

Executive Summary

PlaceMe

The growth of wireless location-based applications has been hindered by common reoccurring complexities that occur in development. Lack of freely available services from a network level plug-in layer forces developers to reinvent the wheel every time they create new applications. This makes development unfeasible at worst and drives up costs and slows deployment at best.

The present condition of the location-based market is that of a few companies providing proprietary end-to-end solutions. PlaceMe will simplify development and open up this space to developers worldwide allowing them to innovate and create the compelling applications of tomorrow. These applications will enhance the offerings of wireless operators housing our infrastructure and will allow them to provide enhanced revenue-generating services to their customers.

PlaceMe is positioned to benefit from the rapid proliferation of mobile devices and the future reliance of wireless operators on non-voice services for major sources of revenue. We are addressing a worldwide market projected to grow to 3.9 billion dollars by 2004 (Strategis Group).

This business plan has been prepared to obtain financing in the amount of five million dollars to complete product development, acquire key personnel, help in the creation of a dedicated community of developers, and aid in the implementation of an aggressive sales and marketing program. With this infusion of capital, PlaceMe will be able to manage a full product release within 6 months after financing and will then be immediately available for a market release. PlaceMe will be profitable within the second

year of operations and conservatively expects to achieve revenues of more than thirty-three million dollars with net profits of over two hundred and fifty million dollars by the end of the third year. The company will be self-sustaining by the end of the second year.

An extensive market survey has revealed that no other product presently on the market focuses on driving the development of compelling location-based applications with their middleware infrastructure. Present companies are so entrenched in selling their proprietary end-to-end business solutions that they cannot provide the same long-term value-add to Wireless Operators that we can.

PlaceMe is prepared to offer equity return for investment in the Company. The Company will also consider other arrangements to obtain the necessary finances.

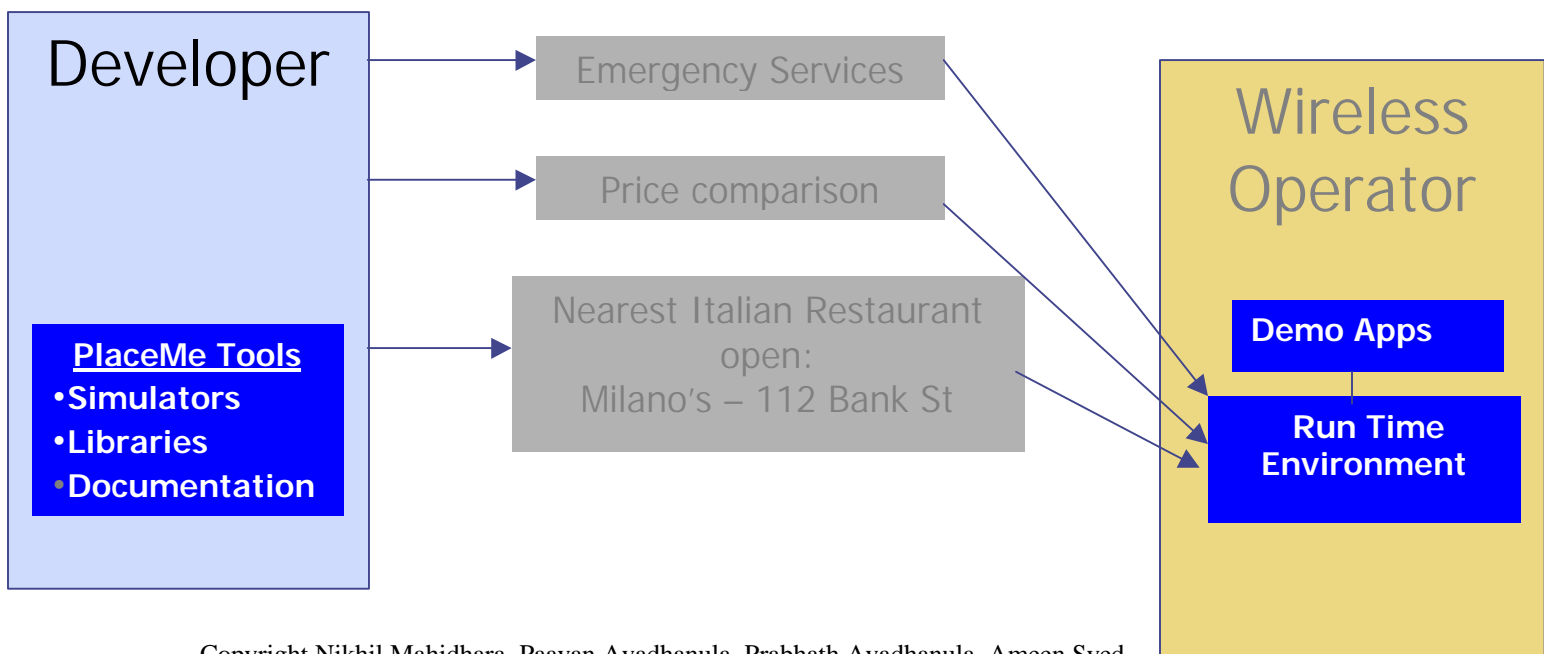
Although we are sincere and optimistic, no guarantees are expressed or implied regarding the success of the venture described in this business plan.

