SAMPLE

STRATEGIC BUSINESS PLAN

Pipedream.com

An Internet Sports Entertainment Portal

This document was written by:

eStrategyPartners.com
"Business Solutions for eCommerce"

The "Digital Coast's" leading ebusiness consulting firm, established on the belief that there is a critical need for objective and creative analyses of the strategic possibilities of eCommerce and Internet technology.   eStrategy Partners provides both the strategic expertise of traditional management consulting firms and the technical planning capability and accountability of Internet professional service companies. **"eStrategy"** -- the identification, design and implementation of business solutions for eCommerce.

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You hereby agree that the Evaluation Material will be used solely for purposes in connection with a possible transaction with the Company, and that such information will be kept permanently confidential by you and your Representatives and you will not distribute this Evaluation Material or any part hereof to others at any time without the prior written consent of the Company. You agree to restrain your Representatives from prohibited or unauthorized disclosure or use of the Evaluation Material and shall be responsible for any such breach hereof. This Evaluation Material is being delivered for informational purposes and upon the express understanding that it will be used only for the purposes set forth above. In the event that the possible transaction which is the subject of this agreement is not completed or at the Company's request, you shall promptly return to the Company all written material containing or reflecting any information contained in the Evaluation Material and will not retain any copies, extracts or other reproductions in whole or in part of such written material.

It is understood and agreed that money damages would not be a sufficient remedy for any breach of this agreement and that Company shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. In the event of litigation relating to this agreement, the prevailing party shall be entitled to receive reasonable legal fees and costs incurred in connection with such litigation. California law will govern the terms and conditions of this agreement.

Your retention of the Evaluation Material shall constitute acceptance of the terms and conditions hereof. If you do not agree to the terms hereof, please do not read the Evaluation Material and immediately return such to the Company. We would nonetheless appreciate your kindly signing and returning one copy of this agreement which will constitute our agreement with respect to the subject matter hereof.

Dated: _____

(signature) _____

(print name) _____

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Executive Summary

Business Overview

Pipedream.com, Inc. will create the first Internet Sports Entertainment Network offering sports programming along with clothing and equipment. Recognizing that a vital aspect of selling merchandise online is to provide compelling entertainment content to inspire sales. The company's unique content will showcase the new and exciting Entertainment and all the products, events, services and adventures associated with sports programming. Offering an interactive shopping experience, the channel will cater to a World Wide audience of "like minded" sports enthusiasts in an effort to build a synergistic global "sports entertainment" community.

Pipedream.com will create an Internet based brand (*The Internet Network*) that sports, equipment and clothing industries will recognize as a leader in the promotion, marketing and sale of its product in the online retail marketplace. Company revenues will be generated from three specific sources: (1) ecommerce commission fees paid by product sponsors (2) integrated content and banner advertising on the web site (3) sale of sponsorship packages for premiere site placement. The Company will develop and market its own branded storefront service.

Services Offered

Pipedream.com will provide a comprehensive set of valued added consumer services that will be specifically catered to our audience and product sponsors. These services include:

- **Content / Programming** - Users of the site will experience award winning interactive, programming and editorials focused in the areas of sports equipment and clothing.
- **Community -** Users of the site will be encouraged to take part in our community experience, using message boards, chat rooms and email. This builds an ongoing profile of our customers that will provide value added marketing and demographic data and feedback to our sponsors.
- **Personalization -** Users will be able to personalize their viewing experience to increase loyalty and repeat usage. Each customer is authenticated, thus our programming, products and content will be specifically targeted to our customers buying and viewing habits.
- **Shopping -** The Company will deploy the latest technologies to enable interactive browsing to create a personalized shopping/viewing experience. Users can drag and drop clothes on their personalized mannequin to mix and match outfits.
- **Buying/Referring -** Buyers will be referred to respective online merchants for purchasing by clicking on selected products featured in our content and programming.

Revenue Streams

Pipedream.com will build revenues and profits from a number of different sources:

- **Affiliate Commissions -**Consumers will click through our integrated product advertising to our affiliate merchants for purchasing. Pipedream.com will receive a percentage of the referred sale or click through fees.
- **Advertising -** Advertisers will pay for banner ads, featured articles and link placements in our content. Ad rates will be based on a performance basis or CPM.
- **Elite Sponsorships** - The Company will provide custom sponsorship packages to an elite group of sponsors. In return for paying fixed monthly fees, sponsors will receive premium placement on the site, advertising and content integration services.

- **Content / Programming Syndication** - Pipedream.com premium content will be sold directly to our affiliate partners for republishing and co-branding exposure.
- **Value added services** - Pipedream.com will offer additional services to our sponsors such as: Live event web casting, Message boards, Chat moderation and hosting.

Benefits to our Consumers

Affinity Clothing consumers will be attracted to the site because of several key value propositions:

- **Unique shopping / viewing experience -** The site will provide a unique visual experience for the consumer while browsing through our site. We will use the latest technology to provide our viewers with a personalized 3D animated experience.
- **Unique content** - Our content will inspire our consumers to explore articles and encourage repeat visits to our site in order to discover new and exciting "insider" sports, clothing and equipment information.
- **Highly customizable** - The site will be highly interactive and customizable for viewing and shopping. The more frequent our consumers use the site, the richer their viewing, shopping and interactive experience becomes, eventually offering selections that match each customer's personal tastes.
- **Easy to use -** The site will be built specifically for the sporting consumer and will be extremely easy to use and purchase products. The navigation and purchasing experience will be effortless and the site will present our products, programming and content in a manner that is uncluttered and easy to view.
- **Community** - Pipedream.com will build a strong community of people who have similar interests in our programming and content. This direct communication between our sponsors, celebrities and consumers will allow for the exchange of information, fostering customer loyalty and repeat site use.
- **Culture specific** - The site will cater to the specific needs of various cultures around the world reflecting specific tastes and needs.

Benefits to our Partners, Sponsors and Advertisers

Affinity Clothing sponsors will be attracted to the site because of several key value propositions:

- **Qualified buyers** - The site will target and capture behavioral and demographic data from our consumers.
- **Unique integration of content & product advertising.** - Our content will integrate products offerings from our sponsors.
- **Customized sponsorship / advertising packages** - Each package will be catered to the needs of our sponsors advertising, marketing, and sales objectives.
- **Syndication of content** - Pipedream.com will provide fresh content and programming directly to our syndication partners, thus enhancing their brand and attracting traffic.
- **Enhances brick and mortar business models** - For products not sold through the Internet, Pipedream.com will drive traffic from its web site to physical store locations of its' sponsors.
- **Global distribution** - Our unique Internet viewing experience will provide our sponsors with a cost effective and efficient method of marketing their products to a global audience.

