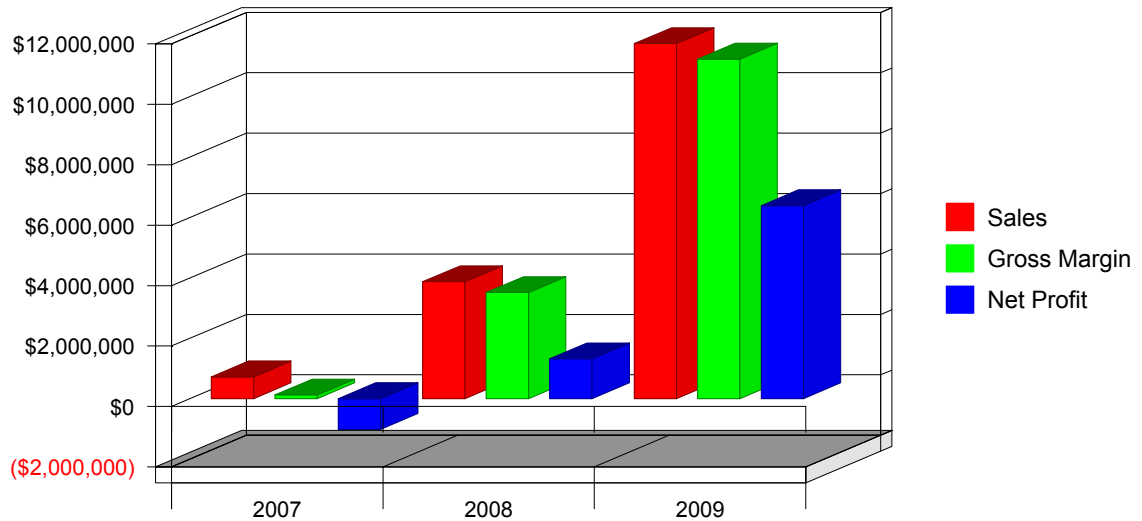


1.0 Executive Summary

Highlights



1.1 Objectives

Within the logic to leverage the XXX concept more aggressively, YYY is aiming at achieving the following business objectives over the next 3 years:

- * Achieve \$720,000 in sales at Year 1 (primary through membership fees revenues)
- * Achieve \$3.9 M in sales (\$2.5 M from membership fees and \$1.4 from other revenue lines) and \$1.3 M in profit by Year 2
- * Achieve \$ 11.7 M in sales (\$8.2M from membership fees and \$3.5 M from other revenue lines) and \$6.4 M in profit by Year 3

1.2 Mission

YYY provides uniquely branded-personalized fun social interactions services (events organization, accessories and advice for parties, information, literature, etc.) and special offers to women 35-60 years in order to help them "feel like a princess again" and have fun, through all the attention and care that YYY will show to them and will allow them to show to each other.

1.3 Keys to Success

- * Ability to define properly and access the top target for YYY services and products
- * Ability to have in place a competent management team with experience in gift giving and membership based business from a general management, finance, sales, marketing and operations stand point

- * Ability to define the top social interactions needs for the top target for membership based social interactions and ability to develop profitably the services and products that will satisfy those needs and beat the competition
- * In line, ability to propose very attractive products and services for the top target that will optimize its willingness to register and to opt for paid membership.
- * Ability to develop membership levels (content and price) starting with the free level, that will motivate the top target to register and to upgrade to higher paying memberships for more and exclusive services (without impacting the interest for the first levels, particularly the free level, by reducing the appeal of those first services)
- * Ability to effectively make those offerings evolve and still be pertinent as the current core target will get older and its priorities/tastes will change
- * Ability to find and obtain agreement with partners to manufacture, deliver and manage the top products and services with ability to obtain commission on sales (20%) as stated in the business plan document
- * Ability to outsource the development and delivery of the services and products while receiving a commission and maintaining a consistent brand and customer experience
- * Ability to fund the business launch, the management team and the required staff
- * Ability to connect effectively with the top target to generate exposure and interest in the services
- * Ability to transform the interest in membership
- * Ability to maximize the paid membership within the portfolio of members to support the sales and revenues goals
- * Ability to develop and implement a targeted and pertinent marketing plan on the top target to attract new customers and maintain the current ones
- * Ability to deliver a very efficient customer service support to keep our customers happy and committed
- * Ability to develop additional services and offers for the current membership and ability to cross sell those for substantial additional business

2.0 Company Summary

YYY will be a new business, owned by Bob and Paula Van Akkeren and that is planning to start operations in September 2006.

The initial planning phase will nevertheless starts in April 2006 to have the business ready for roll out in September 2006.

YYY will be a membership based business, that will act as the main exposure and sales platform for Everything branded products and services aimed to providing fun and helping having fun for Women 35-60 years old - married - with \$50K+ HH income. Product and services will include travel, parties' accessories, publications, special events, special offers, products, clothing line, etc...All aimed to providing a fun-Princess like experience to its members.

The idea of YYY comes from a personal experience from the owner who observed that his wife and a few of her friends had a lot of fun having social interactions where the aim was to make them feel like Princess again through attention, special gifts and social activities. The positive experience that those women had with those events and activities gave the idea to the owner to expand upon it and develop a formal business around it.

2.1 Company Ownership

The company is 100% owned by

2.2 Start-up Summary

The start up costs have been established as follow:

Incorporation: \$500
Branding and design development: \$100000
Web development: \$200000
IT investment: \$50000
Business plan: \$6200
Hiring costs: \$20000
Copyright: \$500
CEO salary (May to August 2006): \$57500
Business development and marketing support (April to August 2006): \$40000
Data gathering and surveys: \$5000

Also the start up table includes a \$1.6 M investment from the only investor (the owner) to cover the start up costs and insure a positive cash balance for the business over its launch period.

Table: Start-up

Start-up

Requirements

Start-up Expenses

Legal	\$1,000
CEO	\$57,500
Business plan	\$6,200
Business development	\$40,000
Insurance	\$0
Rent	\$0
Research and Development	\$305,000
Expensed Equipment	\$50,000
Other	\$20,000
Total Start-up Expenses	\$479,700

Start-up Assets Needed

Cash Balance on Starting Date	\$1,120,300
Other Current Assets	\$0
Total Current Assets	\$1,120,300

Long-term Assets	\$0
Total Assets	\$1,120,300
Total Requirements	\$1,600,000

Funding

Investment

Investor 1	\$1,600,000
Investor 2	\$0
Other	\$0
Total Investment	\$1,600,000

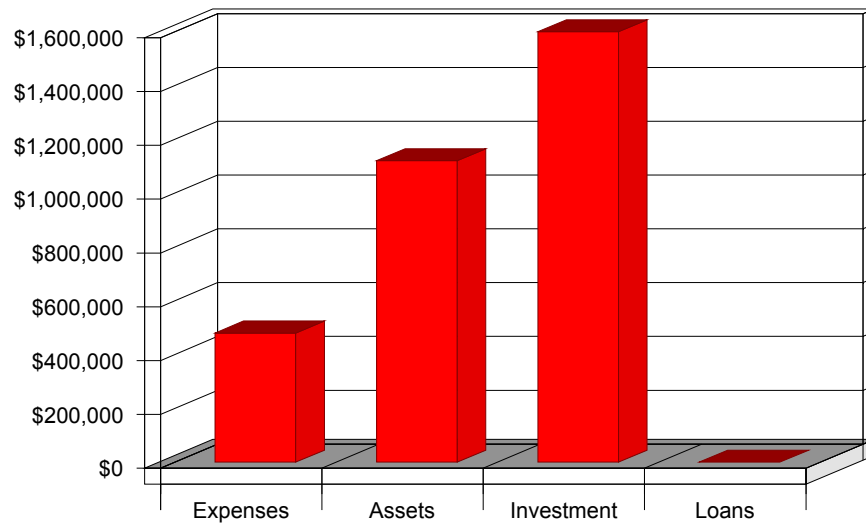
Current Liabilities

Accounts Payable	\$0
Current Borrowing	\$0
Other Current Liabilities	\$0
Total Current Liabilities	\$0

Long-term Liabilities	\$0
Total Liabilities	\$0

Loss at Start-up	(\$479,700)
Total Capital	\$1,120,300
Total Capital and Liabilities	\$1,120,300

Start-up



2.3 Company Locations and Facilities

TBD: Possibilities include Wisconsin and Colorado

3.0 Products and Services

3.1 Product and Service Description

YYY is a membership based service provider. Customer will have to register to either the free membership option or to one of the paid membership options to have access to those services. Distinction will be established between what a free member can access and what a paid member can access. Within this scope, YYY will be delivering and proposing products and services to its members in order to provide the fun experience anticipated with YYY and/or to provide the services and products that will help its members have fun and enjoyable "YYY" social interactions.

YYY will provide the following services to its members:

- * **YYY accessories for parties and gifts**
- * **YYY branded products for gifts: hat, jewelries, dresses, collectibles, etc.**
- * **YYY branded clothing line**
- * **YYY magazine focusing on subjects close to the interest of the members and aimed at helping them having an enjoyable social life**
- * **A Co Branded YYY credit card with special benefits**
- * **YYY travel offers and discounts**
- * **YYY special offers for gifts, social activities, etc.**
- * **YYY special events**

YYY will act the core marketing and branding platform and will partner with services and product providers to deliver the product and services under the rules, guideline and strategy of YYY

3.2 Competitive Comparison

YYY will be providing a powerful-higher value-higher profile alternative in the market place for integrated social activities services in an exclusive-high value format and as such will create clear competitive advantages.

A) YYY will be offering a complete social interactions platform (from parties to travel, events, reading, etc.) to its members which will provide a competitive advantage against the traditional non profit social organizations or even the specialized leisure services providers

B) YYY will be singularly focusing on a specific target enabling the business to provide services and products more specifically relevant to the top target than a generalist.

