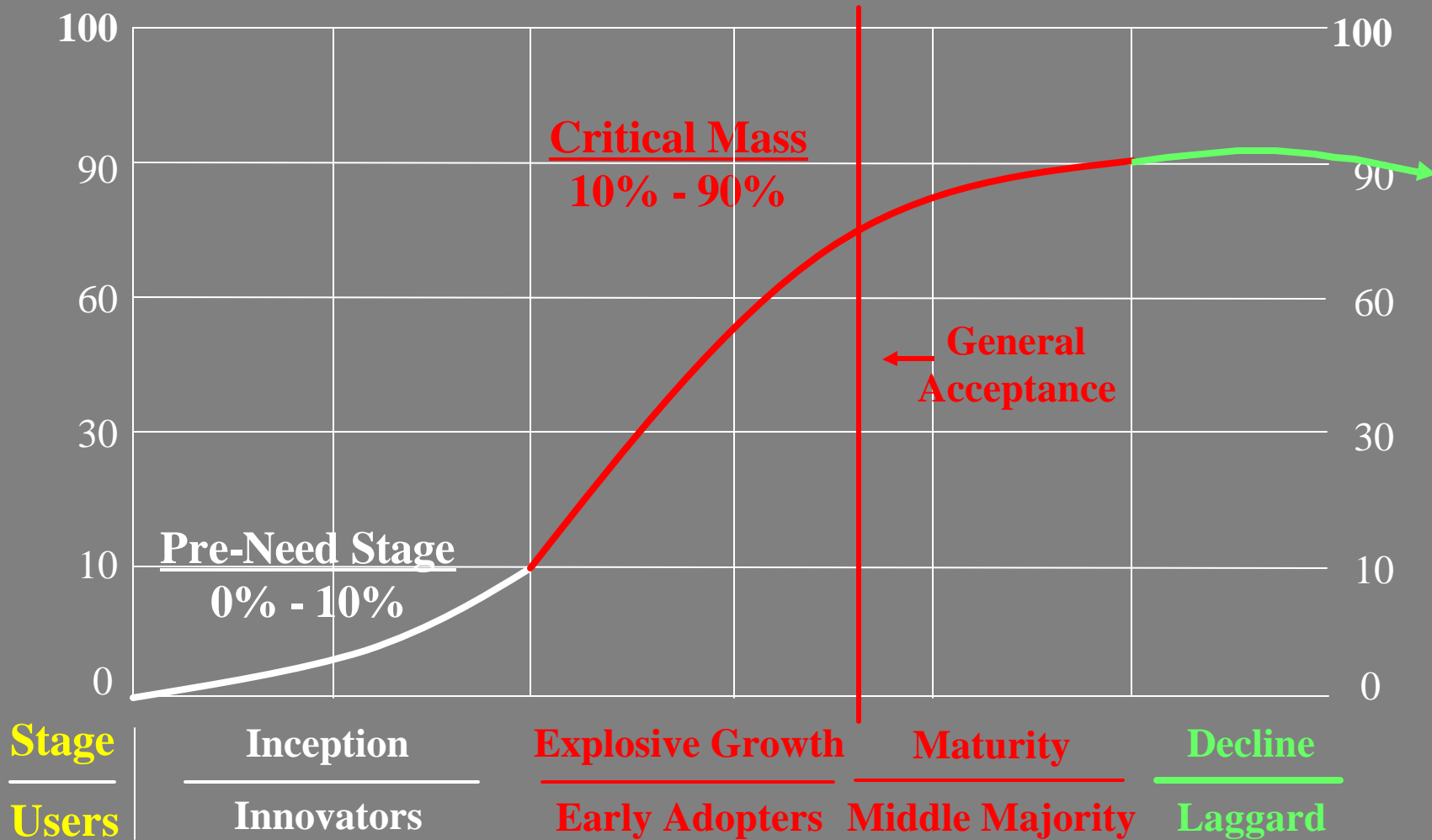


S Curve