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Business Venture

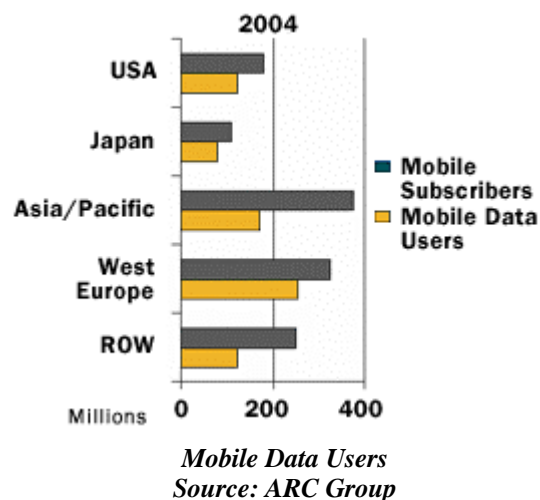
PlaceMe is a new company which develops infrastructure to cut down the development costs and time-to-market of wireless location-based applications. We provide distributed middleware solutions to hide the common complexities of location-based application development by selling enabling infrastructure to Wireless Operators and providing developers with free access to our software RAD tools, powerful API's of distributed methods and free membership in our vibrant developers' community. The enabling systems sold to wireless operators act as a network-level plug-in offering services to applications such as runtime conversion of latitude/longitude information to logical geographical positions, hiding of common real-time and synchronization issues in next-generation location triggered applications, and encapsulation of recurring logic such as distance and nearest point calculations. An interface for integration of external GIS databases for extension and specialization of geographic coverage's is also provided to developers and wireless operators.



Company And the Industry

The Location-based Industry:

The wireless location-based industry is projected to be a 3.9 billion dollar industry by 2004 and is important as one of the major differentiating technologies between mobile and fixed computing. With the release of high-bandwidth 3G networks, the number of worldwide mobile data users is expected to grow to over seven billion users by 2004 (ARC Group).



The Market Drivers

The location-based market consists of four major drivers.

1. Increased Adoption of Internet-enabled mobile devices

In Canada, the two major providers (Bell Canada and Rogers/Cantel) have a combined wireless service subscriber base of 5,500,000. This number pales in comparison to the United States, whose mobile handset sales surpassed 10.3 million units

in the second quarter of this year alone, according to Dataquest Inc, a unit of Gartner Group Inc. These numbers will only increase as the number and quality of services available increase.

2. Reliance of wireless operators on non-voice applications for future revenue

Revenues from location-based wireless consumer services alone are projected to grow from less than \$30 million in 1999 to \$3.9 billion by 2004 (Wireless Location Services 1999 - The Strategis Group's). The proportion of money that the 3G mobile operators can expect to earn from voice traffic is set to plummet. Forecasts by Analysys, a British Consultancy, suggest that in ten years time operators may depend on what are at present embryonic or unknown services for two-thirds of their revenue. (The economist, February 3rd 2001). The Gartner Group predicts non-voice services to jump from 5% of operators' revenues currently to 29% of revenues by 2004.