Market Analysis / Trends

There are a number of trends that are converging to make Pipedream.com the ideal marketing solution for the sports industry.

- **New Technology** – Is enabling a more "rich" viewing experience for consumers online. 3D graphics, colors, Interactive Television, and broadband technology are enabling new and exciting businesses to challenge existing viewing and shopping experiences.
- **Merging Partners** – eTailers and online content oriented companies are merging and partnering together to strengthen offerings.
- **Pro Sports Online** - Celebrities are increasingly using Internet as a communications medium to exploit new product offerings while promoting their name and personal value.
- **The sports industry is notorious for being technology-shy -** Pipedream.com will take this as an opportunity to make changes within an evolving industry.
- **Success of online sports sites -** The success of sports sites such as XYZ, ZXY, and YXZ have demonstrated that people value an online shopping experience.
- **Entrance of Brick and Mortar Magazines** – Traditional print magazines are building Internet magazines to build interactive advertising revenue streams.
- **New Advertising Models** – CPM models are changing to performance based and click through models where content is integrated into content and programming.
- **Significant growth of WWW consumers**. According to International Data Corporation there are approximately 196 million people world wide online today and this figure could exceed 500 million within the next three years.
- **Online Shopping** – According to Cyber Dialogue, 24.4 million surfers bought online in Q2 1999, up 10 million in Q2 1998.

Market Size & Revenue Potential

While there are no absolute statistics on the potential of the online sports market, there are a number of indicators that point to the market potential.

- Total merchandise, apparel and furniture ("GAF") sales in the United States was $720.9 Billion in 1998. (US Industry and Trade Outlook)
- Sports apparel comprised 16%, or $115 Billion, of the 1998 United States GAF sales.
- Internet sales of clothing and accessories in the U.S. are projected to soar to $2.8 billion by 2002, from $330- million in 1998. (Jupiter Communications)
- Global consumer e-commerce spending: 1999: $9.9 billion. 2002: $37.5 billion. (Jupiter Communications or Forrester)
- Internet ad spending will total between $4.7 billion and $6.5 billion in 2000. Forrester Research predicts a $22 billion year for the industry in 2004.

Competition

Presently, there are many sports sites focused on either providing content or product in the Internet marketplace, such as: YXY, YXZ, ZXY, YZZ, but their penetration into the Internet marketplace could be limited due to: (1) inadequacy of interactive services that build communities of consumers (e.g. chat, message boards); and (2) their exclusive focus on selling products or providing content without providing a rewarding experience (e.g. clothing, culture & sports). The Company believes that it can move strategically into the integrated content and etailing space and capture a large market share in industry before other companies can achieve a similar presence. The timing of our entrance will be critical.

Business Strategies

The Company will implement the following strategies to achieve its goals of becoming the leading branded Internet Sports Network:
(1) Create a compelling value proposition for both sponsors and consumers.
(2) Build strong brand recognition and leverage the brand equities affiliated with Pipedream.com.
(3) Develop key industry relationships with pro sports figures, sports clothing manufacturers and content syndication partners.
(4) Provide a compelling presentation of content and products to encourage repeat visits.
(5) Leverage our technology investments to create a measurable marketing and e-commerce platform that enables measurability, personalization and integration with our sponsors.
(6) Provide a high level of personalized service.
(7) Build a "A-list" of experienced professionals form the sports and retailing world.

Strategic Partnerships and Alliances

The Company will develop key strategic alliances and sponsorships with major key industry organizations that help bring credibility, public relations, as well as traffic to the site. These alliances typically result in extensive co-marketing by both organizations with the goal of each company driving traffic and awareness of the other company's products and services. This is a key element of Pipedream.com's strategy and it builds revenues as well as prevents other companies from working with these strategic accounts. With roots in the sports and media industries, Pipedream.com has developed relationships and strategic alliances with companies and organizations who will provide publicity, marketing, and technology assistance.

Competitive Advantage

Pipedream.com will become the dominant Sports Entertainment Network and maintain its position from the following competitive advantages and barriers to entry:

- **Relationships -** The team has continuous dealings with the publicists, "A-list" sports figures, and executives who control and influence their respective industries. This gives Pipedream.com a critical and powerful strategic advantage.
- **Management, speed, flexibility -** The Company will build the highest quality management team, having experience in technology, sports and entertainment industries.
- **First/early mover advantage** - The Company will be one of the first sporting sites to achieve a high degree of brand awareness through a combination of integrated advertising, content/product offerings, public relations, and strategic relationships.
- **First mover in technology** - The Company will utilize cutting edge technology to present our programming and provide a high level of personalized service to our customers.

- **Maximize operating efficiencies** - Pipedream.com will leverage its investment in technology to realize cost savings and efficiencies in marketing, infrastructure, and management resources.
- **High switching costs** - Consumers will be able to customize their experience, as such, once users become comfortable using Pipedream.com, it is likely that they will continue using our service.

Marketing

Pipedream.com's marketing efforts will be directed toward executing the company strategies of building awareness and driving traffic to the site. The combination of strong creative marketing and partnerships with traffic generating sites is expected to result in many visitors who will become loyal, repeat customers. The Company expects to use a variety of marketing tools including guerilla/grassroots marketing, Web advertising, affiliate marketing programs, public relations, and key strategic alliances to drive traffic. Pipedream.com forecasts 24,000,000 users in the first year.

Web Site and Technology

It will be critical that our audience enjoys the layout and design of our Web site and adapt to the interactive nature of our programming. Our layout and design will have to be user-friendly and cutting edge in the eyes of our audience to be successful in attracting repeat users. The features, functionality, and content can be replicated by competitors, but the brand and the consumer experience must differentiate the value proposition to our customers. We have a strong branding message that will extend to all aspects of the site and truly provide the best experience for our customers. The site must encompass the sophistication and identification of the sponsors and programming we represent and offer customer value added features to build a real interactive community.

Management Team

Our management team combines the experiences of executives with extensive backgrounds in managing and developing successful businesses within the sports and Internet industries. Pipedream.com currently has two senior executives and is in the process of hiring a support staff, who will be involved in site design, media programming and business development. Upon obtaining its first round of funding, the Company will hire a full time staff to fully implement the business as outlined in this plan. The Company executive staff and operations will be in San Francisco, California.