As such, YYY will have a competitive advantage against specialized providers like travel operators or agencies as those will not be set up nor willing to offer all the other services provided by YYY

C) YYY will raise the bar in the market place by offering higher value services to a target deliberately chosen for its high value. In other words, YYY will be to its competition what American Express is for Visa: A higher value business for a higher value target with higher value services

As such, YYY will be "beating" its more direct competition like the XXX by shifting the value and the quality of the products and services to a new level where the current competition does not operate and/or will have difficulties operating taking into account its mass approach.

Furthermore, YYY will be focusing on a slightly younger audience than its main competitor, the XXX, enhancing its competitive position by limiting targets overlap. The products and services will be provided by higher value partners under higher quality, more value based branding criteria, with higher value benefits.

D) YYY will have to manage though the challenge of an aging target which, as its gets older, will put YYY in more directly confrontation with XXX

As such, YYY will have to make its offering mix evolve as its core target gets older to maintain its market share and business while maintaining a current target business approach to insure the continuity of the business overtime

3.3 Fulfillment

YYY will act as **the central distribution- marketing platform-hub** for its services and products. The actual product development, manufacturing, after sales process management, delivery and inventory management will be with its partners.

YYY will engage partnership for the various services and products that they intend to launch. As such, YYY will act as follow:

* **Product sales:** YYY will engage partnership with one main wholesaler who will act as the central point for YYY or with various key manufacturers, which in all cases will take care of the product concept development, manufacturing, packaging, inventory and delivery to the client under the rules, supervision and principles of YYY. YYY will only receive a commission on sales, the rest going to the partner.

* **Travel:** YYY will partner with one travel organization, which will provide the travel package, the sales process management, the delivery to the client, all that under the same rules, supervision and principles of YYY. YYY will only receive a commission on sales, the rest going to the partner.

* **YYY magazine:** YYY will partner with a publisher (specialized on the top target) which will develop the magazine concept, develop the content, manage the manufacturing and the delivery (both subscription and newsstand sales) as well as the advertising sales. YYY will receive a commission on the subscription and the newsstand sales. The partner will keep the rest and the integrality of the advertising revenue

* **Event organization:** YYY will outsource the development and the actual management of the event to a specialized event management company. At the difference of the other activities, YYY and YYY staff will be directly present at the events and facilitate the activities. The hired company will insure the logistics.

* **Credit Card:** YYY will partner with a Credit Card company or a bank to develop a co branded credit card with a loyalty program. The details of the relationship will have to be defined with the chosen partner.

* **Special offers:** YYY will organize some one shot or longer term special offer agreements with various vendors as needed. The deal details will be established for each offer but the baseline will be a commission on sales for YYY.

* **Online web advertising revenue:** YYY will hire a specialized online media placement company like Real Media 24/7 to sell its web space in exchange of a commission for the vendor

It is to be noted that at that stage, YYY does not intend to in-source the functions mentioned above but YYY will regularly reassess its position based on the actual volume generated and the potential savings that importing parts of the volume management (like inventory) could bring to the company.

Similarly, YYY will be outsourcing non core activities as related to its central hub positioning, as:

- . **Customer service**
- . **Legal**
- . **Initially admin support**
- . **Accounting**

3.4 Technology

To be determined by IT manager but required investment has been allocated

3.5 Future Products and Services

YYY will potentially act on the following opportunities:

*** Benefits addition and new membership levels:**

As the business of YYY grows, the following additional services will be reviewed and potentially integrated in the offering:

- . Loyalty program
- . New more expensive-higher services membership levels
- . Photo sharing service
- . Video sharing service

At that stage, those new services, their costs and their potential business impacts are not integrated in the current plan. It is assumed that the business has to spend the first 3 years establishing it self with the current approach before additions could be formally envisioned.

*** New distribution channel:**

YYY will also consider opening a stores chain (in a format to be defined) that will sell YYY products, promote the magazine, the various offers and could act as a customer service center for the YYY members. At that stage in the planning process, the development of a store based business is not integrated and will be considered once the planned initial formula of the business will have solid foundations.

*** International expansion:**

Western Europe seems to be a natural candidate for potential international expansion as it is facing the same phenomena as related to an aging population with higher financial means and more leisure time.

*** New services and pricing targeted at an older target as our planned current customer base will get older**

4.0 Market Analysis Summary

4.1 Market Segmentation

The market for YYY could be estimated at 10 to 11 M individuals in 2006 with a total spending for XXX type activities equal to \$82.5 M at the extreme low end.

This estimation comes from the identification of our top target as:

Women 35-60 years old
Married
White or Asian
\$50K + HH income
Bachelor degree and up

The spending estimation comes from the average \$7.5/year that the XXX members estimated to be spent with XXX. (It is to be noted that this estimation should be low end as due to the "loose" business model of XXX, we can conclude that all the spending potential is not captured).

At twice the observed rate, the total market value could be \$165M...at 3 times, \$248M...and at 10 times, \$825 Million.

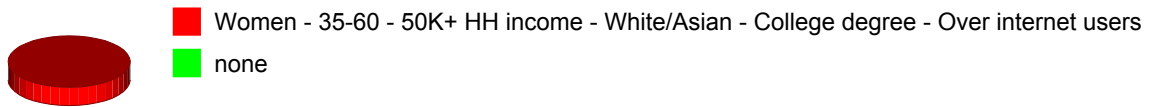
Taking into the average spending on online entertainment-lifestyle content products and services in the US (\$413/year) by consumers (2004 Online Publishers Association survey), **we could estimate that the total potential could be as high as \$4 Billion.**

Overall, the target for YYY should be growing at a minimum 2.5% annual rate (Bureau of Labor Statistics) between 2000 and 2010.

Table: Market Analysis

Market Analysis		Growth	2006	2007	2008	2009	2010	CAGR
Potential Customers	Women - 35-60 - 50K+ HH income - White/Asian - College degree - Over internet users	3%	10,000,000	10,250,000	10,506,250	10,768,906	11,038,129	2.50%
none		0%	0	0	0	0	0	0.00%
Total		2.50%	10,000,000	10,250,000	10,506,250	10,768,906	11,038,129	2.50%

Market Analysis (Pie)



4.2 Target Market Segment Strategy

The 11 million people top target for YYY has been defined as follow:

Women 35-60 years old
Married
White or Asian
\$50K + HH income
Bachelor degree and up

The top target profile has been defined and confirmed by the following elements:

*** Within the spirit of avoiding overlaps with the XXX target and with the experience of YYY so far, it appears that a female target shifting towards 35 years as a starting point will be more appropriate** as it will help to:

- . Cover the 40th birthday which for many women is a clear milestone
- . Focus on age groups with a clear population concentration effect for the women target=> Those groups represent 30% of the 5 years increment age groups AND 41% of the US female population.
- . Those current age groups (with a particular focus on the 35-45 age group) will be generating the highest age groups female population growth (between 96% and 105% growth) in the US over the next 30 years (Census Bureau Data) as they get older (65 to 75 years old in 2030).

*** As the online channel will be the primary channel for exposure, registration and communication, the typical profile of the top target for YYY should be linked to over using the internet.**

As such, data from the Census Bureau indicates and our analysis indicates that over users of internet tend to:

- > Be married
- > Have \$50K+ HH income
- > White/Asian-> Bachelor degree and up

Furthermore, we estimate that our age target for the women population has an internet penetration more or less equal to 60%, which is 20% better than the average internet penetration for females in the US AND 122% better than the internet penetration for women 65+ years old.

By applying the above criteria for the target selection and assessing their impact on internet penetration, we can estimate that of the 17 million women 35/60 years old - married - 50+K HH income in the US, 11 Million or so are heavy internet users.

Those 11 million people constitute our core target

*** Aside the age bias due to the targeting by XXX, the average profiling of the XXX member -subscribers to their magazine tends to confirm our initial top target assessment** as related to minimum HH income level, married status and college education:

- . Average HH income: \$70000
- . Average age: 62
- . Married
- . Attended college

All in all, we will start with this baseline but due to the potential higher value-higher price mix of our offering, we could anticipate that we will have to select further in the higher incomes brackets for our targeting approach.

Nevertheless, with an average HH income \$50K + for our target, we already are at least 36% better than the average US salary (Bureau of Labor Statistics - 2002).

4.2.1 Market Needs

The core underlying assumptions for the market needs are:

*** As suggested by many surveys, there is a growing population of 35+ years old within the demographic mix in the US**

*** A specific portion of those has a level of financial means and discretionary spending never before achieved for**

such an age group

*** They have more time and are more inclined to entertainment and leisure than never before**

Aside those high level observations, we also assume that:

. Women have all a natural tendency to love to be taken care of and cherished

. All women in some ways and at different level all "idolize" the feeling of being a princess, the center of attention as they could have been when they were a child

. The actual society is not so much from its entertainment offering stand point providing "princess" like pure feelings and emotions

As we combine those elements, we conclude that there is a clear market for positive-fun social interactions services.

4.2.2 Market Trends

*** Overall, online content-membership based businesses reached \$1.8 Billion in sales in the US in 2004, a 13.7% increase compared to 2003. (Online Publishers Association 2004)**

*** Entertainment and Lifestyles (which is the category under which YYY will fall) is the top growing category with a 90% growth rate year over year. (Online Publishers Association 2004)**

*** The growth of the XXX, in it self, is a clear indicator of the trend of the market towards organized social interactions platforms aimed at targeted groups and lifestyles**

4.2.3 Market Growth

The market growth potential could be supported by 4 key elements:

*** The female 35-60 years old population in the US population will be a key driver of growth:**

As per the Census Bureau data (2000 census based projections), this target group as it gets older will drive the highest female population growth with 95% growth between 2000 and 2030, while the overall female population will only grow by 29%.