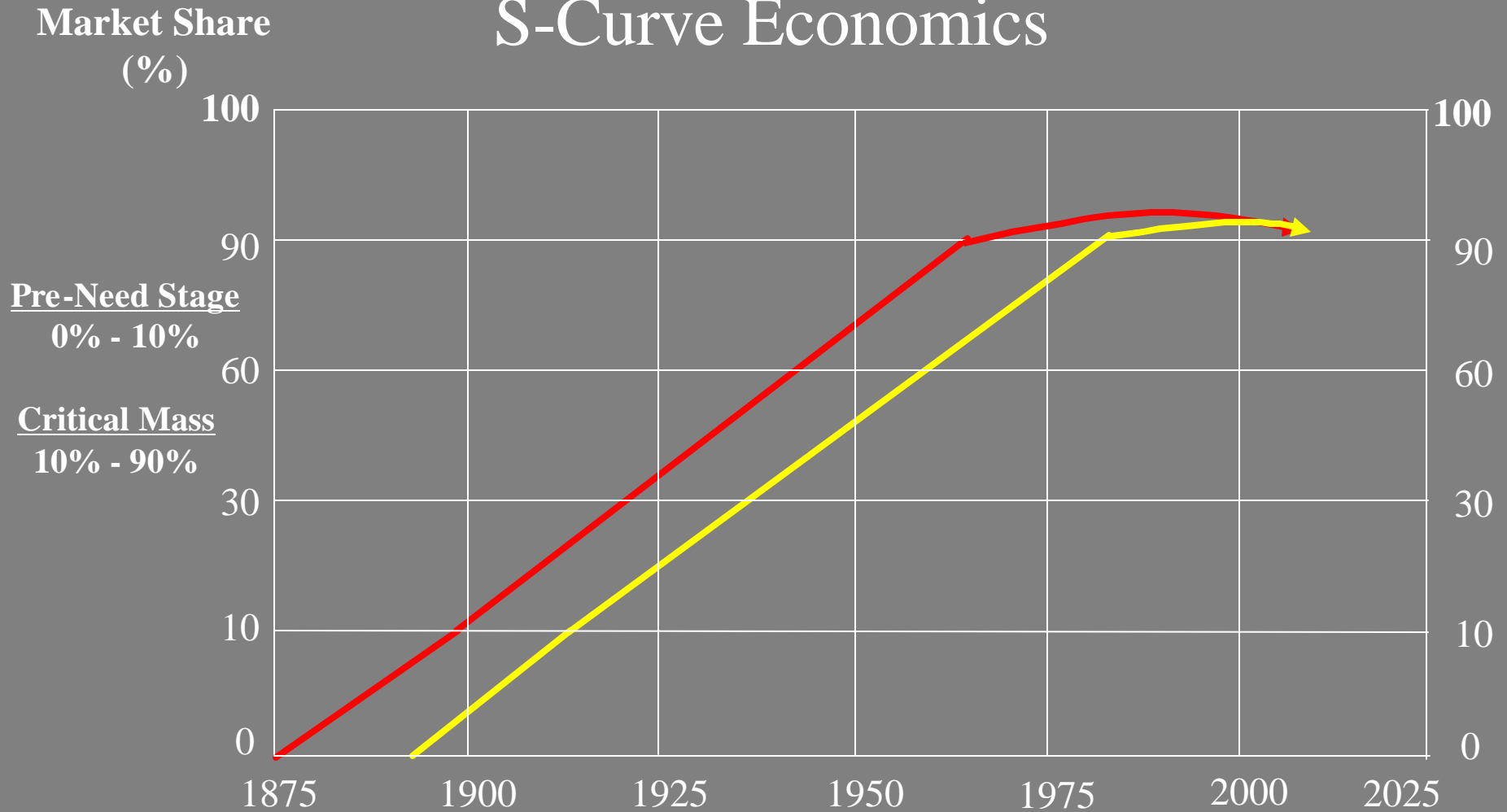
Economics

S-Curve Economics

Market Share
(%)