Opportunity

The management of Pipedream.com expects that the implementation of this plan will result in substantial viewers, ecommerce revenues, and eventually profits. A complete set of financials is found in this Plan but key metrics include:

	Year 1	Year 2
Monthly Page Views	2,000,000	6,000,000
Page Views	24,000,000	72,000,000
Pipedream.com revenues ($)	$	$
Pipedream.com expenses ($)	$	$
Operating profit/loss ($)	$	$

Comparables

While it is difficult to put a valuation on the Company, recent IPO activity does provide a strong indication of the potential market capitalization.

- XYX.com (TICK) currently has a market capitalization of $707 million with a monthly viewer base of approximately 4,289,000 (generating $.47 in revenue per viewer) and 1998 revenues of $24.7 million.

- ZYX.com (TICK) currently has a market capitalization of $821 million with a monthly viewer base of approximately 4,366,000 (generating $.40 in revenue per viewer) and 1998 revenues of $21.2 million.

- ZZY.com (TICK) currently has a market capitalization of $44.8 million with an unknown monthly user base and 1998 revenues of $2.93 million.

Funding and Use of Proceeds

In order to achieve this growth, the Company is looking to secure funding via an equity placement to make investments in a variety of areas and fund cash flow requirements for the next eight months of operation. The Company is seeking $_____ million to finance these activities. The proceeds from this equity financing activity will be used as follows:

Payroll	$
Marketing and Strategic Alliances	$
Tech/Equipment/Start-Up	$
G & A	$
Contingency	$_____
Total	$

Business Concept

Business Overview

Pipedream.com, Inc. will create the first Internet Sports Entertainment Network offering sports programming along with clothing and equipment. Recognizing that a vital aspect of selling merchandise online is to provide compelling entertainment content to inspire sales. The company's unique content will showcase the new and exciting Entertainment and all the products, events, services and adventures associated with sports programming. Offering an interactive shopping experience, the channel will cater to a World Wide audience of "like minded" sports enthusiasts in an effort to build a synergistic global "sports entertainment" community.

Pipedream.com will create an Internet based brand (*The Internet Network*) that sports, equipment and clothing industries will recognize as a leader in the promotion, marketing and sale of its product in the online retail marketplace. Company revenues will be generated from three specific sources: (1) ecommerce commission fees paid by product sponsors (2) integrated content and banner advertising on the web site (3) sale of sponsorship packages for premiere site placement. The Company will develop and market its own branded storefront service.

How the Service Works

Pipedream.com site will be designed to facilitate product transactions and entertain our viewers. The service will work as follows:

- Registration. Anyone can browse through the site. However, in order to purchase an item for sale, the buyer must first register with our service. This can be done extremely quickly via online forms that are provided. In addition, the user will specify certain preferences such as the language in which they will view the site, currencies, to ease use on repeat visits.

- Purchasing. Buyers can find items of interest by selecting on the categories provided within the site, or, can use our sophisticated search engine to locate items of interest. Once a product is selected the transaction is seamlessly recorded simultaneously within Pipedream.com's site and the respective vendors site. Buyers are kept informed of their transaction records via email and through online purchasing records. Upon completion of a transaction, buyers can choose where and how to send products. Our vendors fulfill orders for all products.

- Selling. Our product sponsors can list products for sale. This can be done via Pipedream.com's custom sponsorship packages. The sXYXr pays all fees associated with the transaction including a prepaid listing fee (fees will vary depending on sponsorship package or number of products) as well as a commission of the final sale price, ranging 3 to 30% depending upon the size and complexity of the transaction and product. In addition, the product sponsors can choose from among a number of premium priced options such as mannequin fitting integration, special promotions and/or placements within the site.

- Personalized Service. Users will have the opportunity to personalize their viewing experience in an effort to increase customer loyalty and repeat usage. Each customer is authenticated, thus our programming, products and content will be specifically targeted to each customers buying and viewing habits. Authentication will take the form of email, zip code, personal preferences and sizing requirements. The more a viewer uses and purchases from our site the more accurate our information and personalized service will becomes.

- Culture. Large, global companies have known for years that there are tremendous differences in shopping markets depending upon the specific country. Most large online shopping sites are focused on meeting the needs and desires of a very specific demographic segment only within the United States. Pipedream.com will cater its site to the specific needs of different cultures around the world customizing specific tastes and needs.

- Community. Users of the site will be encouraged to take part in our community experience, using message boards, chat rooms and email. Thus, building an ongoing profile of our customers that will provide value added marketing and demographic data and feedback to our sponsors.

- Shopping. Users will have the opportunity to use our cutting edge 3D mannequin technology. Online shoppers may type in height, weight, bust, and waist size, skin color, and other personal details, and seconds later their own image pops up, ready to try on clothes. Users can drag and drop clothes on their personalized mannequin to mix and match outfits. All products in three-dimension can be rotated for a closer look, right down to the stitching on a sweater.

Opportunity / Value Proposition

Benefits to our Consumers
Affinity Clothing consumers will be attracted to the site because of several key value propositions:

- Cutting edge content. Our content will inspire our consumers to explore articles and encourage repeat visits to discover exciting new "insider" sports, celebrity and clothing information. Our content will derive from a number of qualified writers and producers around the world. The acquisition and development of our content will be exclusive in most cases to protect our brand.

- Unique shopping / viewing experience. The site will provide a unique visual experience for consumers browsing through our site. Online shopping experiences today lack texture and true color, but through technology advances we will provide our viewers with this experience through an animated experience. Users will have the opportunity to use our cutting edge 3D mannequin technology. Online shoppers may type in height, weight, bust, and waist size, skin color, and other personal details, and seconds later their own image pops up, ready to try on clothes. Users can drag and drop clothes on the personalized mannequin to mix and match outfits. All products in three-dimension can be rotated for a closer look, right down to the stitching on a sweater.

- Highly customizable. The site will be highly interactive and customizable for viewing and shopping. The more frequent our consumers use the site the richer their viewing, shopping and interactive experience will become, eventually offering selections that match each customer's personal tastes. Each time a user reenters the site, Pipedream.com will recognize the customer and present products and content most likely to be purchased or preferred.

- Easy to use. The site will be built specifically for the Sports consumer and will be extremely easy to use and purchase products. Our navigation, shopping and purchasing experience will be effortless and unlike some of our competitors our site will present our products,

programming and content in a manner that is uncluttered. Our site will contain more pictures than text, thus navigation will be frequently activated through clicking on objects rather that text.