This is a critical element for our strategy as it will means 2 key strategic implications for YYY:

. YYY will have to "follow"/"lead" this current core target as it gets older to continue profiting from the existing relationship, by adapting its mixes and offering to the age evolving target

. YYY could have to envision creating 2 distinctive businesses under the same general "umbrella": One remaining on the initial target (35-60 years old) as an on going business and one evolving with the current target

*** US consumers increased their overall spending on entertainment related spending at a higher rate (19%) than the increase for their overall spending (14%)...with no sign of slowing down (Bureau of Labor Statistics)**

*** The 78 Million Baby boomers population (50+ year old people) represents over \$1 trillion in disposable annual income, more than 50% of total consumer spending in the US and grows by a new "member" every 8 seconds (AARP - Focalist).**

*** XXX is the only business on that segment with a complete social interaction platform.**

4.3 Service Business Analysis

The industry to which YYY will be a participant is for time being very narrow as the closest real player in that field of complete social interactions platform and services for the target that we are aiming at, is the XXX.

4.3.1 Business Participants

The industry to which YYY will be a participant is for the time being very narrow.

If we extend the definition to social membership based organizations, we could include the multiple non profit social organizations which in their nature and their approach can not be considered a real competition as they are either totally non profit focused and/or very focused on one set of social activities (like sports or fitness).

It is to be noted that many industries are looking at the same target but they work in a fragmented manner (like publishers pushing publications for the same target with some travel offers) and they are short of offering the full scope of social interactions that YYY will be offering.

4.3.2 Distributing a Service

Using the XXX as the key reference, the key distribution channels that are used are:

- . **Distribution through chapters (pyramid effect)**
- . **Online**

The business is primarily generated through direct online sales and the set up of the chapters with the online channel serving as the main platform to generate business.

4.3.3 Competition and Buying Patterns

In the specific field of social organizations aimed to women 35-60 years old in the US, we can make the following observations as related to the competition:

A) Non profit social organizations

They are the most numerous and could be associated with churches, specific social groups, etc.

By nature, they are non profit oriented and lack business mind set and strategies as this is not what they were set up for.

STRENGTHS:

They have certainly more credibility for the social benefit they aim at providing and people trust more easily their lack of personal "interest"

WEAKNESSES:

On the other hand, it is highly probable that those groups have a strict sense of fun where extraordinary and lack of rules does not have their place. The activities engaged under those organizations are a reflection of the common beliefs or singular experiences of their members.

As such, they could not be considered as "wildly" fun and unconventional.

While there are more than 27,000 social organizations (excluding youth related organizations) in the US, we do not consider that they represent a particular threat as:

- . They are highly fragmented
- . They are not interested in business growth per say
- . They are "limited" by the origin and the spirit of the association

B) For profit (or close to) social organizations

In this category, there is one main organization called the XXX, which we are using as a model and which is a more a direct threat to YYY.

Similarly to YYY, The XXX (XXX) was started in an unplanned manner through a group of women in their 60's in California, having fun together by having social activities wearing Red Hats and other similarly unconventional outfits. From there, the organization attracted more and more members through a chapter format where new members could create a new chapter of the XXX, where they live, and attract new members to this chapter under their direction.

The primary source of revenue was through the sales of XXX branded accessories, hats, etc. that members and others could order online or at their shop in California.

Through this chapter pyramid based formula, The XXX has now reached 850,000 members.

The XXX has substantially evolved and has now many revenue streams

. Membership fees:

- > \$35/year for chapter
- > \$18/year for paying members (not members of a chapter)

It could be estimated that XXX generates between \$1.5 and 2M every year from membership fees

. Products sales (hats, jewelries, shoes, crafts, etc.) all branded XXX

The sales are made through its web site and at the store in California.

Based on Duns & Bradstreet, it could be estimated that XXX generates \$2M in gross sales yearly from products

. XXX magazine (Lifestyle)

XXX has developed in association with Hoffman Publications, a magazine branded XXX LifeStyles. The sales of the 6 issues/year magazine are either:

- . By subscription
- . By newsstand sales

XXX magazine generate the following numbers based on its media kit and our analysis:

- . 46000 subscribers @ \$19 in average for the yearly subscription
- . 106000 newsstand sales @ \$4.99 cover price for 6 issues/year

All in all, it could be estimated that XXX generates \$4M in gross revenue from the magazine (excluding advertising).

Assuming that they receive a commission on the sales (excluding advertising sales on which we assume they do not receive commissions), we can estimate that XXX generates \$500,000 to \$1M or so in direct revenue yearly from its magazine

. Travel offers in association with Carlson Travel

. Co branded credit card in association with HSBC bank Nevada/ with a fun points loyalty program and ability to emboss the card with your name and XXX title

. Special offers with car rentals, hotels, travel, flowers shops, train, fitness centers, etc.

All in all, we estimate that XXX generates between \$5 and \$10 million in sales-revenues every year.

STRENGTHS:

XXX could constitute a more direct threat to YYY:

- * While XXX is aimed at 60+ women, it still accepts women younger and we can consider that there is a potential growing overlap between their target and our target if they continue this way.
- * With 850000 members, they have achieved a good coverage of the 60+ years old target.

Taking into account the average profile of the XXX member (60+ year old, women, \$70K+ HH income, Married), we can estimate that there are 3 million people in the US matching that profile (source InfoUSA).

As such, we can conclude that XXX has a 28% penetration rate which is a very strong position.

- * XXX is targeting an age group that will generate the highest population growth for the female market
- * XXX has developed a business model that will enable an pure internal growth if needed
- * XXX has benefited from a good number of press coverage, always very positive towards the company

Now we can say that XXX has the weaknesses of its strength.

WEAKNESSES:

XXX in some ways is catching up with the fact that they did not set up the company as a real business initially while costs grew and profit potential were not fully exploited. Even though, they are moving towards this direction, they are still not set up as properly as they could have been and they are the victim of their "social-cheap for all" mind set, that is their founding philosophy.

4.3.4 Main Competitors

The main competitor in the specific market defined by the XXX and on which YYY will be acting is in fact the XXX it self.

5.0 Strategy and Implementation Summary

5.1 Value Proposition

Our value proposition is to offer social interactions services and products to our target market in a fashion and with a sense of quality that will provide total satisfaction and the most effective environment for real fun with real taste, through the guarantee that those services will be of high caliber and value, managed by top professionals in every field, conveniently, with all details taken care of for insuring the best fun time and experience.

5.2 Competitive Edge

The competitive edge for YYY will come from:

- . **A higher end positioning**, that its direct competition can not move to or compete with easily
- . **Its higher value product and services**
- . **The higher quality and brand appeal of the partners** that will be selected to "touch" effectively the target
- . **The fact the YYY (on the contrary of XXX) will integrate up front formal memberships business formats** to optimize the revenue generation and the solidity of the business

5.3 Marketing Strategy

The marketing strategy for YYY will be focusing at achieving the following objectives:

- A) Optimize the number of members and paying members (particularly in the initial stages) through initial traffic generation marketing activities and chapter development offers**
- B) Optimize the revenue generation on the established membership, through active selling, cross selling and up selling of magazine subscription, product sales, etc.**
- C) Support the additional revenue generation through web advertising sales thanks to the higher web traffic generated by new prospects, new customers and the existing membership base.**

5.3.1 Pricing Strategy

The pricing strategy has been developed with the following key elements in mind:

- * Leveraging the best practices of online membership based businesses for fees frequency
- * Reflecting (while not copying) upon the XXX approach as a low end benchmark
- * Supporting the higher value positioning of YYY
- * Optimizing the move of members to higher paying membership levels

As such, the membership structure for YYY will be as follow:

- > **Free membership with limited access to the services** (but enough of them to justify the interest for someone to register)
- > **A 1 month paid membership level** (with automatic recurring billing every month) @ **\$9.99/month**
- > **A 3 months paid membership level** (with automatic recurring billing every 3 months) @ **\$ 23.99 for 3 months** or 20% discount against the monthly rate
- > **A 12 months paid membership level** (with automatic recurring billing every 12 months) @ **\$ 63.99 for 3 months** or 33% discount against the 3 months rate
- > **For members who will create chapters, the fees will be waived** and they will automatic access the paid membership benefits as long as they have at least 5 paying members in their chapter.

The pricing strategy structure is justified by:

- . Best practices in Membership based businesses with a free level and a set of paying membership very often linked to a period where discount is offered for longer membership periods.
- . At \$9.99 for the paying level, YYY positions it self as not as cheap as the XXX (@ \$18/year for members and \$35/year for chapters) and not as high as services like online dating at \$20 to \$30/month.
- . Discount from one paying level to another is a reflection of current online membership based businesses' pricing
- . The paying levels will have clear-valuable benefits, not available for the free version and we could envision that the 12 months version may have some additional exclusive benefits.
- . The pricing offer for the chapter will act as an incentive to create chapters while generically generating revenues for YYY with the minimum 5 paying members/chapter

All in all, we believe that, combined with the higher level services and products that we intend to provide as well as a clear communication that our services are different as well as the quality-reputation of the partners that we will partnering with, the monthly fees that we will be charging will not impact our ability to generate membership and memberships fees.

We further believe this in relation to the high value target that we are aiming at, which at this level of pricing, shouldn't be price sensitive.

Prices will then be increased by 10% in Year 2 and 15% in year 3.

5.3.3 Promotion Strategy

Our promotion strategy is covered in our marketing plan.

5.3.4 Distribution Strategy

The distribution strategy will be focused on:

- > **The online channel as the initial platform**
- > **The chapter creation processes through the web site**

5.3.5 Marketing Programs

The marketing programs will be supporting the marketing strategy as follow:

Optimize the number of members and paying members in the mix:

=> Initial traffic generation marketing

Those marketing activities will include:

- . Online advertising in targeted web sites
- . Email on top target prospects lists and potential XXX members email lists
- . Search Engine Marketing focused on XXX as keyword
- . Affiliates programs with key companies evolving in a complementary industry and aiming at the same target (obvious ones will be our partners)
- . Advertising in magazines focused on editorial content closed to the interest of the target and aimed at the top target

=> Chapter creation

Once a member has registered with YYY on the web site, she will be offered immediately the opportunity to create a chapter with the offer to:

- > Access the paying level membership benefits for free (either free upgrade or reimbursement of the already paid fees)
- > Special offers only for chapter "owner"
- > Exclusive tips and gifts for "managing" the chapter
- > A set of special discounts to YYY products for her chapter
- ...As long as a chapter is with at least 5 paying members (what ever level) who will register to YYY (and those new members are not already members of YYY).

