potter a key asset to the company and its current position in the marketplace. Potter has seven years of experience providing computer consulting and business management services.

Chris N. Skyler - Chief Operating Officer . Skyler has eighteen years of experience in sales, operations, and services in the software industry. He holds a B.A. in Business Administration with a Marketing emphasis from Ohio State University.

Mark L. Bastian - Director . Previously Bastian was the founder and president of New Jersey WebSolutions, Inc. From 1991 to 1993 he specialized in 3D computer animation. From 1997 to 1999, he was a senior animator for UPTIP, producing two-and three-dimensional computer animation for television commercials, promotional videos, and medical simulations. He received his B.A., with honors, from the University of Nevada.

Karl E. LeBlond - Vice President of Engineering and a Director . LeBlond has 14 years of experience working with computer hardware and software. He started with New Jersey WebSolutions in November 1997 as an independent consultant, and then became the Technical Director in August 1998. Prior to this he was the head programmer for UPTIP for five years. He attended Miami University in Oxford, Ohio.

Eric K. Schmitter - Creative Director and a Director . Schmitter has two years of experience in animation and five years of experience in software sales. He was Art Director at UPTIP from 1995 to 1997. He attended Notre Dame University and Greenlake Community College.

Aaron F. White - Director . White has three years of experience in software development programming. He worked as a Senior Programmer for Utah WebWorks. He was a programmer at IRAD from 1994 to 1997. In 1995, he received his Associate of Science degree in Electronics Technology from the University of Dallas.

Henry Lee - Chief Financial Officer . Lee has been with SIW since July 1999. He brings a dozen years of experience, including three years with Price Waterhouse (left firm as a senior accountant). He has over five years of experience as CFO for South Shore Munitions, Inc. and for BUY of LA, Inc. He graduated with a B.S. in Accounting and a B.A. in English Literature from the University of Cincinnati.

CURRENT DEVELOPMENTS & FUTURE EXPECTATIONS

SIW is currently developing and will be releasing several new technologies between now and the end of first quarter of 2000. These products include new releases of all of the previously discussed products.

SIW expects to develop a substantial presence in its target market through a combination of marketing strategy, unique proprietary technology, technical expertise, and early entry into our target market. SIW is pursuing a

national advertising campaign including seminars, television, radio, and print media.

CONCLUSIONS

- SIW is an Internet investment company.
- SIW has created software tools that empower nontechnical people to create and maintain their own web sites as well as supplying integrated easy-to-use e-commerce and e-business tools for a fraction of the cost of hiring outside consultants.
- SIW has engineered the only significant technology not already owned by a major entity.
- SIW has structured a unique and effective reseller program.
- SIW has a trial version of its collection of web tools which can be provided to a business for evaluation purposes free of charge.
- SIW products allow a business to create, operate, and maintain a web site for an initial one-year term, after that our customer may maintain their license by paying a monthly fee of approximately 6 percent of their initial purchase price.
- Software sales have high profit margins.
- SIW has strong alliances with American Top Merchant Systems Inc. and SmartQ Payment Systems, Inc.

Information contained herein is based upon data obtained from the Company, as well as other recognized statistical services, issuer reports, communications, or other sources believed to be reliable. Sources include: interviews with management, news releases and forms 10K and 10Q. However, such information has not been verified by us, and we do not make any representation as to its accuracy or completeness. Any statements non-factual in nature constitute only current opinions which are subject to change. Our company, its officers, directors, and employees may have positions in securities referred to in this report, and may from time to time buy or sell these positions. Neither the information nor any opinion expressed shall be construed to be or constitute an offer to buy any securities mentioned herein. This report was prepared for compensation which may have been any combination of cash or securities to Shareholder Relations. This report does not purport to be a complete statement of all data relevant to the securities mentioned. These securities may involve a high degree of risk. These securities may be considered speculative and therefore not suitable for the strictly conservative investor. Forward-looking statements involving any representations other than historical fact involve risks and uncertainties that would cause outcomes to differ from projections.