- Community. Pipedream.com will build a strong community of people who have similar interests in our programming and content. This direct communication between our sponsors, celebrities and consumers will allow for exchange of information, fostering customer loyalty and repeat site use. Providing a community experience has proven to be an important element of success for XYZ, XZY.

Benefits to our Sponsors, Advertisers and Syndication Partners
Sports clothing sponsors will be attracted to the site because of several key value propositions:

- Large numbers of qualified buyers. The site will target and capture behavioral and demographic data from our consumers. Each customers profile data will be stored in our database for targeting future buyers and traffic. Pipedream.com will use the Internet and its storefront this "rich" information and reuse the data to uncover new marketing opportunities.

- Enhances brick and mortar business models. For products not sold through the Internet, Pipedream.com will drive traffic from its web site to physical store locations of its' sponsors. A few articles of high end sports clothing and accessories will be exclusively promoted on our site. Online customers will be referred to the nearest retail store for purchase.

- Global distribution. Our unique Internet viewing experience will provide our sponsors with a cost effective and efficient method of marketing their products to a global audience. Through our targeted and global marketing efforts the company expects to reach unique and qualified audiences worldwide.

- Unique integration of content & product advertising. Our content will integrate products from our sponsors with a unique combination of pictures and text. Presentation of storefront will be designed to the specific tastes of our viewers and product. For example, instead of viewing a picture of a static shirt, we will present the shirt on a celebrity within our interactive content.

- Customized sponsorship / advertising packages. Each package will be catered to the needs of our sponsors advertising, marketing, and sales objectives. Options within our custom packages will include: Targeting specific customers, countries and audiences, featured presentations, premiere storefront space, featured articles, celebrity endorsements and co-branding opportunities.

- Syndication of content. Pipedream.com will provide fresh content and programming directly to its syndication partners, thus enhancing their brand and attracting traffic. Fresh content will be provided to our partners through links to our site. Our editors and writers will provide "insider" entertainment, celebrity and clothing content that will attract customers and encourage repeat use.

Services Offered

Pipedream.com will provide a comprehensive set of valued added consumer services that will be specifically catered to our audience and product sponsors. To protect the brands, prices and products we represent, our service will take priority over the sale. We will operate with this philosophy due to much of the reason offline brands command high prices, because of the service and ambience evident in their retail stores. In order for Pipedream.com to succeed we cannot merely equal the off-line alternative, but we must measurably exceed the off-line alternative in dimensions that are relevant to the consumer. Thus, facilitating transactions and allowing customers to track packages online is not enough. We will put emphasis on human interaction before, during and after the sale to measure up to the off-line experience. These services include:

- Content / Programming. Users of the site will experience award winning interactive, programming and editorials focused in the areas of sports, celebrity and clothing. Much of this content will be sold to our syndication partners to enhance their service.

- Buying/Referring. Buyers will be referred to respective online merchants for purchasing by clicking on selected products featured in our content and programming. This service will be seamlessly integrated into the Pipedream.com site. Each transaction will be tracked for customer service and product purchasing histories.

- Interactive Browsing. The Company will deploy the latest technologies to enable interactive browsing to create a personalized shopping/viewing experience. Users can drag and drop clothes on their personalized mannequin to mix and match outfits. Management feels that this service will have an enormous impact on the way consumers shop on the Internet.

- Community. Users of the site will be encourage to take part in our community experience, using message boards, chat rooms and email. This builds an ongoing profile of our customers that will provide value added marketing and demographic data and feedback to our sponsors.

- Personalization. Users will be able to personalize their viewing experience to increase loyalty and repeat usage. Each customer is authenticated, thus our programming, products and content will be specifically targeted to our customers buying and viewing habits.

Revenue Streams
The Company will target several different types of transactions. They are:

- Sponsorships
- Affiliate Commissions
- Advertising
- Content / Programming Syndication
- Value added services

Pipedream.com will build revenues and profits from a number of different sources:

(1) <u>Sponsorships</u>. The Company will provide custom sponsorship packages to a select group of sponsors. In return for paying fixed monthly fees, sponsors will receive premium placement on the site, advertising and content integration services. Sponsors will receive integrated product placements in our content. We will provide our elite product sponsors category specific exclusivity.

(2) <u>Affiliate Commissions</u>. Consumers will click through our integrated product advertising to our affiliate merchants for purchasing. Pipedream.com will receive a percentage of the referred sale or click through commissions.

(3) <u>Advertising</u>. Advertisers will pay for banner ads, featured articles and link placements in our content. Ad rates will be based on a performance basis or CPM. This will be used both to obtain traffic and eventually as a revenue stream. Initially, banner spots on Pipedream.com will be bartered to obtain advertising on other sites. As traffic to Pipedream.com increases, banner spots will be sold. As Pipedream.com builds up a database containing customer preferences and purchasing histories, it expects to be able to offer companies very targeted advertising opportunities at a premium price.

(4) <u>Content / Programming Syndication</u>. Pipedream.com premium content will be sold directly to our affiliate partners for republishing and co-branding exposure. These partner sites will receive freshly updated content from Pipedream.com on a daily basis. Content will be received through dynamic links to our site.

(5) <u>Value added services</u>. Pipedream.com will offering additional services to our sponsors such as: Live event web casting, Message boards, Chat moderation and hosting.

Pipedream.com intends to develop and market its own branded site. In addition, it offers co-branded ("Shop at Pipedream.com") and private label versions to key strategic partners on a revenue sharing basis. Initially, our online merchants will not be charged any transaction fees. This will be done to quickly build loyalty and value for our site. Within one year of site launch the Company expects to be charging for all services. It is expected that the majority of the Company's revenues will come from sponsorship fees related to the listing and integration of products in our site.

Market Analysis

Target Customers
The target customers for Pipedream.com can be characterized by the following:

- Persons who have interest sports products and merchandise.
- Persons who enjoy the entertainment experience of online shopping.
- Persons who identify sports ideals with celebrities.
- Persons who are familiar with their clothing sizes and are comfortable purchasing online.
- Most likely live or work in on the following continents: North and South America, Europe, Australia, and Asia.
- Have access to the Internet either at work or home.

Target Customer Demographics
A more detailed view of Pipedream.com's targeted customers by demographic characteristics is the following:

- 82% Male: age 25-54 / 18% Female
- 34 years avg. age
- 79% college educated
- 55% employed full-time
- Household Income: $55,000+
- 59% married
- 72% access Internet from Home/Home Office
- 45% go online daily

Market Characteristics and Trends
There are a number of trends that are converging to make Pipedream.com the ideal marketing solution for the sports industry.
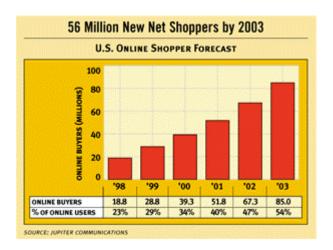
- <u>Success of online sports sites</u>. The success of sports sites such as YYX, XYX and XXY have demonstrated that people value the online shopping experience. However, the companies mentioned above provide an experience that is limiting in terms of providing a richly customized experience.