If she decides to profit from this offer, she will receive a set of documents and brochures that she can share with her friends to communicate about YYY and have them enroll in the chapter program.

Once she has the numbers, she will go back to the YYY web site and register her chapter. She will then give the chapter code to her potential members for them to go to the YYY web site and register as paying members. Once this is done, the chapter offers and processes will kick in.

=> Viral Marketing

- . Email campaigns sent on behalf of the referee to the given contacts

=> Welcome emails

- . Welcome emails will be sent 1 day after registration with membership upgrade offers

=> 1st membership upgrade email

- . Membership 1st upgrade emails will be sent at mid contract for 3 months std consumers and 12 months std customers

=> End of current contract membership upgrade email

=> Anti attrition emails for paid membership attritors

Optimize the revenue generation on the established membership, through active selling, cross selling and up selling of magazine subscription, product sales, etc.

The marketing strategies will be defined and developed in conjunction with the selected partners

5.4 Sales Strategy

The sales strategy will be driven by the same 3 objectives as for the marketing strategy

Optimize the number of members and paying members in the mix (particularly in the initial stages)

* Actively leveraging online channels and the web site to:

- A) Bring qualified traffic to the web site
- B) Optimize the conversion of traffic in members
- C) Provide a platform for exponential YYY chapters' creation

* Aggressively leverage the chapters' creation formula to accelerate the expansion of the membership with the online presence acting as the launching pad.

* Leverage on going-regular up sell communications for upgrading free members to paid membership and existing paid members to longer membership terms

Optimize the revenue generation on the established membership, through active selling, cross selling and up selling of memberships, magazine subscription, product sales, etc.

* Regular emails communication to the members based for various offers: travel, magazine subscriptions, etc...Starting with communication on the web site (for bundle sales) and the welcome email.

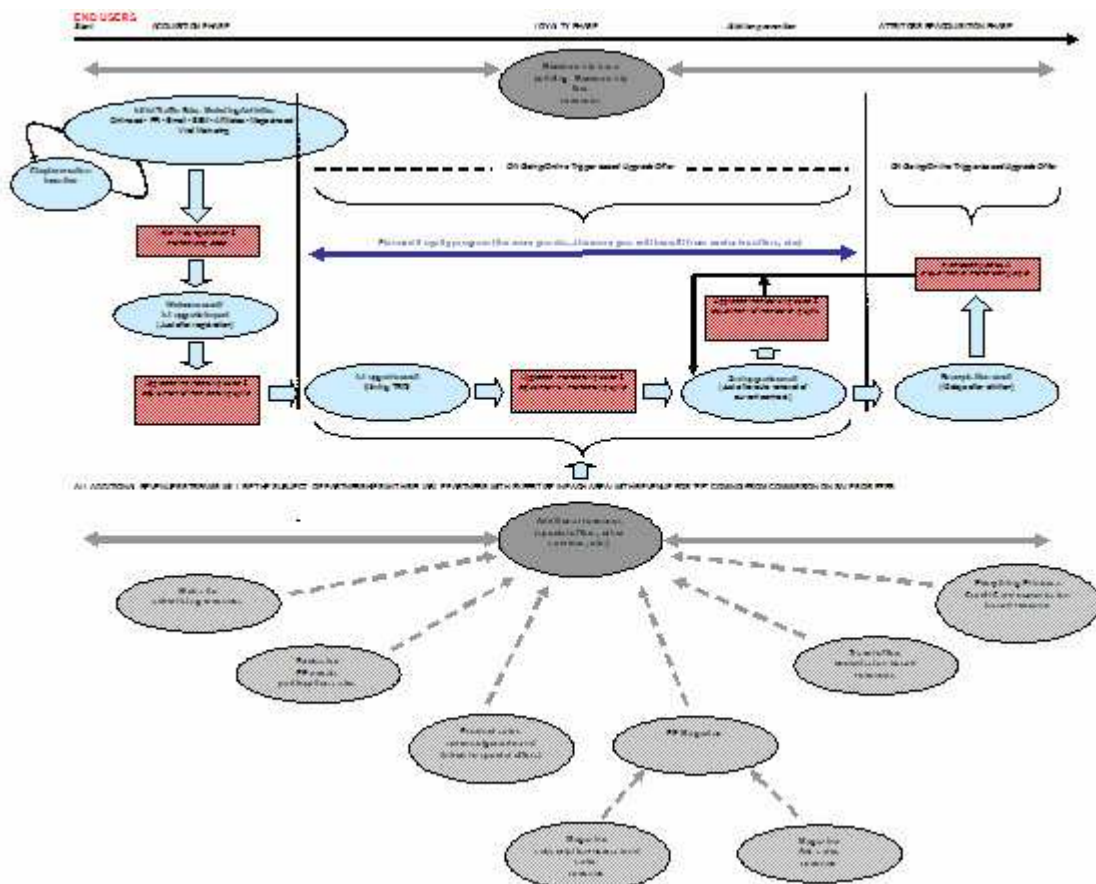
* The members part of the web site will integrate reminder of up sell and Cross sell opportunities to the members

Support the additional revenue generation through web advertising sales thanks to the higher web traffic generated by new prospects, new customers and the existing membership base.

* By working with a third party SEM-Online advertising agency in charge of selling our space on our behalf

5.4.1 Sales Forecast

The sales forecast is based on the following model:



Under the following business assumptions and forecast:

A) Overall

The membership fees are charged at the beginning of the chosen period. Memberships are automatically renewed and the new fees are automatically charged. To cancel, members will need to go to their YYY account and turn the automatic renewal option off. Nevertheless, the change will apply only at the next contract renewal.

Across all activities, when a consumer upgrades to a new contract, the new contract applies for the total period of the given contract as opposed to a pro rata of the remaining months for the current contract

B) Initial traffic generation:

- . Prospects conversion rate for initial traffic generation marketing activities will be initially half (10%) of average conversion rate for online membership based business in the US (20%) and will move progressively to 15% by end of Year 1. By year 2, the conversion rate will be in part with average or 20%
- . Membership split will reflect the natural attraction of the free level but also reflects statistics from online membership based businesses like online dating on the split between free and paid versions. Year 1, free will be 98% of the registration, Year 2 95% and Year 3 91%, the improvement of the corresponding paid membership rate being linked to improved communications and marketing as well as improved-stronger-more attractive services-products
- . All delivery rate, open rate, click through rate (when applicable) are based on market averages with systematically a lower performance for the first months of the business.

C) Chapter-driven growth

- . New members (free or paying) will be invited to create a chapter with the following incentives as long as they create the chapter with at least 5 paying members:
 - > Access to the paying level membership benefits for free (either free upgrade or reimbursement of the already paid fees)
 - > Special offers only for chapter "owner"
 - > Exclusive tips and gifts for "managing" the chapter
 - > A set of special discounts to YYY products for her chapter and herself
- . % of members with creation of chapter: 1% initially, moving to 2.5% and then 5% (in line with estimated % of queen mothers vs. membership for XXX/ excluding XXX internet chapter)
- . Number of members/chapter
 - > Baseline: 20 members/chapter as per communication from XXX - when business cruise level is achieved
 - > Will start at 5 members/chapter for year 1
 - > Will move to 7 members/chapter for year 2
 - > Will start to 10 members/chapter for year 3
- The levels are lower than for XXX as the fact that the membership has to be paid membership will impact the volume of members/chapter vs. a totally free members version for XXX
- . Membership split for paying levels for chapter members identical to initial traffic split

D) Viral Marketing

- . Email campaigns sent on behalf of the referee
- . Delivery rate - open rate & click through rate improved compared to averages due to the higher credibility
- . Email sent by us - People provide email addresses
- . Ability to personalize the email with name of referee
- . Strong offer to stimulate people to share names
- . Rate of referee and # of people by referee based on business plan agency experience
- . Evolution of paying registration weight in par with Marketing activities projections with a 33% boost impact due the effect of the recommendation
- . Registration to web traffic is estimated at 30% first year and in par with Online dating estimated conversion rate registration to web traffic (46%)

E) Welcome emails

- . Welcome emails are sent 1 day after registration
- . When consumer upgrades, the new contract replaces the current one and a 100% credit from the current contract is applied to the new contract fees
- . For the welcome email received with the new upgraded contract, no new upgrade offer will be made to avoid over sales pressure

F) 1st membership upgrade email

- . Membership 1st upgrade emails are sent end of Month M+1 for 3 months std consumers month M
- . Membership 1st upgrade emails are sent end of Month M+5 for 12 months std consumers month M but the purpose is loyalty focus
- . Upgrade Emails are sent through the 2nd upgrade email campaign for 1 month std consumers and free 1 month members - For std 1 month, the fee for the chosen new contract restarts at "0" (no credit effect)
- . New fees will be credited with the remaining months of paid fees from the previous contract (50% of the initial fees) and the clock for the new contract will restart at 0 in terms of months
- . Upgrade rate are in par with more traditional email performance rate with better performance for delivery rate, open rate and click through rate due to the existing relationship

- . For 3 months and 12 months customers, no attrition effect is envisioned before the end of the contract as the customer already paid and the contract will specify no reimbursement in case of cancellation before the end of the contract
- . Upgraded 12 months members from this action are reintegrated in the 1st upgrade email after upgrade following the same timing as above/not applied to upgraded 3 months to avoid communication overload
- . The first upgrade email and the welcome email with upgrade offers will only apply to the pure new members to avoid communication overload