3. Promise of high-bandwidth networks (3G) and sophistication of devices

Despite the growth of wireless subscribers, many of the compelling applications have not yet been realized. This is due to the lack of sophistication in the wireless device. Mobile devices are now being developed with higher bandwidth capabilities and larger displays, increasing demand for wireless subscriptions and mobile data use.

4. Commercial and consumer anticipation of compelling applications and enhanced user experience

Mobile devices are at best clumsy when it comes to user input, making the minimization of this a long-standing golden rule in mobile application development. Implicit knowledge of location allows for a more pleasant experience for end-users of location-based applications. Besides this instantaneous benefit, the possibilities that location brings to mobile applications are tremendous. Location-tailored content, emergency locating services (e-911, cell-phone recovery), location-triggered applications, management and distribution of media (multimedia) content based on subscriber location, and innovative games and matchmaking services are just the tip of the iceberg. But, as with any emerging field the truly inspiring applications will come about when the power to develop is taken out of the hands of a few companies and given back to the populous.

Companies in the Location-based Industry

Currently, companies in the location-based market focus on two areas. The first, determining and delivering raw location data (network or GPS based) to mobile devices, includes such companies as Motorola, Nokia and Ericsson. At this point, from the hardware perspective, the potential for so called “killer apps” is boundless. The second area consists of companies that have made their business on the creation of location-based services or applications.

Competition Analysis

Our competition consists of three groups of companies:

1. Handset Manufacturer:

- *Compete with our development tools*

Handset manufacturers create development tools to allow developers to grab raw location information from handsets. They do not gain revenue from this, so they simply give developers access to location information stored in hardware in various cryptic forms depending on the location determination system (GPS or network-based). PlaceMe can take this raw information and provide high-level services to applications such as translation to logical geographic locations or nearest specified point trajectories. Our tools can be easily integrated into the tools of the handset manufacturers to provide a more complete solution and to reduce time and cost in developing location-based applications.

2. Location-Based Service Providers

- *Compete with our application suites*

PlaceMe has a competitive advantage from our proprietary systems, community of developers, partnerships with wireless operators, and the fact that our applications suite is placed to inspire innovative applications and not central to our profits.

3. Governments, GIS data providers

- *Compete with our proprietary database*

No indication of entering our market but if they do we have a competitive advantage from our proprietary systems, wireless operator partners, and community of developers. We have also allowed partnership with these players through our easy integration interface.

Ericsson

	Ericsson	PlaceMe
Focus	Handset Manufacturer	Distributed Software Middleware Infrastructure To Enable Rapid Application Development Of Location- Based Services
Competitive Product	Mobile Device positioning system Development toolkit	PlaceMe RAD Development Toolkit
Target	Developers	Developers
Differentiation	Allows applications to access GPS coordinates of mobile device	Provides applications high level services such as conversion of those GPS coordinates into meaningful locations so software logic can be written more easily.

Ericsson has begun heavily investing in allowing the development of practical applications for their positioning system and has started a massive campaign to attract developers to begin implementing location-based applications. They have provided all the tools to integrate with their interfaces, as well as simulators, and a vast amount of supporting documentation. They have also stated that no matter the changes to their system in terms of design, the end interface will still be the same and return the location-

based on the coordinate system. Our system can easily integrate with this platform, translate coordinates into logical geographic locations and simplify the development of applications based on this system through our high level programmer API .

SignalSoft

	SignalSoft	PlaceMe
Focus	Location-based Services Development	Distributed Software Middleware Infrastructure To Enable Rapid Application Development Of Location-Based Services
Competitive Product/Service	Core Components	PlaceMe Infrastructure For Wireless Operators
Target	Licensed to wireless operators Used by their own applications	Licensed to wireless operators Used by any applications
Differentiation	They leverage their Core Components to create location-based applications with competitive advantage	We level the playing field by allowing developers worldwide to access and use our infrastructure for free.

Motorola has joined with SignalSoft, a leading provider of location-based content, to develop a solution for location-based services. Services such as "where's the nearest", which allow the consumer to search the Internet to find the closest restaurant or museum at the push of a few buttons on the user's wireless device, and "where am I" are their primary concerns.