- <u>New Technology</u> – Is enabling a more "rich" viewing experience for consumers online. 3D graphics, colors, Interactive Television, and broadband technology are enabling new and exciting businesses to challenge existing viewing and shopping experiences.

- <u>Entrance of Brick and Mortar Magazines</u> – Traditional print magazines are building Internet magazines to build interactive advertising revenue streams. XYX, YYX and many others are teaming up with online media companies to expand traditional print businesses online.

- <u>Merging Partners</u> – Online commerce and content sites are merging and partnering together to strengthen offerings. (Ex. BBA partnered with AAB). Figuring out how to effectively provide both commerce and content has been an obstacle for most companies. Partnering seems to be the interim solution to this obstacle at the present time.

- New Advertising Models – CPM models are changing to performance based and click through models where content is integrated into content and programming. Integrating content and product appears to provide more value to sponsors and advertisers generating substantially more click throughs, impressions and site impression time.

- Significant growth of WWW consumers. According to International Data Corporation there are approximately 196 million people world wide online today and this figure could exceed 500 million within the next three years.

- Sports industries are notorious for being technology-shy, High sports companies have been reluctant to adapt to new technology advances for fears of protecting their brand. However Pipedream.com sees the Internet as an opportunity to change old ways of doing business within an evolving industry.

- Pro Athletes Online – Athletes are increasingly using Internet as a communications medium to exploit new product offerings while promoting their name and personal value.   For example, John Doe's endorsement and promotion of XYX.com earned him well over $6,000,000 in stock.

- Increase in people shopping online - According to Cyber Dialogue, 24.4 million surfers bought online in Q2 1999, up 10 million in Q2 1998.   Though the latest consumer e-commerce forecasts vary widely depending on which kinds of products and methods of shopping are included, all estimate at least a five-fold increase in sales from 1999 to 2003. Forrester Research issued the most detailed – and aggressive – outlook, predicting $185 billion in U.S. e-commerce sales by 2004. These forecasts are expected to increase substantially with increased education, marketing, service, access and as applications become more user friendly over the next few years.

Market Size & Revenue Potential

While there are no absolute statistics on the potential of the online sports market, there are a number of indicators that point to the market potential.

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- Internet sales of clothing and accessories in the U.S. are projected to soar to $2.8 billion by 2002, from $330- million in 1998. (Jupiter Communications)
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- Internet ad spending will total between $4.7 billion and $6.5 billion in 2000. Forrester Research predicts a $22 billion year for the industry in 2004.

56 Million New Net Shoppers by 2003

U.S. ONLINE SHOPPER FORECAST

	'98	'99	'00	'01	'02	'03
ONLINE BUYERS	18.8	28.8	39.3	51.8	67.3	85.0
% OF ONLINE USERS	23%	29%	34%	40%	47%	54%

SOURCE: JUPITER COMMUNICATIONS

Competition

The competitive landscape is best understood by segmenting the market into three primary groups:

Brick and Mortar Media Companies – XXY, XYX.
eTailing Companies - ZZZ, YXY and YZX
Pure Content Companies – ZZY, YYY

Unlike large online shopping malls where Big Jungle dominates the marketplace, an analysis of online competitive shopping landscape shows that there are no major online content/shopping experience companies that dominate the Internet marketplace. Large online shopping malls will remain focused on gaining market share through growing product offerings. For example Big Jungles strategy of offering ZZZ's first, music second, electronics third, and now toys confirms their strategy of providing "everything to everyone," by gaining market share through product acquisition. Pipedream.com has the opportunity to become the dominant online experienced based retailer by developing a unique approach to online shopping that will provide content services that focus strictly on the needs of our consumer, sponsor, advertising and syndicate partners.

Brick and Mortar Media Companies
In the non-Web world, there are many avenues for consumers to engage in sports shopping. They include such resources as television, newspaper, magazine, and sports shows. While these alternatives will always be available, it is prevalent that a significant piece of this business is moving towards an online format. This competitive segment can be summarized by the following two companies taking steps to move online:

(1) <u>XXY.com</u>
Description:
- Worlds most successful brick and mortar sports magazine building an online presence.
- Site promotes online presence for their core print publishing business.
- Feature daily updated content on sports shows.
Strategy:
- May incorporate direct purchasing from the site, involving sports and style apparel and accessories for both men's and women's categories.
- Drive print advertising revenues and circulation of magazine.
- Increase marketing budget up from $20.5 million.
Limitations/Conclusions:
- Publishing printed content online compromises the value of the print magazine to both advertisers and the news stand.
- Lack entertainment experience and sense of community.

(2) <u>XYX.com</u>
Description:
- Successful brick and mortar sports magazine building an online presence.
- Site promotes online presence for their core print publishing business.
Strategy:
- Drive print advertising revenues and circulation.
Limitations/Conclusions:

- Publishing printed content online compromises the value to both advertisers and on the news stand.
- Lack entertainment experience and sense of community.

eTailing Companies

There are well over a thousand online eTailers on the Internet today. Many of these companies are extremely focused on selling and fulfilling product to a specific product category. (e.g. Clothing, Toys, or Discount Merchandise). While these companies sell an enormous amount of products on a basic level, it is prevalent that a significant piece of this business is moving towards an integrated content and shopping model, where quality of content takes precedence over volume of product offered. This competitive segment can be summarized by the following two companies that could attempt to take steps towards this model:

(1) ZZZ.com
Description
- Online shopping portal.
- Raised approximately $125 mm in Venture Capital finance.
- Product offerings, sports accessories and sportswear.

Strategy:
- Launch site in US and in 5 European countries.
- Pre-registered users on the site before a launch.
- Warehouse products and control inventory.
- Online retail shopping site with possible content strategy on the way.

Limitations/Conclusions:
- Hyping the site without offering a service could estrange the customers they are after.
- If customers don't like what they see upon a launch, it will be difficult to acquire them after.
- High inventory management expenses.
- Return rate for clothing products sold and fulfilled online can run as high as 40% per order.
- Site technology architecture requires costly and strenuous integration with suppliers and merchants.
- Lacks sense of community.