G) End of current contract membership upgrade email (with integration of end of contract attrition effect)

- . Free registrants will have no attrition rate due the free nature of their subscription - upgrade offer will generate a 5% response rate
- . For other activities on paid members, the renewal rate is in line with industry statistics where a 30% attrition rate is observed - The ratio is applied to years 1 & 2. For year 3 and in line with the membership based businesses data showing an improvement of the attrition rate to more around 20% after 1 year of activities and improvement of the processes, products, etc
- . For free subscribers and std 1 month customers, upgrade email will be sent beg of Month M+1 on new members from Month M and cumulatively on all members that are still active respectively as free members or std 1 month members after welcome email and 2nd upgrade email(s) already received
- . For std 3 months and 12 months, emails will sent at the beg. of the month following the last month of their current contract. The process will be on going. Particularly, the 12 months members email will not integrate any upgrade offers (as there is not higher level) but will integrate communication and offers to further the relationship
- . The members contacted for the communication will the one that are still active as std 3 and 12 months after the impact of the welcome email and the 1st upgrade email
- . The solicitations will include the upgraded members from the previous level upgrade emails
- . We estimate that monthly (excYYYt for free members where attrition effect is irrelevant), 30% for years 1 and 2 and 20% for year 3 of the concerned members will go to the web site and turn the automatic renewal option off - We also assume that in this case, the fee for the renewed contract will be reimbursed completely for customer service purpose

H) Anti attrition emails for paid membership attritors

- . Attritors from month M will be contacted for reacquisition purpose at beg of Month + 2 - The logic is to
 - 1) Let the attritors feel better what they miss
 - 2) Have the ability to be exposed to "invitations" from other members that they can NOT access as they are no more members, therefore pushing them to become member again
- . Offer will be upgraded to the next level (compared to their previous level) at the price of their previous level
Ex for an attritor for the 1 month std: "Come back to us and we will offer you the Std 3 months level for the price of the std 1 month or XXX% discount"
- . Offer will be single, simple and strong to avoid hesitation and confusions
- . The response rate is in line with a reacquisition model

I) Web site advertising sales

- . Web advertising revenue linked to % of total impressions sold for advertising
- . Sales rate will be initially low as the service starts and the online ad space is highly competitive but as the service gains volume and credibility, the % of sales rate increase- From 0% to 20% year 1/ from 30% to 50% year 2/ from 50% to 75% year 3
- . Initial price/M will be \$10 and increased to \$15 as the service gets credibility and the traffic increases
- . Web site impression sales will be managed by an external SEM company

J) Events sales

- . # of events will start with 2 on Year 1 (as membership is still low) to 6 per year for years 2 & 3, with higher attendance level
- . Members pay for their hotel, travel and meal costs
- . Aside paid staff, the conference will be managed-facilitated for YYY through volunteers who will have free access to the conference-event
- . An event management company will be hired for the logistic set up and management
- . Individual registration fees for the conference will be \$450, in par with XXX rates

K) Product sales

- . Sales rate in line with the % of product purchasing members for XXX (5%)
- . Stock, inventory and delivery managed by partners
- . YYY revenue by commission on gross sales (20%)

L) Magazine revenues

- . Development, management and sales efforts managed by third party publisher in exchange of commission on

subscription and newsstands gross sales for YYY (20%)

- . Number of pages (80 to 100/issue) and # of pages with Ad (30%) based on Hoffman magazines (including XXX magazine) aimed at 50-60+ woman in the US
- . Subscription rate to membership (5%) based on XXX data analysis for Lifestyle magazine
- . Newsstands sales based on ratio newsstands sales to subscription for XXX (2.3)
- . Advertising revenues 100% with publisher / no commission for YYY
- . For advertising, the evolution of the relative success to sell pages is integrated by calculating the circulation weight of YYY magazine vs. XXX magazine as a proxy of advertising attractiveness for the magazine and therefore the ability to sell the pages
- . Effect of attrition for magazines subscription integrated in the 5% rate and the fact that calculation of the subscribers apply to the membership after attrition

M) Travel offers

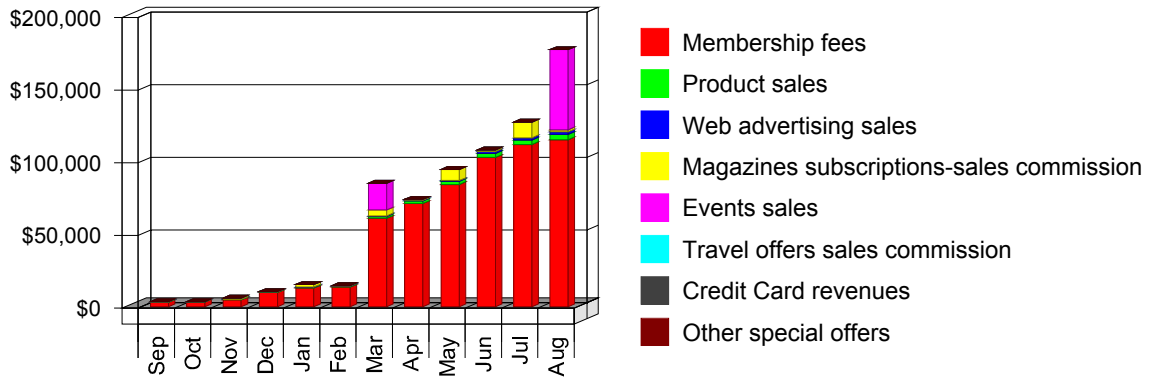
- . Travel package and logistic will be managed by a travel partner
- . Communication will be developed by YYY staff
- . YYY will receive a commission on sales (20%)

Credit card impact and travel offers not yet integrated in the plan as this is more dependant upon the partner that we will end up with.

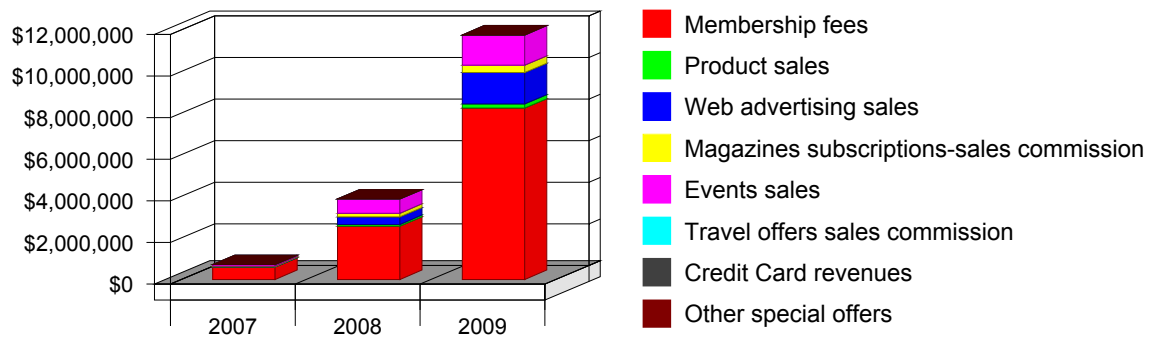
Table: Sales Forecast

Sales Forecast	2007	2008	2009
Sales			
Membership fees	\$592,571	\$2,554,251.86	\$8,239,239.53
Product sales	\$16,613	\$93,165.90	\$193,474.42
Web advertising sales	\$6,321	\$365,814.09	\$1,507,834.07
Magazines subscriptions-sales commission	\$29,143	\$172,007.86	\$361,559.63
Events sales	\$73,595	\$688,821.14	\$1,452,899.29
Travel offers sales commission	\$0	\$0	\$0
Credit Card revenues	\$0	\$0	\$0
Other special offers	\$0	\$0	\$0
Total Sales	\$718,243	\$3,874,061	\$11,755,007
Direct Cost of Sales	2007	2008	2009
Membership	\$563,990	\$153,991.91	\$177,994.86
Other revenues streams	\$32,020	\$212,341.00	\$334,837.53
Subtotal Direct Cost of Sales	\$596,010	\$366,333	\$512,832

Sales Monthly



Sales by Year



5.5 Strategic Alliances

To fully leverage its business model as the central distribution- marketing platform-hub, YYY will engage strategic alliances with very targeted-high quality partners for the actual manufacturing, after sales process management, delivery and inventory management of its products and services.

As such, YYY will act as follow:

* **Product sales:** YYY will engage partnership with one main wholesaler who will act as the central point for YYY or with various key manufacturers, which in all cases will take care of the product concept development, manufacturing, packaging, inventory and delivery to the client under the rules, supervision and principles of YYY. YYY will only receive a commission on sales, the rest going to the partner.

* **Travel:** YYY will partner with one travel organization, which will provide the travel package, the sales process management, the delivery to the client, all that under the same rules, supervision and principles of YYY. YYY will only receive a commission on sales, the rest going to the partner.

* **YYY magazine:** YYY will partner with a publisher (preferably specialized on the top target) which will develop the magazine concept, develop the content, manage the manufacturing and the delivery (both subscription and newsstand sales) as well as the advertising sales. YYY will receive a commission on the subscription and the newsstand sales. The partner will keep the rest and the integrality of the advertising revenue

* **Event organization:** YYY will outsource the development and the actual management of the event to a specialized event management company. At the difference of the other activities, YYY and YYY staff could be directly present at the events and manage the content. The hired company will insure the logistics. In that case, the sourcing will be the one of a provider.