Service Providers (Time Wireless, Airtel, M1, Hutchison Telecom, Vodafone, NTT DoCoMo)

	Service Providers	PlaceMe
Focus	Location-based Content and Service Development	Distributed Software Middleware Infrastructure To Enable Rapid Application Development Of Location-Based Services

Competitive Product	Services	PlaceMe Services Suite
Target	Wireless Operators	Wireless Operators

Time Wireless of Malaysia, Airtel of India, Singapore's M1 and Hutchison Telecom of Hong Kong all acknowledge that location-based services are in their plans. Vodafone New Zealand has introduced a basic location-based service for its Vizzavi WAP service and NTT DoCoMo of Japan already offers services. With each of these services, users must explicitly express their position to the device.

Mapping Companies (Maptuit.com, MapInfo.com, MapQuest.com)

	Mapping Companies	PlaceMe
Focus	Electronic mapping and mapping related services	Distributed Software Middleware Infrastructure To Enable Rapid Application Development Of Location-Based Services
Competitive Product	Services Suite	Services Suite
Target	Wireless Operators	Wireless Operators
Differentiation	They leverage their mapping knowledge to create location-based applications. Can use PlaceMe's development tools to develop more sophisticated applications in less time and with lower cost	Use and allow others use of our RAD tools since our services suite is mostly to inspire innovative applications and not central to our profits

Maptuit.com and MapInfo.com both have fifteen years of experience in the mapping field and are established companies. However they both started out in mapping technologies and are still leveraging that as their selling point – bringing mapping and direction routing to wireless applications. They are making suites of location-based services and looking for high-end clientele to help create custom location-based solutions. The development of their services is depended on their in-house mapping

knowledge and resources. PlaceMe, on the other hand, will supply programmers with the tools and the infrastructure that they need in-order to make their own applications. Our runtime delivery system is proprietary and we are ahead of them in this regard. Mapquest.com the leading online player in the mapping field does not have an extensive plan for the wireless web except for providing maps, driving directions, and traffic reports on wireless devices.

It is interesting to note and important to remember that our competition can become our partners without losses of core revenue. Through our integration interface, external GIS data providers and government databases can be used with our system easily. Location-based Service Providers can use our system to develop location-based services and real-time location-triggered services to greatly decrease development time and reduce cost. As our system is extended with greater GIS coverage and used to create new solutions by Location-based Service Providers our position and staying power in the market will strengthen. Thus the key is to make our competition our customers. It is also important to note that our developer community is not directly threatened by the location-based service providers as these companies cater to high-end custom business solution contracts while our developer community will most likely cater to applications for regular wireless customers and general business solutions.

Product/Service Offering

The proprietary PlaceMe infrastructure consists of:

- Database
- Logical Location Transaction System
- Real-time Location-Triggered Applications Infrastructure
- RAD Developer Toolkit
- Programmer's API And Documentation For Developers
- Integration Interface (to facilitate the use of external GIS databases easily for extended and specialized coverages)
- PlaceMe Management Interface to allow registered wireless operators easy customization of our system and management of their service offerings
- A Suite Of Location Based Applications
- A Web Entity To Encourage The Creation Of A Community Of Developers

Additional Services:

- Integration With Wireless Operator Systems
- Creation of Custom Databases For Specifically requested coverages

Target Customers

The Wireless Operators:

The Wireless Operators are a natural fit since they have a direct stake in encouraging development, present a simple integration process for our system, and will generate revenue through increased airtime sales. Along with having a history of buying content and services from third parties, they are large enough and numerous enough to compel developers to create applications of value using our platform. They are in the business of hosting and are used to agreements such as licensing and profit-sharing. To improve their services they are unlikely to try to create proprietary solutions. At this time, it seems that the most profitable and likely market for our product are the Wireless Operators.

However, for future consideration, it is notable that handset Manufacturers (Ericsson, Nokia, Motorola) represent a possible buyout exit strategy for us as our capabilities give them a more comprehensive and compelling offering to entice developers to develop for their systems rather than their competitors.

Location-Based Services And The Wireless Operators

The Wireless Operators are faced with two central challenges:

- **Increase their subscriber base**
- **Increase the Average Revenue Per User**

Location-based services represent an avenue which can help fulfill both these needs.