(2) YYX.com
Description:
- We feel is one of the most successful vertical shopping portals.
- Rents online space to designers and retailers in a format akin to a brick-and-mortar department store.
- Offers products from more than 100 sports retailers, manufacturers, and magazines, which pay a fee (either flat-rate or based on site traffic).
- "Tenants" include Good Clothes, . . .
- YYX.com generally links shoppers to the retailers' own Web sites.
- Most purchases average $100.
- YYX.com also runs Outletmall.com, a discount online retailer.
- Reported revenue of $2 million in 1998 and a small profit of $8,000

Strategy:
- Provide virtual mall experience with little content strategy.

Limitations/Conclusions:
- Capital resources
- Current employees 16.

- Lacks content to retain viewers.
- Lack entertainment experience and sense of community.

(3) YZX.com
Description:
- YZX (formerly Pivot Rules) offers discounted designer and name-brand clothing for men, women, and children via its Web site.
- At 25%-75% off retail prices, YZX sells approximately 3,400 products from over 90 different designers, including ZZY, and . . .
- YZX also offers home accessories.
- The company discontinued its golf sportswear line and sold its Pivot Rules trademarks to make the transition to an online retail outlet.
- Formed alliances with CBA, CCB, among others.
- For the six months ended 6/30/99, net sales totaled $1.1 million, up from $0.
- Private Equity Partners owns about 20% of YZX.
Strategy:
- Enables customers to create a personalized catalog by profiles of each customer's tastes and sizes
- Provide discount shopping for high-end sports lines.
Limitations/Conclusions:
- Branded as discount shopping.
- Inventory will be spotty due to the challenge of obtaining items from so many different retail channels
- Lack entertainment experience and sense of community.

Pure Content Companies
There are well over a thousand online content providers on the Internet today. Most of these companies are extremely focused on selling advertising on their sites to drive traffic. While these companies provide original content on a basic level, it is prevalent that a significant piece of this business is moving towards selling product and integrated products into their content. This competitive segment can be summarized by the following two companies making attempts to take steps towards this model:

(1) ZZY.com
Description
- Operates 15 "channels" focusing on topics such as health, food, parenting, relationships, and shopping.
- 1.5 million registered members can access services such as e-mail, message boards, and chat rooms.
- For the six months ended 6/30/99, total revenues totaled $14.6 million, up from $4.8 million.
- One of the first Internet companies to target women.
- Targets women aged 25 to 49.
- ZZY generates more than 80% of its revenue from advertising.
- Big Service and Television own about 10% and nearly 8% of ZZY, respectively.
Strategy:
- Looking to increase e-commerce presence with offerings such as its iBaby.com online baby products retailer.
- Online "middle market" retail shopping and content strategy.
Limitations/Conclusions:
- Extremely high infrastructure management expenses due to hyper growth.

- Lack of content focus operating and maintaining 10 different channels.
- 80% of revenues dependent on volatile online advertising.

(2) ZYZ.com
Description
- ZYZ.com Networks is the offspring of a marriage of the Web sites of YZY and YYX.
- Reaches the largest audience of women -- about 4 million a month.
- Features 19 channels including sports, horoscopes, entertainment, career, food, and financial planning.
- Hosts online magazine content published by Books and Printing Press.
- For the six months ended 6/30/99, revenues totaled $9.4 million, up from $2.7 million.
- Books owns about 48% of YZY Networks.
Strategy:
- Online "middle market" retail shopping and content strategy.
Limitations/Conclusions:
- Extremely high infrastructure management expenses due to hyper growth.
- Extremely high distribution and advertising expenses.
- Lack of high quality content because focus is on operating and maintaining 19 different channels.
- Highly dependent on volatile online advertising market.

(3) YYY.com
Description
- YYY Media, "wants to bring a breath of fresh air to the male-oriented worlds of the Internet and cable TV."
- Founded in 1998 by former Big Ears executive and a Successful Woman.
- Develops branded content for women, including three Internet sites (AAC, ACA) that focus on health and family.
- Other investors include Big Service, Big Ears, Lots of Bucs.
Strategy:
- Launching a cable network in 2000 that will offer original programming and reruns from partners Successful Woman and Good Show.
- The company plans to introduce more Web sites that will support and feed off of the YYY cable network.
Limitations/Conclusions:
- Huge cable and Internet infrastructure to manage.
- Extremely high distribution and advertising expenses.
- Lack of high quality content because focus in on operating and maintaining multiple cable and Internet channels.

Competitive Summary
Presently, there are many sports sites focused on either providing content or product in the Internet marketplace, such as: ZZY, ZZZ., YYY, XYX and YZX, but their penetration into the Internet marketplace is could be limited due to: (1) inadequacy of interactive services that build communities of consumers (e.g. chat, message boards); and (2) their primary focus exclusively on selling products or providing content without providing a rewarding experience (e.g. clothing, celebrity & sports). The Company believes that it can move strategically into the integrated content and etailing space and capture a large market share in industry before other companies can achieve a similar presence. The timing of our entrance will be critical.

Today's competitive environment can be summarized as follows:

- The core value proposition for most online magazines is either shopping or content, successfully combining both competencies has not been implemented successfully.

- Online content oriented media companies lack celebrity public figures for branding and identification purposes, thus failing to provide an entertainment experience and sense of community.

- Traditional media markets are saturated with companies spending millions of dollars to drive traffic. (e.g. ZZY, YYY) Most sites have made million dollar investments in marketing to build traffic and a critical mass of viewers, versus investing in technology and experienced management in an effort to provide the most rewarding customer experience.

- Traditional brick and mortar magazines "can't figure the Internet out." Most traditional magazine publications are struggling with the execution of successful online magazines because publishing printed content online compromises the value to both advertisers and the newsstand.

Pipedream.com expects a number of companies to enter the sports space but most of these companies will focus initially on either ecommerce transactions or content, limiting their opportunity to create "true value," which we feel is a shopping experience.

Company Objectives and Strategies

Business Objectives
The business objectives of Pipedream.com are:
- Attract, integrate, retain, and motivate the highest quality management, personnel and contractors.
- Develop the highest quality programming and content to attract and retain a global audience through the Internet.
- Secure revenues from our sponsors and advertisers.
- Successfully execute our business strategies.

Business Strategies
Product presentation, site design, service, and marketing are all key elements of creating an online ambience that rivals the atmosphere off and online. However, overly aggressive sales campaigns and creating a brand overnight is not a key business strategy that would lend itself to the success of our brand. We must likewise resist the temptation to hawk too loudly and opt instead for a powerful brand representation that compels purchases in the absence of promotions.