* **Credit Card:** YYY will partner with a Credit Card company or a bank to develop a co branded credit card with a loyalty program. The details of the relationship have to defined

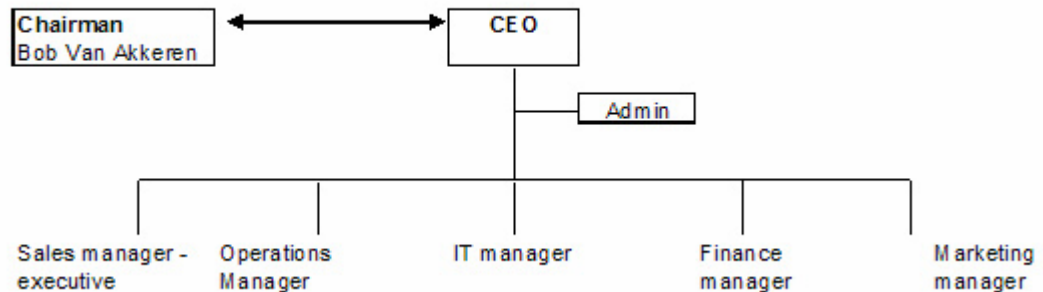
* **Special offers:** YYY will organize some one shot or longer term special offer agreements with various vendors as needed. The deal will be established with the deal but the baseline will be a commission on sales for YYY.

* **Online web advertising revenue:** YYY will hire a specialized online media placement company like Media24/7 to sell its space in exchange of a commission for the vendor

6.0 Management Summary

The initial management structure for YYY will be as follow:

Everything Princess organization



6.2 Management Team Gaps

There is no current management structure for YYY.

As such, the first step will be to engage a CEO who will take care, among other things, to engage the business development process with the support of a marketing-business development consultant.

6.3 Personnel Plan

A CEO with business and operational experience in membership based business will be hired immediately to review the business approach, provide adjustments and changes based on his experience and knowledge, lead the business development process including the formalization of the products and services to be offered and hire the required team members

A sales manager - executive will be hired just after to lead, in conjunction with the CEO, the partners search, selection and sales process to bring the right partners on board for delivering the services and products, maintain the relationship with those partners and find new ones as needed.

An operations-logistic manager for managing the actual flow interactions with the partners will be hired as well once the first partners will have been selected and expressed a formal agreement to investigate the business opportunity. Furthermore, this individual, in conjunction with marketing, will be in charge of setting up the outsourced customer service support.

A finance manager will be hired at the same time to set up the right accounting and the right financial controls-rYYYorts for the company.

Finally, **an IT manager** will be hired to set the IT infrastructure for the web site back end, orders management, interaction with partners, web management, and statistics access.

Initially, the first year, the marketing support will be outsourced to a marketing agency-consultant for flexibility purpose and the web design and branding development will outsourced to a agency..

At year 2, **a marketing manager** will be hired (to replace the outsourced marketing support at year 1).

Furthermore, **an admin support** will be hired at year 2 (particularly for the top management admin support).

Table: Personnel

Personnel Plan	2007	2008	2009
CEO	\$150,000	\$180,000.00	\$198,000.00
Operations-Logistic manager	\$96,000	\$115,200.00	\$126,720.00
Sales manager-executive	\$96,000	\$115,200.00	\$126,720.00
IT manager	\$60,000	\$72,000.00	\$79,200.00
Finance manager	\$60,000	\$72,000.00	\$79,200.00
Marketing manager	\$0	\$96,000.00	\$105,600.00
Admin	\$0	\$39,600.00	\$43,560.00
Total People	5	7	7
Total Payroll	\$462,000	\$690,000	\$759,000

7.0 Financial Plan

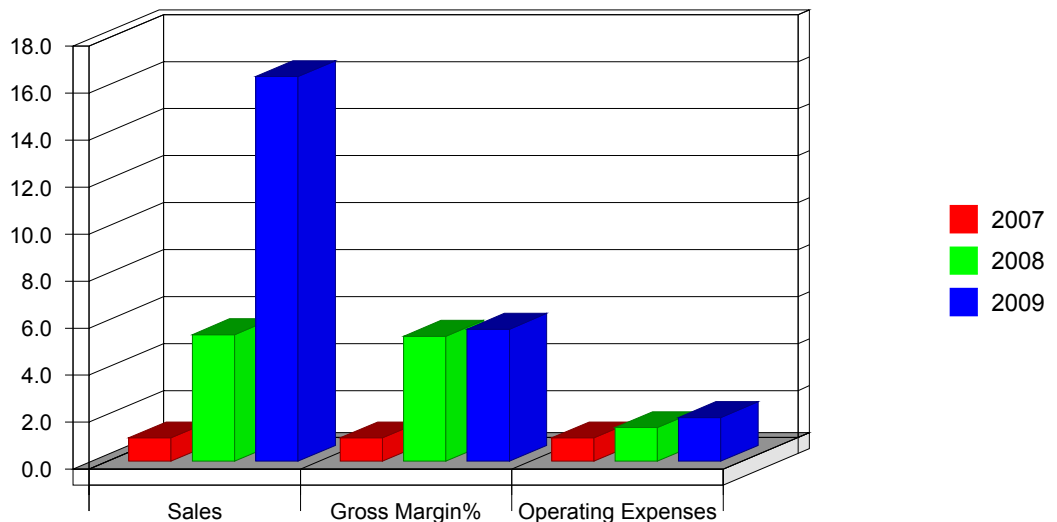
7.1 Important Assumptions

Table: General Assumptions

General Assumptions	2007	2008	2009
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%
Other	0.00%	0.00%	0.00%
Calculated Totals			
Payroll Expense	\$462,000	\$690,000	\$759,000
New Accounts Payable	\$1,273,446	\$1,869,616	\$4,609,684

7.2 Key Financial Indicators

Benchmarks



7.3 Break-even Analysis

The Break Analysis is based on the following elements:

*** Revenue:**

As the membership business is driven by repeat fees and X sell, the real value for a new member, that should be taken into account, is not just the price that he pays as he joins/registers to the business but the total gross value that this member will bring between the first fee that he pays, the subsequent renewal fees that he has a high probability to pay as well and the x sell activities that will generate more revenue for the same member (like magazine subscriptions or YYY product purchases).

Therefore, to simplify the calculation, we have integrated the total gross sales generated by the membership fees and the x sell activities over the 3 years of the plan and divide that number by the cumulative number of “active” members at the end of year 3. It tells that the average revenue per sale (or member) is \$19.71.

*** Variable costs:**

As we are not in a manufacturing mode and all the logistics for services and products delivery will be outsourced, there is not variable cost per say.

Nevertheless, the marketing expenditures that we have to generate new members could be considered as variable costs as if we want to acquire a new member, we have to spend that money.

In that sense, the unit variable cost is \$3.49

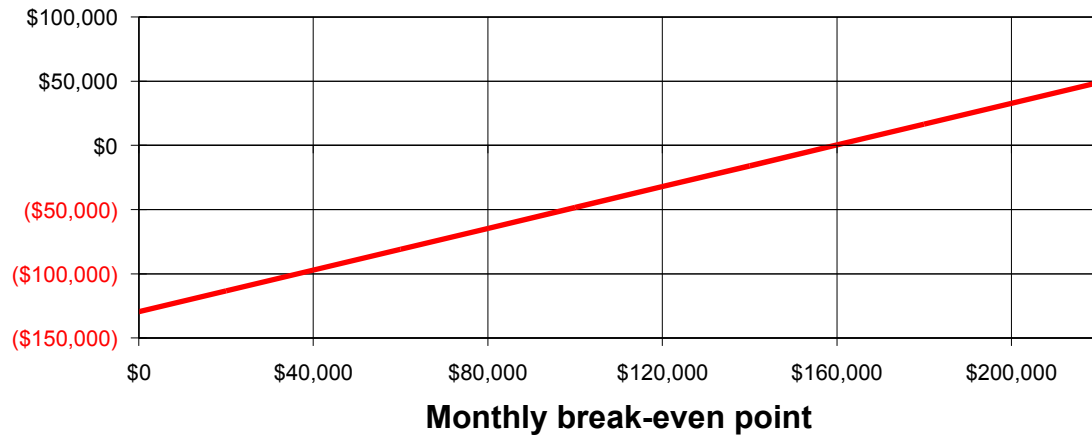
*** Fixed expenses:**

Fixed expenses include technology, staff and other opex expenditures. The monthly average over the 3 years of the plan is \$129,500.

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	7,984
Monthly Revenue Break-even	\$157,364
Assumptions:	
Average Per-Unit Revenue	\$19.71
Average Per-Unit Variable Cost	\$3.49
Estimated Monthly Fixed Cost	\$129,500