However, current location-based applications are mostly expensive proprietary solutions

due to the specialized knowledge required to manage complex geographic data and the lack of a standard platform to rapidly develop and deploy location-based applications.

The other limitation to the proliferation of location-based applications is the lack of innovative services being offered. Local news and directions are hardly new or pulse-racing features. But in all fairness the vast array of developers that tinker and innovate with open public API's and systems have not had the tools to experiment and develop new and original concepts in the location-based mobile market.

Sales/Marketing Strategy

Stage 1: Acquire “BeachHead” Customers

PlaceMe will establish a base in Canada by securing our first “BeachHead” early on. The first will be a large Telco heavyweight the calibre of Bell Mobility or Rogers/ATT. The second will be an aggressive Non-Telco operator such as Fido. Attaining customers on both extremes of the Wireless Operator Industry is essential to our sales strategy. The “BeachHead’s” value will also be its role as a reference customer for our future sales. Our sales person will aggressively target these chosen “BeachHeads” through direct selling, offering them minimal risk by providing no integration costs and an initial use of our infrastructure and application suite for six months at no charge. This offering will be on the condition that our product is placed in a test market, and all marketing information gathered is shared. We will guarantee the reliability of our system, provide support staff for the wireless operator, and introduce Bell to the offerings of our community of developers. We will involve them in product development. Following this, our pricing strategy will be applied, again minimizing risk by offering low pricing of an average of \$0.03/month per user. The application suite will be available at no cost and will consist of “Where is...”, “Directions to...”, “What’s the nearest Open...”, and an interactive game “location-based Capture the Flag”.

Stage 2: Leverage on Our “BeachHeads”

Once the “BeachHeads” are signed, three new sales people will be added to our team. Our focus will be to leveraging the “BeachHeads” as a key reference customers in

approaching unsigned Canadian and United States operators, using the usage profile, and traffic data that was received from Bell. This will be done through direct selling. Additional hiring will occur as contracts are signed. This sales staff will target operators in the international market, starting with Europe and Asia through indirect sales and partnerships. Sales staff is expected to grow to sixteen by the end of year two, and are anticipated to result in a total of three Canadian, ten United States, and fifteen International wireless operator contracts. We will continue to provide incentives to our development community to ensure that innovative apps are being created and value is being added to our offering.

Stage 3: Everywhere Else

We will have expanded our sales team significantly to ensure we get full global coverage. We will set a channel sales team and form strategic partnerships to ensure that we have covered all digital wireless subscribers.

Pricing

Our pricing will depend on where we are doing business and who are customers are. We have assumed an average of \$0.03 per end user per month since it will affect end users by a maximum amount of .0015% (based on a modest base \$20 plan). The rationale behind this pricing strategy stems from the fact that Wireless Operators do not like to take things out of their system. We must provide a low-risk solution in order to get into their systems, and once we are in, we are likely to stay in. Providing no integration costs, and a price per end user month will ensure that Wireless Operators do not pay unless people use the infrastructure.

Development Community

To ensure continuing value for the operators, we will create and facilitate a community of developers with the purpose of developing quality applications using our systems. We will attract developers through various contests, giveaways, and connection programs. We will equip them with a free toolkit of RAD tools, documentation, and dedicated support and will provide them a venue to showcase their applications to other developers, and to potential buyers such as wireless operators. We will also incorporate locations of businesses and various geographic coverages into our database at developers' request and the agreement of the business if relevant. This community will benefit PlaceMe in many ways. PlaceMe will act as not only a facilitator, but a buyer as well. This will ensure that we remain a player on the development side. This promise that we are always on the lookout to buy high-quality apps from our developers will be another big incentive for joining the community. The collaboration programs will be another incentive, helping developers to team up with each other for projects and to generate innovative ideas. We also aim to generate developer interest by appearing in Java developer hotspots like www.javasoft.com.

Deployment Plan

- We have proof of concept to base our beta development of the Java infrastructure.
- The development community site will be live on Month 0(Version1), with the purpose of generating interest.
- We will have begun development of infrastructure, API's, RAD tools and App's with overseas team of ten to fifteen experienced GIS/Java developers obtained through strategic partnership.