The Company will implement the following strategies to achieve its goals of becoming the leading branded Internet Sports Entertainment Network:

(1) Create a compelling value proposition for sponsors, advertises and consumers.
(2) Build strong brand recognition and leverage the brand equities affiliated with Pipedream.com.
(3) Develop key industry relationships with pro athletes, sports clothing manufacturers, and content syndication partners.
(4) Provide a compelling presentation of content and products to encourage repeat visits.
(5) Leverage our technology investments to create a measurable marketing and e-commerce platform that enables measurability, personalization and integration with our sponsors.
(6) Provide a high level of personalized service.
(7) Build an elite team of executives and industry professionals.

Below are more details related to each strategy:

(1) <u>Create a compelling value proposition for sponsors, advertisers and consumers.</u> Pipedream.com will strive to provide an unparalleled experience and services that will make it the primary destination site for Aspirational Clothing enthusiasts. This includes having a the highest quality products available for sale, a personalized shopping experience, extensive content of interest, and a community for encouraging the exchange of information and ideas (e.g. chat, message boards), etc.

(2) <u>Build strong brand recognition</u>. Pipedream.com will be heavily promoted throughout the Internet and the world. The Company's strategy is to promote, advertise, and increase its brand equity/visibility through XYX service and a variety of marketing techniques including guerilla marketing, online advertising and promotions, listings with all key country search engines, on-going public relations, and developing business alliances and partnerships that will help drive traffic to the site. The Company will also benefit from gaining "first/early mover" advantage by becoming one of the first major companies to establish a dominant position. This will result in extensive word-of-mouth marketing that will drive traffic.

(3) <u>Develop key industry strategic partnerships.</u> The Company plans to enter into many strategic relationships in order to quickly build credibility as well as traffic to its branded Web site. This could include partnerships with major search engines, sports magazines publishers, high retailers, and international community Web sites such as @Home.com and AOL, etc. Initially, these deals are expected to be revenue sharing deals in which Pipedream.com will share revenues generated from traffic contributed by its strategic partners. Once substantial traffic to Pipedream.com has been achieved, these deals will be done on the basis of traffic sharing.

(4) <u>Provide a compelling presentation of content and products to encourage repeat visits.</u> Our layout and design will be user-friendly and cutting edge in the eyes of our audience to attract repeat users. We have a strong branding message that will extend to all aspects of the site and truly provide the best experience for our customers. The site will encompass the sophistication and identification of the sponsors and programming we represent and offer customer value added features to build a real interactive community.

(5) <u>Invest in best of breed technology</u>. Leverage our investment in best of breed technology to create a measurable marketing and e-commerce platform that enables measurability, personalization and integration with our sponsors. Our integrated e-commerce solution will govern affiliate transactions, merchandising, and business processes. This may take the form of purchasing off-the-shelf solutions or developing proprietary technology when appropriate.

(6) <u>Provide a high level of personalized service.</u> Pipedream.com will develop and invest heavily in services and technologies that allow the Company to provide a high level of personalized service. This includes customized site views, personalized mannequins, chat, and email. Over time, the Web site will become more rich providing customization features such as the capability to sign up for email notification on items of interest when listed or on sale and access individual histories to see complete reports on all past and present purchasing activity.

(7) <u>Build an elite team of executives and industry professionals.</u> Our ongoing effort of building an elite management team with backgrounds in managing and developing successful businesses within the sports, entertainment and Internet industries will be critical to our success.

Management expects that many highly trafficked Web sites will want to partner with Pipedream.com to obtain our content. Pipedream.com expects that many of the media/publishing companies will be interested in these types of strategic relationships since it gets them quickly into the content/shopping business and grows their traditional revenue base. Obviously, the success of this strategy is dependent upon implementing successfully the same strategies discussed above for the Pipedream.com's branded Web site.

Competitive Advantages
Pipedream.com will become the dominant Aspirational Clothing Network and maintain its position from the following competitive advantages and barriers to entry:

- <u>Management, speed, flexibility</u>. The Company will build the highest quality management team, having experience in technology, sports and entertainment industries. The Company intends to build a savvy Internet and sports experienced management team which will become a critical advantage.

- <u>Relationships</u>. The team has continuous dealings with the publicists, "A-list" pro athletes, and executives who control their respective industries. This gives Pipedream.com a critical and powerful strategic advantage. The Company will develop key strategic alliances with major industry organizations and Web sites. This is a key element of Pipedream.com's strategy and it will build revenues as well as prevent other companies from working with these strategic accounts.

- <u>First/early mover advantage</u>. The Company will be one of the first sites to achieve a high degree of brand awareness through a combination of integrated advertising, content/product offerings, public relations and strategic relationships.

- <u>First mover in technology</u>. The Company will utilize cutting edge technology to present our programming and provide a high level of personalized service to our customers. For example, applications of 3D mannequin technology are not currently being used.

- <u>Maximize operating efficiencies</u>. Pipedream.com will leverage its investment in technology to realize cost savings and efficiencies in marketing, infrastructure, and management resources. For example, the Company can deploy its database driven Web site in a variety of different ways depending on the customer.

- <u>High switching costs</u>. Consumers will be able to customize their experience, as such, once users become comfortable using Pipedream.com, it is likely that they will continue using our service. For example, My.yahoo.com retains users by enabling extensive customization of their content.

Strategic Partnerships and Alliances

The Company will develop key strategic alliances and sponsorships with major key industry organizations that help bring credibility, public relations, as well as traffic to the site. These alliances typically result in extensive co-marketing by both organizations with the goal of each company driving traffic and awareness of the other company's products and services. This is a key element of Pipedream.com's strategy and it builds revenues as well as prevents other companies from working with these strategic accounts. With roots in the sports and Internet industry, Pipedream.com has developed relationships and strategic alliances with companies and organizations who will provide publicity, marketing, and technology assistance. These organizations include the following:

Company	Product	Service Offering
Big pipes	Internet Services	Internet Distribution
Cool Content	Internet Portal	Internet Distribution
Cable content	Internet Services	Broadband Distribution
Cool pants	Clothing & Accessories	Manufacturer
Cool shirts	Clothing	Manufacturer
Equipment	Accessories	Manufacturer
Tech Web Builders	Web Site	Web Development & Maintenance Services
Distributors	Clothing & Product Fulfillment	Inventory and Distribution
Marketing	Traffic & Brand Builders	Marketing / Public Relations
Affiliate Marketing	Traffic & Brand Builders	Online Affiliate Marketing
Content Syndication	Traffic & Brand Builders	Content Syndication
Public Relations	Brand Identity	Celebrity Sponsors