Break-even Analysis



Break-even point = where line intersects with 0

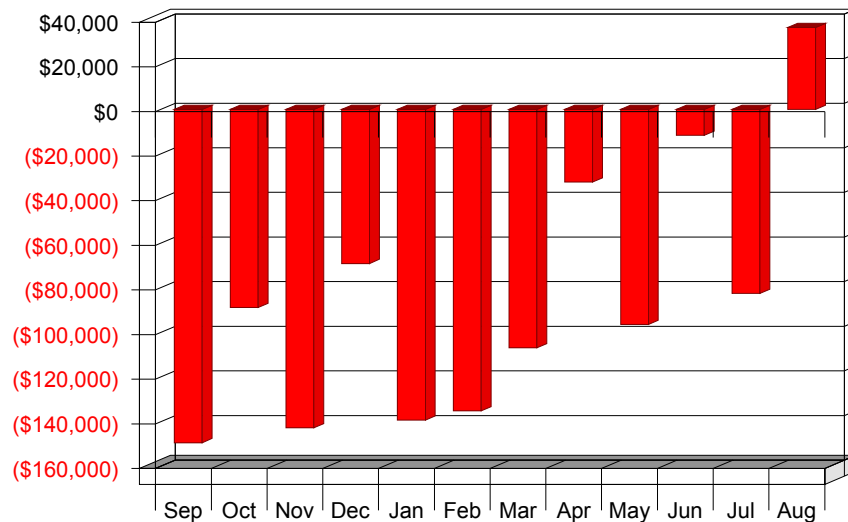
7.4 Projected Profit and Loss

Table: Profit and Loss

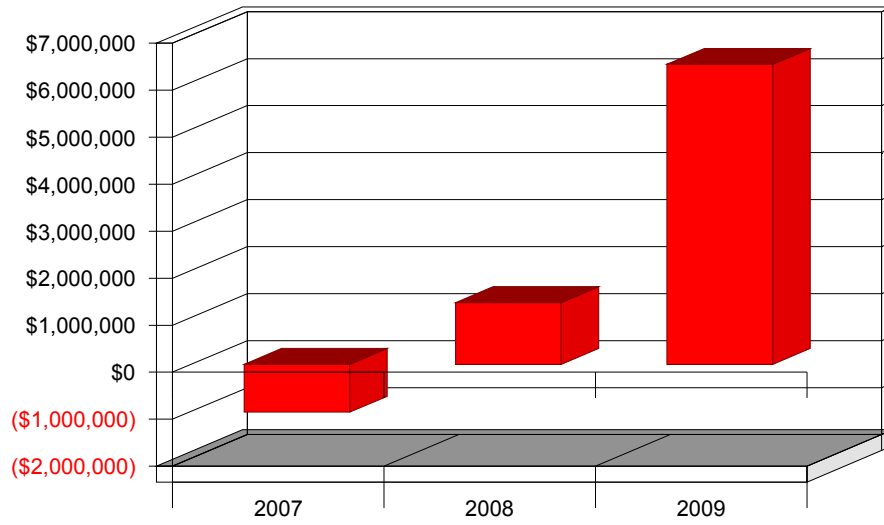
Pro Forma Profit and Loss

	2007	2008	2009
Sales	\$718,243	\$3,874,061	\$11,755,007
Direct Costs of Goods	\$596,010	\$366,333	\$512,832
Other Costs of Goods	\$0	\$0	\$0
Cost of Goods Sold	\$596,010	\$366,333	\$512,832
Gross Margin	\$122,233	\$3,507,728	\$11,242,175
Gross Margin %	17.02%	90.54%	95.64%
Expenses:			
Payroll	\$462,000	\$690,000	\$759,000
Sales and Marketing and Other Expenses	\$48,000	\$32,000.00	\$0
Depreciation	\$0	\$0	\$0
Technology and development expenses	\$52,600	\$54,600.00	\$257,200.00
Other expenses	\$507,536	\$749,850.11	\$988,805.64
Insurance	\$0	\$0	\$0
Payroll Taxes	\$69,300	\$103,500	\$113,850
Other	\$0	\$0	\$0
Total Operating Expenses	\$1,139,436	\$1,629,950	\$2,118,856
Profit Before Interest and Taxes	(\$1,017,203)	\$1,877,778	\$9,123,319
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$0	\$563,333	\$2,736,996
Other Income			
Interest Income	\$0	\$0	\$0
Other Income Account Name	\$0	\$0	\$0
Total Other Income	\$0	\$0	\$0
Other Expense			
Account Name	\$0	\$0	\$0
Other Expense Account Name	\$0	\$0	\$0
Total Other Expense	\$0	\$0	\$0
Net Other Income	\$0	\$0	\$0
Net Profit	(\$1,017,203)	\$1,314,444	\$6,386,323
Net Profit/Sales	-141.62%	33.93%	54.33%
Include Negative Taxes	FALSE	TRUE	TRUE

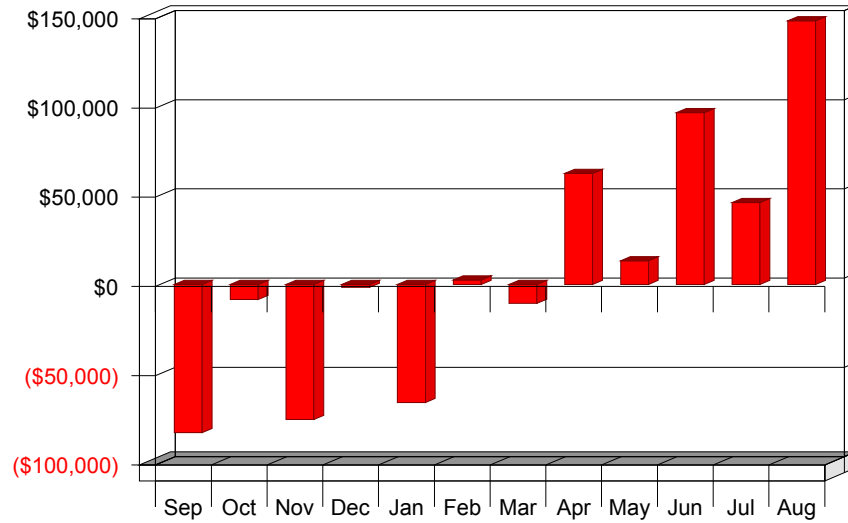
Profit Monthly



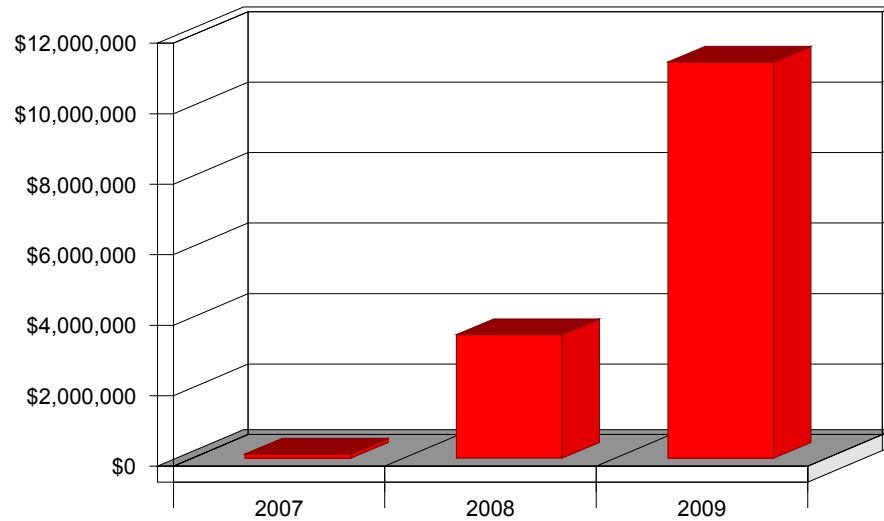
Profit Yearly



Gross Margin Monthly



Gross Margin Yearly



7.5 Projected Cash Flow

The cash flow has been established under the following assumptions/requirements:

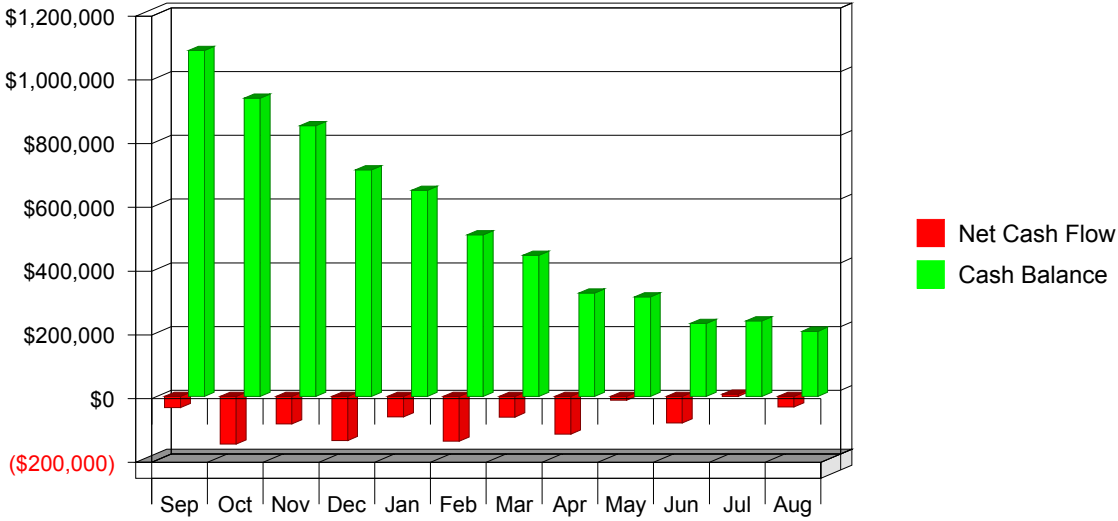
- . Minimum Cash balance at ALL times of \$200000 to face unplanned charges and/or leverage unplanned opportunities
- . \$ 1.6 M initial investment from the owner-investor

Table: Cash Flow

Pro Forma Cash Flow	2007	2008	2009
Cash Received			
Cash from Operations:			
Cash Sales	\$718,243	\$3,874,061	\$11,755,007
Cash from Receivables	\$0	\$0	\$0
Subtotal Cash from Operations	\$718,243	\$3,874,061	\$11,755,007
Additional Cash Received			
Non Operating (Other) Income	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$718,243	\$3,874,061	\$11,755,007
Expenditures	2007	2008	2009
Expenditures from Operations:			
Cash Spending	\$462,000	\$690,000	\$759,000
Payment of Accounts Payable	\$1,171,838	\$1,423,170	\$3,494,783
Subtotal Spent on Operations	\$1,633,838	\$2,113,170	\$4,253,783
Additional Cash Spent			
Non Operating (Other) Expense	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0

Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$1,633,838	\$2,113,170	\$4,253,783
Net Cash Flow	(\$915,595)	\$1,760,891	\$7,501,224
Cash Balance	\$204,705	\$1,965,597	\$9,466,820

Cash



7.6 Projected Balance Sheet

Table: Balance Sheet

Pro Forma Balance Sheet

Assets	2007	2008	2009
Current Assets			
Cash	\$204,705	\$1,965,597	\$9,466,820
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$204,705	\$1,965,597	\$9,466,820
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0
Total Assets	\$204,705	\$1,965,597	\$9,466,820
Liabilities and Capital			
	2007	2008	2009
Accounts Payable	\$101,608	\$548,055	\$1,662,955
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$101,608	\$548,055	\$1,662,955
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$101,608	\$548,055	\$1,662,955
Paid-in Capital	\$1,600,000	\$1,600,000	\$1,600,000
Retained Earnings	(\$479,700)	(\$1,496,903)	(\$182,458)
Earnings	(\$1,017,203)	\$1,314,444	\$6,386,323
Total Capital	\$103,097	\$1,417,542	\$7,803,865
Total Liabilities and Capital	\$204,705	\$1,965,597	\$9,466,820
Net Worth	\$103,097	\$1,417,542	\$7,803,865

7.7 Business Ratios

The table follows with our main business ratios.