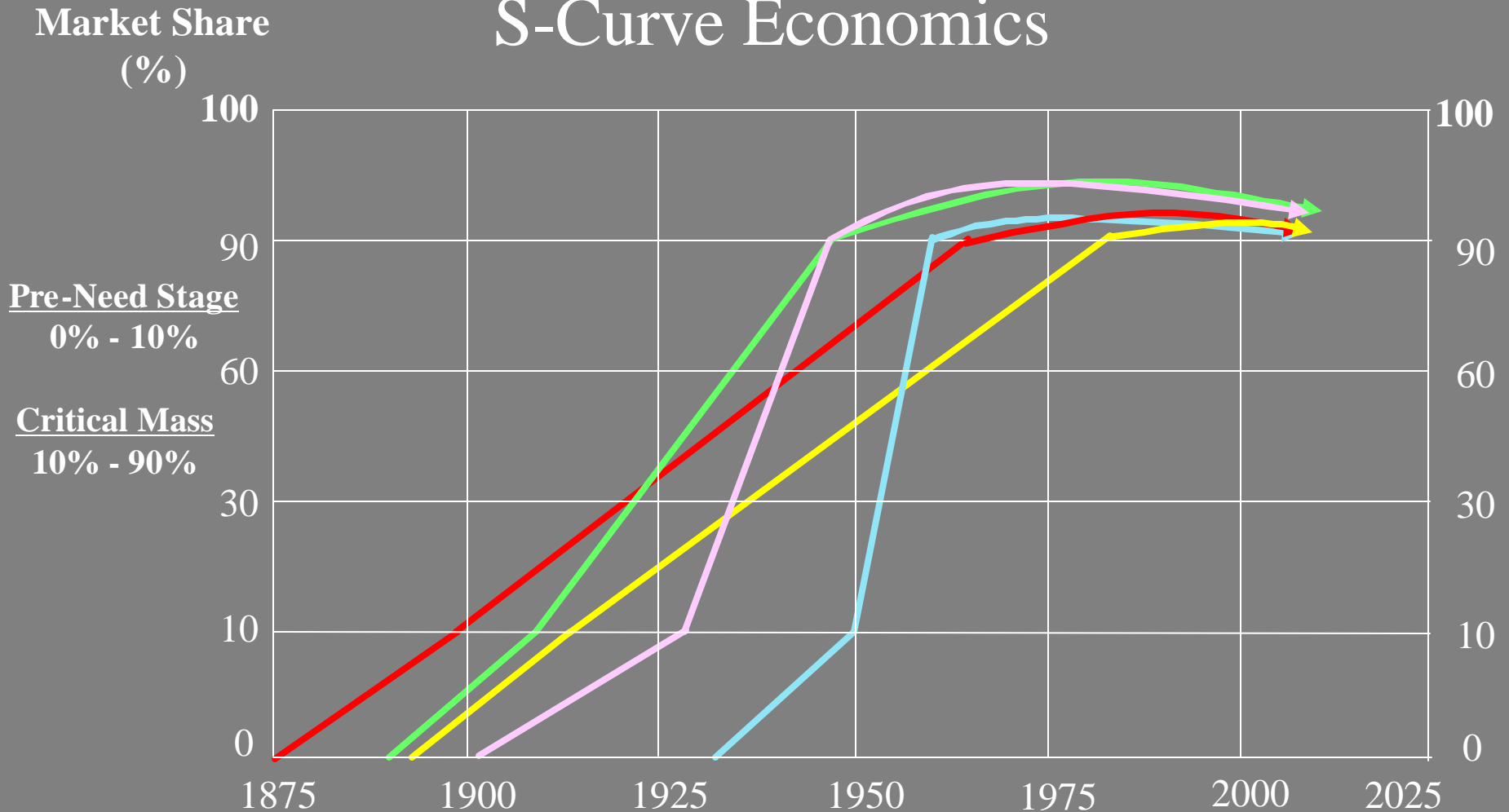
S-Curve Economics



Telephone – Reached 10% market penetration in 1896 and took 70 yrs to get to 90%

Automobile – Reached 10% market penetration in 1911 and took 70 yrs to get to 90%

S-Curve Economics



Telephone – Reached 10% market penetration in 1896 and took 70 yrs to get to 90%

Automobile – Reached 10% market penetration in 1911 and took 70 yrs to get to 90%

Electricity – Reached 10% market penetration in 1906 and took 42 yrs to get to 90%

Radio – Reached 10% market penetration in 1928 and took 20 yrs to get to 90%

Television – Reached 10% market penetration in 1950 and took 10 yrs to get to 90%

Power Curve Dynamics Driving New Momentum

❑ Convergence of multiple technologies

- Public usage of the internet
- Usage of personal computer
- First PC available in 1982
- E-commerce\E-tailing, B2C\B2B

❑ Social and Demographic trends

- Influx of the “Baby Boomers” born 1945-1963
- 4x more people in the U.S. in this age group as compared to anytime in the U.S.