Key milestones include:

Month 6	<ul style="list-style-type: none"> - Release of Version 1 package (includes infrastructure, basic package of App's.) - Release of initial simulators, API's, RAD tools to developer community
Month 6	- Announce First Contest in Developer Community
Month 7	- First Winner Announced and Prize awarded (contest recurs every three months)
Month 8	- Enter Test Markets
Months 15-24	<ul style="list-style-type: none"> - Secure 10 US ISP contracts - Secure 2 additional Canadian ISP contracts - Secure 15 International Contracts
Month 25	- Release of Version 2 - expansion to Network-Based GPS Solutions
Months 25-36	<ul style="list-style-type: none"> - Secure 15 US contracts - Secure 20 International Contracts - Secure 2 Canadian Contracts
Months 37-48	<ul style="list-style-type: none"> - Secure 5 US contracts - Secure 10 International Contracts - Secure 2 Canadian Contracts

HR Strategy

	Developers	Sales	Mkting	PV	Admin	HR	Technicians	Executives	Support	Technical Writers	Finance /Acct	Totals
Y1	11	4	1	3	0	1	3	5	1	2	0	31
Y2	11	12	3	3	4	1	9	0	3	0	3	48
Y3	20	16	4	4	0	0	2	4	5	1	2	58
Tot	41	32	8	10	4	2	14	9	9	3	5	137

Year one will have focus on R&D. One GIS specialist, one Software Architect, eight software developers, and a website developer will be obtained. Executive hires includes a Business Development Manager and a team of Business Strategists. Founders are also considered executives.

Year two's main objectives are sales and integration. The sales team will grow, targeting Canada, the United States and some European/Asian countries. Integration is a consequential focus, requiring a high number of technicians for integration of components. The development community must be maintained and support must be given to developers. R&D will work on expansion into middleware for network-based location solutions and will also work on bug fixes and improvements to our current system.

Year three's target is growth. Sales in international markets is in full force. Product expansion into network-based solutions and advanced features triggers a need for R&D.

Note: Salaries will be adjusted depending on competitive market rates.

Management Team

The current members of the management group are the principals of PlaceMe.

Prabhath Avadhanula is in the final months of completing his B.Eng in Computer Systems. He has industry experience in project management, JAVA development and Network Applications. His will be responsible for product development and application generation, product evolution, and will be leading the core R&D team.

Nikhil Mahidhara is in his final year of the Management Information Systems Program. He has three years industry experience in web development; two years project management, and a solid foundation in the Rational Unified Process. Mr. Mahidhara's responsibilities will include product deployment strategies, Database Management, Web Site development and launch. He will initially be responsible for the marketing team, market analysis and market penetration strategies.

Ameen Syed is in the final months of completing a Computer Science degree. He has been employed by Nortel Networks for the past year as an intern on the upgrade and product release teams. He has three years experience in product sales and marketing techniques. His experience will help in his role at PlaceMe. He will act as head of sales, and is charged with developing channel distribution methods and forming key industry partnerships.

Paavan Avadhanula has a B.Eng Electrical degree, and has been employed by Mitel Networks. He comes with experience in project management, software development, and product integration. His responsibilities will be to liaison between the R&D and Marketing teams to ensure that effective product development is occurring.

He will be responsible for managing the integration of our product with the ISP's, and will act as the liaison between the developer community and the R&D staff.

We plan to supplement our industry knowledge and credibility with the senior personnel that we hire, as reflected in our HR strategy.

The four principles each hold a 25% stake in PlaceMe. All four individuals are prepared to make a full time commitment to PlaceMe when financing has been arranged.

Initially, the accounting and financial control functions will be handled on a part-time basis by a senior member of a firm of chartered accountants. The CA is prepared to work for modest compensation until the product has been developed and is ready for manufacturing.

Detailed resumes of the management team members are available to serious investors.

Risks Associated With The Venture

1. The founders have no experience in dealing with international distributed teams of software developers.

To accommodate this, we have a strategic alliance with the founder of the overseas company, who has five years experience in this area.

2. Network based location solutions gains proliferation before we enter that market.

To accommodate this, we will keep current on product offerings and standards in this market, in order to make an early entry if the conditions warrant. We have allocated a budget in our contingency fund to hire experts to help with rapid development if this occurs.