Marketing

Pipedream.com's marketing efforts will be directed toward executing the company strategies of building awareness and driving traffic to the site. The combination of strong creative marketing and partnerships with traffic generating sites is expected to result in many visitors who will become loyal, repeat customers. The Company expects to use a variety of marketing tools including guerilla/grassroots marketing, Web advertising, affiliate marketing programs, public relations, and key strategic alliances to drive traffic. Pipedream.com forecasts 40,000,000 users and 15 sponsors in the first year. The following will provide an explanation of each of the tools:

(1) Guerilla / Grassroots Marketing. The Company believes that it is extremely important to use word-of-mouth marketing campaigns, especially in the early phases of site launch. Pipedream.com will target a variety of online chat groups that are likely to have a high number of Web users interested in Pipedream.com. This would include groups that are built around specific topics, and ecommerce etc. Pipedream.com intends to participate in discussions with the goal of informally promoting the services of the Company.

(2) Internet Advertising. The Company intends to place banners ads with major portal sites to increase traffic and awareness. This advertising will be specifically targeted towards our targeted demographic audience of women. In addition, the company intends to lock-up key word advertising slots in which a Pipedream.com banner is automatically served when someone enters a key word (e.g. "Sports") during a Web search.

(3) Online Affiliation. The Company will place affiliate banners on various strategic partners' Web sites. These advertisements are expected to take the form of small banners that encourage readers to click through on Pipedream.com's Web site in exchange for a percentage of the revenue generated if a user goes through that link and participates in the transaction. Typical revenue that goes to the affiliate is 5-10% of the transaction but only in the case where the person comes through the affiliate Web site. The Company anticipates using technology provided by the following Affiliate companies . . . who are the leaders in this field.

(4) Internet Mutual Links. The Company will establish affiliations with sites who have relevant content and get them to link to Pipedream.com in exchange for a link from Pipedream.com. There are many private lists of links about certain subjects. Pipedream.com will approach sites who have relevant content and get them to link to our site in exchange for a link from Pipedream.com. For example, a site on celebrities would have a link to Pipedream.com in exchange for a link to them from the relevant chat area within Pipedream.com. Pipedream.com expects to have thousands of links within several months of launch.

(5) Strategic Alliances. The Company will establish strategic alliances with key companies that help bring credibility, positive public relations, as well as qualified traffic to the site. These alliances typically result in extensive co-marketing by both organizations with the goal of each company driving traffic and awareness of the other company's products and services. For example, Pipedream.com could partner with YZX.com and utilize their fulfillment services in return for providing YZX.com with content to enrich their site.

(6) Public Relations Pipedream.com will implement an on-going public relations campaign to build awareness and traffic to the site. This effort will focus on both online as well as print media in many countries throughout the world. Through the Company's many contacts in

this field. we expect to hire a Public Relations firm with strong expertise and media contacts in the sports, celebrity and clothing industries.

(7) <u>Incentives</u> - Offer new viewers rebates or free subscriptions as an added incentive to purchase from Pipedream.com's Web site. This promotional feature will be marketed through our online affiliations, strategic partners and grass roots efforts.

Web Site and Technology

It will be critical that our audience enjoys the layout and design of our Web site and adapt to the interactive nature of our programming. Our layout and design will have to be user-friendly and cutting edge in the eyes of our audience to be successful in attracting repeat users. The features, functionality, and content can be able to be replicated by competitors, but the brand and the consumer experience must differentiate the value proposition to our customers. We have a strong branding message that will extend to all aspects of the site and truly provide the best experience for our customers. The site must encompass the sophistication and identification of the sponsors and programming we represent and offer customer value added features to build a real interactive community.

The objectives for Pipedream.com's ongoing Web site and technology development are as follows:
- Provide an unparalleled user viewing experience;
- Provide a compelling and user-friendly presentation of content and products to encourage repeat visits and create value for the Pipedream.com viewers;
- Create a layout and design that will adapt to the interactive nature of our programming.
- The viewing/shopping experience will be simple, clutter-free, enjoyable, and worthwhile.
- Build a measurable marketing and e-commerce platform that enables measurability and scalability.
- Provide a seamless transition from viewing programming on our site to purchasing products.
- Implement an integrated e-commerce solution governing affiliate transactions, merchandising and other business functions.
- Deploy a solution that integrates with our business partners' existing business systems.

Our investment in technology may take the form of purchasing off-the-shelf solutions or developing proprietary technology when appropriate.

Management Team

Our management team combines the experiences of executives with extensive backgrounds in managing and developing successful businesses within the sports, and Internet industries. Pipedream.com currently has two senior executives and is in the process of hiring a support staff, who will be involved in site design, media programming and business development. Upon obtaining its first round of funding, the Company will hire a full time staff to fully implement the business as outlined in this plan. The Company executive staff and operations will be in San Francisco, California.

Funding and Exit Strategy

The management of Pipedream.com expects that the implementation of this plan will result in substantial viewers, ecommerce revenues, and eventually profits. A complete set of financials is found in this Plan but key metrics include:

	Year 1	Year 2
Monthly Page Views	2,000,000	6,000,000
Page Views	24,000,000	72,000,000
Pipedream.com revenues ($)	$	$
Pipedream.com expenses ($)	$	$
Operating profit/loss ($)	$	$

Comparables
While it is difficult to put a valuation on the Company, recent IPO activity does provide a strong indication of the potential market capitalization.

- XYX.com (TICK) currently has a market capitalization of $707 million with a monthly viewer base of approximately 4,289,000 (generating $.47 in revenue per viewer) and 1998 revenues of $24.7 million.

- ZYX.com (TICK) currently has a market capitalization of $821 million with a monthly viewer base of approximately 4,366,000 (generating $.40 in revenue per viewer) and 1998 revenues of $21.2 million.

- ZZY.com (TICK) currently has a market capitalization of $44.8 million with an unknown monthly user base and 1998 revenues of $2.93 million.

Funding and Use of Proceeds
In order to achieve this growth, the Company is looking to secure funding via an equity placement to make investments in a variety of areas and fund cash flow requirements for the next eight months of operation. The Company is seeking $_____ million to finance these activities. The proceeds from this equity financing activity will be used as follows:

Payroll	$
Marketing and Strategic Alliances	$
Tech/Equipment/Start-Up	$
G & A	$
Contingency	$_____
Total	$