Table: Ratios

Ratio Analysis	2007	2008	2009	Industry Profile
Sales Growth	0.00%	439.38%	203.43%	8.18%
Percent of Total Assets				
Accounts Receivable	0.00%	0.00%	0.00%	22.30%
Inventory	29.36%	16.49%	10.39%	3.74%
Other Current Assets	0.00%	0.00%	0.00%	31.85%
Total Current Assets	100.00%	100.00%	100.00%	57.89%
Long-term Assets	0.00%	0.00%	0.00%	42.11%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities				
Current Liabilities	49.64%	27.88%	17.57%	30.52%
Long-term Liabilities	0.00%	0.00%	0.00%	24.50%
Total Liabilities	49.64%	27.88%	17.57%	55.02%
Net Worth	50.36%	72.12%	82.43%	44.98%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	17.02%	90.54%	95.64%	100.00%
Selling, General & Administrative Expenses	158.64%	56.61%	41.31%	83.13%
Advertising Expenses	0.00%	0.00%	0.00%	1.12%
Profit Before Interest and Taxes	-141.62%	48.47%	77.61%	1.76%
Main Ratios				
Current	2.01	3.59	5.69	1.57
Quick	1.42	2.99	5.10	1.23
Total Debt to Total Assets	49.64%	27.88%	17.57%	2.85%
Pre-tax Return on Net Worth	-986.64%	132.47%	116.91%	61.33%
Pre-tax Return on Assets	-496.91%	95.53%	96.37%	7.38%
Business Vitality Profile				
	2006	2007	2008	Industry
Sales per Employee	\$143,649	\$553,437	\$1,679,287	\$49,415
Survival Rate				81.25%
Additional Ratios				
	2007	2008	2009	
Net Profit Margin	-141.62%	33.93%	54.33%	n.a
Return on Equity	-986.64%	92.73%	81.84%	n.a
Activity Ratios				
Accounts Receivable Turnover	0.00	0.00	0.00	n.a
Collection Days	0	0	0	n.a
Inventory Turnover	0.00	0.00	0.00	n.a
Accounts Payable Turnover	12.53	3.41	2.77	n.a
Payment Days	28	63	88	n.a
Total Asset Turnover	3.51	1.97	1.24	n.a
Debt Ratios				
Debt to Net Worth	0.99	0.39	0.21	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	\$103,097	\$1,417,542	\$7,803,865	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	0.29	0.51	0.81	n.a
Current Debt/Total Assets	50%	28%	18%	n.a
Acid Test	1.42	2.99	5.10	n.a
Sales/Net Worth	6.97	2.73	1.51	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix Table: Sales Forecast

Sales Forecast	YYYY	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Sales												
Membership fees	\$3,054.49	\$3,284.64	\$4,678.52	\$9,810.69	\$12,878.86	\$13,476.49	\$60,900.15	\$71,026.76	\$84,113.65	\$102,775.38	\$111,574.70	\$114,997.10
Product sales	\$102.36	\$178.03	\$278.40	\$393.21	\$532.98	\$642.47	\$1,198.63	\$1,687.72	\$2,208.01	\$2,659.34	\$3,148.82	\$3,583.35
Web advertising sales	\$-	\$-	\$-	\$64.81	\$84.74	\$89.93	\$388.58	\$474.10	\$590.50	\$1,341.20	\$1,561.31	\$1,725.40
Magazines subscriptions-sales commission	\$347.84	\$73.22	\$946.09	\$161.72	\$1,811.20	\$264.24	\$4,073.25	\$694.15	\$7,503.35	\$1,093.77	\$10,700.47	\$1,473.81
Events sales	\$-	\$-	\$-	\$-	\$-	\$-	\$18,446.96	\$-	\$-	\$-	\$-	\$55,147.71
Travel offers sales commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Credit Card revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other special offers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales	\$3,505	\$3,536	\$5,903	\$10,430	\$15,308	\$14,473	\$85,008	\$73,883	\$94,416	\$107,870	\$126,985	\$176,927
Direct Cost of Sales												
Membership	\$86,532.50	\$12,032.50	\$81,532.50	\$12,032.50	\$81,532.50	\$12,032.50	\$81,132.50	\$11,632.50	\$81,132.50	\$11,632.50	\$81,132.50	\$11,632.51
Other revenues streams	\$-	\$-	\$-	\$-	\$-	\$-	\$14,508.84	\$-	\$-	\$-	\$-	\$17,510.72
Subtotal Direct Cost of Sales	\$86,533	\$12,033	\$81,533	\$12,033	\$81,533	\$12,033	\$95,641	\$11,633	\$81,133	\$11,633	\$81,133	\$29,143

Appendix Table: General Assumptions

General Assumptions

	SYYY	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Calculated Totals												
Payroll Expense	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500
New Accounts Payable	\$114,396	\$53,744	\$110,140	\$40,973	\$116,003	\$111,034	\$153,405	\$67,899	\$152,309	\$80,999	\$170,936	\$101,608

Appendix Table: Cash Flow

Pro Forma Cash Flow	YYYY	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Cash Received												
Cash from Operations:												
Cash Sales	\$3,505	\$3,536	\$5,903	\$10,430	\$15,308	\$14,473	\$85,008	\$73,883	\$94,416	\$107,870	\$126,985	\$176,927
Cash from Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash from Operations	\$3,505	\$3,536	\$5,903	\$10,430	\$15,308	\$14,473	\$85,008	\$73,883	\$94,416	\$107,870	\$126,985	\$176,927
Additional Cash Received												
Non Operating (Other) Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$3,505	\$3,536	\$5,903	\$10,430	\$15,308	\$14,473	\$85,008	\$73,883	\$94,416	\$107,870	\$126,985	\$176,927
Expenditures												
Expenditures from Operations:	YYYY	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Cash Spending	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500	\$38,500
Payment of Accounts Payable	\$0	\$114,396	\$53,744	\$110,140	\$40,973	\$116,003	\$111,034	\$153,405	\$67,899	\$152,309	\$80,999	\$170,936
Subtotal Spent on Operations	\$38,500	\$152,896	\$92,244	\$148,640	\$79,473	\$154,503	\$149,534	\$191,905	\$106,399	\$190,809	\$119,499	\$209,436
Additional Cash Spent												
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$38,500	\$152,896	\$92,244	\$148,640	\$79,473	\$154,503	\$149,534	\$191,905	\$106,399	\$190,809	\$119,499	\$209,436
Net Cash Flow	(\$34,995)	(\$149,360)	(\$86,341)	(\$138,209)	(\$64,165)	(\$140,030)	(\$64,527)	(\$118,022)	(\$11,983)	(\$82,940)	\$7,486	(\$32,508)
Cash Balance	\$1,085,305	\$935,945	\$849,604	\$711,394	\$647,230	\$507,199	\$442,673	\$324,651	\$312,667	\$229,728	\$237,214	\$204,705

Appendix Table: Balance Sheet

Pro Forma Balance Sheet

Assets	Starting Balances	YYYY	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Current Assets													
Cash	\$1,120,300	\$1,085,305	\$935,945	\$849,604	\$711,394	\$647,230	\$507,199	\$442,673	\$324,651	\$312,667	\$229,728	\$237,214	\$204,705
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$1,120,300	\$1,085,305	\$935,945	\$849,604	\$711,394	\$647,230	\$507,199	\$442,673	\$324,651	\$312,667	\$229,728	\$237,214	\$204,705
Long-term Assets													
Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$1,120,300	\$1,085,305	\$935,945	\$849,604	\$711,394	\$647,230	\$507,199	\$442,673	\$324,651	\$312,667	\$229,728	\$237,214	\$204,705
Liabilities and Capital													
Accounts Payable	\$0	\$114,396	\$53,744	\$110,140	\$40,973	\$116,003	\$111,034	\$153,405	\$67,899	\$152,309	\$80,999	\$170,936	\$101,608
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$114,396	\$53,744	\$110,140	\$40,973	\$116,003	\$111,034	\$153,405	\$67,899	\$152,309	\$80,999	\$170,936	\$101,608
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$114,396	\$53,744	\$110,140	\$40,973	\$116,003	\$111,034	\$153,405	\$67,899	\$152,309	\$80,999	\$170,936	\$101,608
Paid-in Capital	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Retained Earnings	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)	(\$479,700)
Earnings	\$0	(\$149,391)	(\$238,099)	(\$380,836)	(\$449,878)	(\$589,074)	(\$724,135)	(\$831,032)	(\$863,548)	(\$959,942)	(\$971,572)	(\$1,054,022)	(\$1,017,203)
Total Capital	\$1,120,300	\$970,909	\$882,201	\$739,464	\$670,422	\$531,226	\$396,165	\$289,268	\$256,752	\$160,358	\$148,728	\$66,278	\$103,097
Total Liabilities and Capital	\$1,120,300	\$1,085,305	\$935,945	\$849,604	\$711,394	\$647,230	\$507,199	\$442,673	\$324,651	\$312,667	\$229,728	\$237,214	\$204,705
Net Worth	\$1,120,300	\$970,909	\$882,201	\$739,464	\$670,422	\$531,226	\$396,165	\$289,268	\$256,752	\$160,358	\$148,728	\$66,278	\$103,097

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YYY

YYY

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The undersigned reader acknowledges that the information provided by _____ in this business-marketing plan is confidential; therefore, reader agrees not to disclose it without the express written permission of _____.

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