3. GPS location-based solutions do not become widely adopted.

To accommodate this, we will switch our focus to our competence in network-based solutions.

4. In view of our success, SignalSoft may open their system to the public, and become direct competition.

We will keep our financial records private to deflect any interest in this field. Although it is not consistent with SignalSoft's strategy, if they do open their system, we will already be a leader in the market due to our development community, and contracts with wireless operators, giving us a competitive

advantage. SignalSoft is too entrenched in its end-to-end solution strategy to effectively flip its business strategy and compete once we have established our place in the market.

5. The adoption of wireless devices does not hold to forecasts.

While forging ahead with our business plan, we continually look at how we can use our core competencies to generate new streams of revenue.

6. North American Wireless Operators don't initially adopt our offering.

We scour worldwide for our first lead customer.

7. We have integration problems with Wireless Operators Systems

From the beginning, we make sure to obtain and take into consideration the system specifications of wireless operators internationally while designing our system.

8. Our community of developers and/or businesses using our system do not generate compelling applications

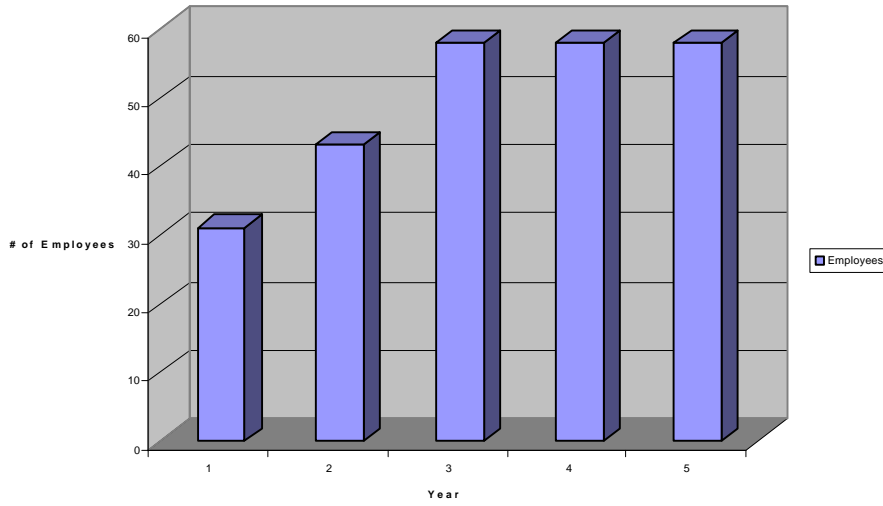
We create our own applications to inspire developers and to add value to our offering.

Assumptions:

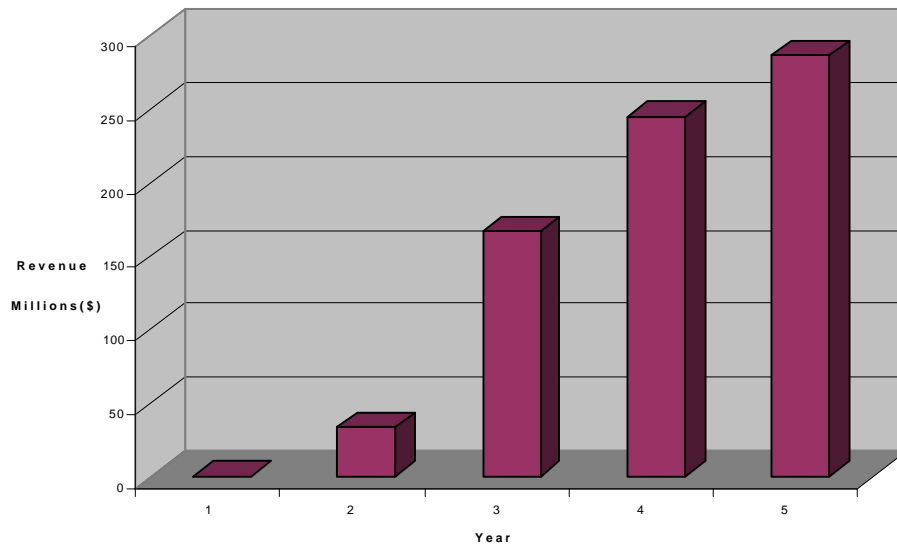
- We have proof of concept to base our infrastructure beta development
- We will obtain co-op students and other resources to aid technical development
- Our strategic alliance with overseas team of 10-15 experienced GIS/Java developers through a strategic partnership will not dissolve.
- Founders will cover personal expenses through individual outside arrangements beyond the scope of the company for the first six months of operation.
- Beta product will be done on schedule and will include
 - PlaceMe infrastructure for operators.
 - interface for operators
 - web-site and developers RAD tools,
 - suite of sample applications
 - e911 location and other recovery services
 - Where is
 - Directions to
 - What's open
 - Location-based billing services
 - Location based content delivery (traditional and multimedia)
 - Location based games (location based capture the flag, real-time scavenger hunts)
 - These are a suite of seed applications before developers have time to put out services with the adoption of our tools.
- Salaries will be adjusted to depending on competitive market rates.
- Year three PlaceMe implements expansion into network-based GPS products.
- Due to deregulation, the number of wireless operators in Canada will increase
- Interest rate for bank loan was assumed at nine percent.
- Integration will take two-three weeks.
- Bell Canada is signed in Month 8 for a test market evaluation.
- Bell Canada signs for a full contract after trial.
- International Wireless Operators are primarily Operators in Asia and Europe.
- Year two contracts are: 10 U.S., 3 CAN, 15 International Wireless Operators
- Year three contracts are: 15 U.S., 2 CAN, 20 International Wireless Operators
- Year four contracts are: 5 U.S. 2 CAN, 10 International Wireless Operators
- Year five contracts are: 1 CAN, 5 International Wireless Operators
- All wireless operators renew their contracts.
- Year two contract sales were averaged at 5 months lost time
- Year three contract sales were averaged at 4 months lost time
- Year four contract sales were averaged at 3 months lost time
- Year five contract sales were averaged at 2 months lost time
- Subscriber numbers based on projections for mobile data users in 2004 by Arc Group.(also expressed in appendices) will be generally accurate

Appendices

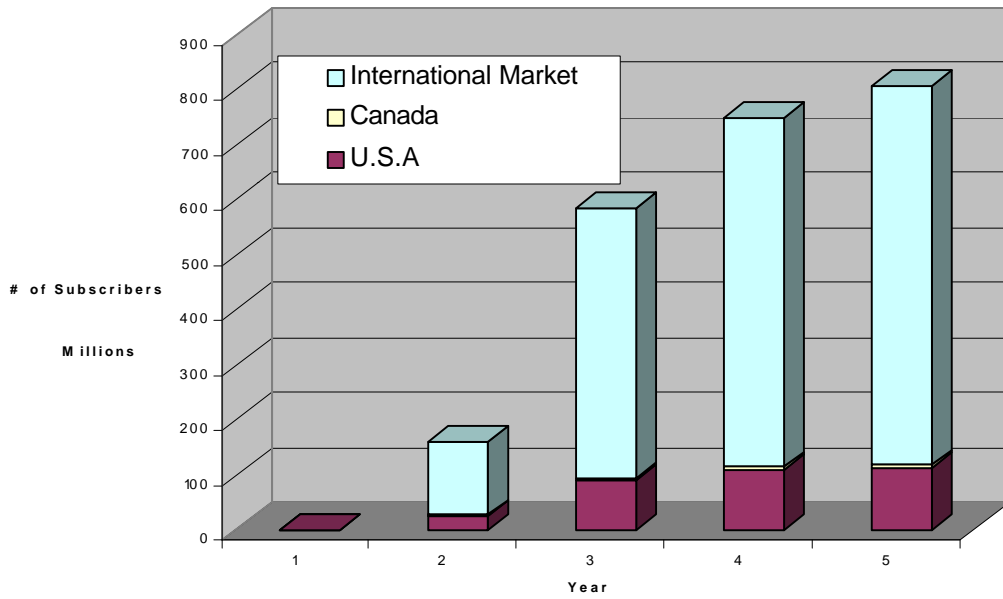
Hiring Projections



Projected Yearly Revenue



Our Projected Wireless Subscriber Population



Our Projected ISP Customers