❑ High spend years for Baby Boomers (39-46.5 years old)

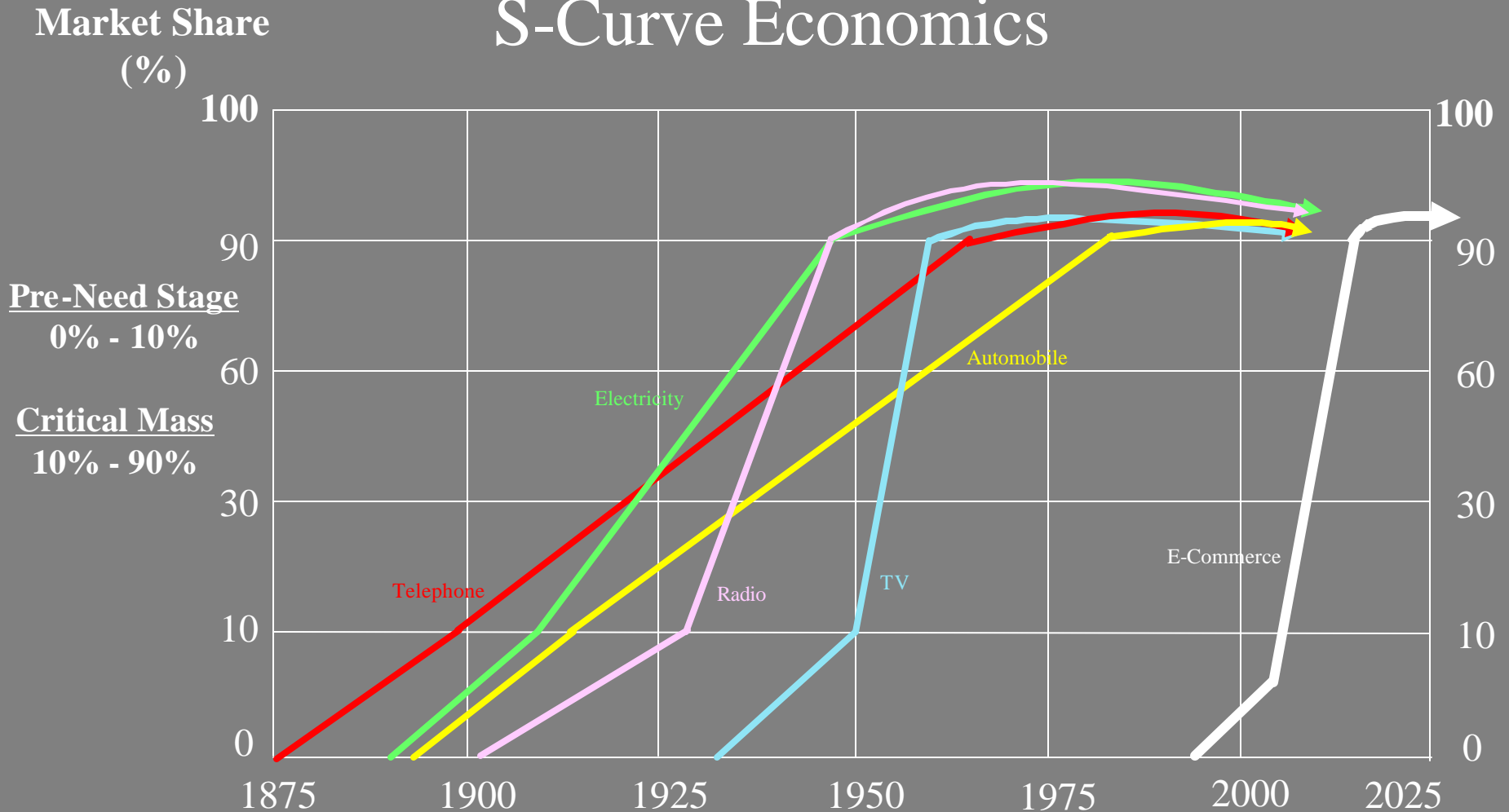
- 1961 was the peak year for births
- 2000-2007 peak spending years

❑ Gen-X & Gen-Y (20-40 years old)

- Cannot accomplish what parents and grandparents did
- Income rose 6 times but expenses rising 10x as fast

❑ E-commerce to hit critical mass by 2006 --- peak by 2010

S-Curve Economics



E-Commerce — As of April, 2005, US.Dpt.Commerce indicates E-Commerce is less than 3% of total Retail Sales. Estimated to reach 10% market penetration by 2006-2007 and will top 90% in 7-8 yrs. The estimated income by those involved will increase 36 fold.