

Web2 Corporation (OTCBB: WBTO)

Financial Data
(As Of Jan. 23, 2007)

Trading Symbol: WBTO
Recent Price: \$1.65
52 Week Range: \$0.90 - 2.48
Market Cap: \$30.0 Mil
Shares Out: 18.2 Mil

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Web2 Corp., an Internet technology company, specializes in Web 2.0 technology models that are interchangeable modules creating portals and/or Web properties online. It owns ByIndia.com, the search engine and social networking site for Indians; Web1000.com, the free Web host provider; and the Chamber of E-Commerce (chamberecommerce.com), a turn-key e-commerce solution. The company offers free advertising-based services and paid ad-hoc services, such as classified ad postings or auctions of personal items for consumers. Web2 Corp. also provides fee-based subscription services and revenue sharing services that allow businesses to conduct, promote, and support their enterprises online. In addition, it builds, manages, and facilitates private, online communities making customer conversations possible. Web2 Corp. is headquartered in Orlando, Florida.

WBTO

was recently voted the **3rd** fastest growing web hosting company by the Web Host Awards. Extremely optimistic forecasts that overall local search and online classified spending will grow from \$15.7 billion in 2005 to \$31.1 by 2010 (The Kelsey Group) create an extremely favorable environment for **WBTO's**

YouGetIt.com, web community solution, and with more than **550K** U.S. startups coming to market each month, the possibilities for future expansion are very promising.

In just a couple of short months, **WBTO** has seen its stock price increase from a low of just 90 cents on November 14, 2006 to a high price of \$2.48 on December 19 and sits in the low \$2 range.

WBTO plans to cash in on serving the more than 95% of the world's **1 billion** Internet users currently incapable of publishing web media. Managing **500,000** + web hosting accounts worldwide, **WBTO** is well poised for growth in the U.S. as well as rapidly emerging markets such as India and Latin America

Surging **Ebay** fees, the convolution of the **PayPal** system, and lack of a dominant e-commerce solution have created an enormous gap in the market. **WBTO** is ready to fill that gap and become to the e-commerce world what **AOL** was the to the consumer web community years ago.

Targeting the fastest growing Internet population in the world and the most rapidly expanding economy on the face of the earth, **WBTO** recently announced the acquisition of **www.ByIndia.com**,

www.AmalfiResearch.com



a search engine designed by a team of Indian developers based on **Google** logic. **WBTO** also plans to bring Indian web surfers the best components of popular web offerings such as **Ebay**, **MySpace**, and **Google's**, **youtube** and **blogger**.

For an extra boost, the company recently launched **ByIndia.com** with a **\$10 million sweepstakes**. **ByIndia.com** is well-positioned to become to **India** what **Baidu** (NASDAQ: BIDU) is to China. Baidu IPO'd in August, 5, 2005 at \$27 a share and closed its first day up **354%** at **\$122**.

Due to its innovative solutions that allow even the most web illiterate business owner to thrive in the online community, **WBTO** also has the unique potential to become the **AOL** of the e-commerce industry.

Byindia.com recently achieved the milestone of becoming the **#1 ranked Indian-centric** search-engine. In a few short months, **Byindia.com** has exploded in terms of web traffic and now attracts double the web traffic of entrenched competitors such as **Guruji.com**, **Raftaar.com**, and **SearchIndia.com**.

Corporate Overview

Headquartered in Orlando, Florida, Web2 Corporation (OTCBB: WBTO) is highly-specialized, next-generation Internet marketing company specializing in Web 2.0 technology. Founded and led by Internet industry pioneers William Mobley and Andre Ford, WBTO's current offering combines the best aspects of high demand features such as social networking, video and syndicated advertising, classifieds, online auctions and blogs. By adopting a modular approach, unlike many other developers, WBTO is able to offer seamless, easy-to-use product that meets the needs of web users in every niche of the market.

Web2 Corp's innovative approach and vast knowledge of online commerce allow it to quickly respond to the immediate needs and demands of the world's online community rather than letting the availability of any particular technology dictate the focus of their R&D efforts. By possessing the unique capability of being able to change with the market, WBTO is able to reap the rewards by altering its product without any downtime or lost revenues. As the global internet population surpasses the one billion user mark, WBTO is



uniquely positioned to lead the world's e-commerce market into a new era. With approximately only 5% of global Internet users capable of publishing web media, Web2 Corp's vast array of product offerings allow even the least tech savvy to move their business online with minimal effort and expenditures.

Currently, the company's rapidly expanding product suite includes, but is not limited to offerings such as: **Web1000.com**, **ByIndia.com**, the **Chamber of E-Commerce**, **YouGetIt!**, **JobMatchPro.com**, **AdAgencyPro.com** and **Private Labeled Communities 2.0**.

Key Point/Investment Highlights



Web2 Corp: Potential to become the AOL of the E-commerce World?

Just as America Online (AOL) helped the U.S. public overcome a number technological boundaries in the Mid 90's, allowing many Americans to log on to the worldwide web for the first time, Web2 Corp. is facilitating the e-commerce experience for clients around the globe. Prior to the availability of WBTO's e-commerce offering, technology largely disallowed many Internet users from establishing a business online.

With the worldwide population of internet users now surpassing one billion, WBTO has access to a virtually unlimited potential customer base. In addition, the company's 500,000 plus free hosted sites also present a substantial revenue generating opportunity for WBTO, particularly if it is able to upsell its current and future products to this target market.

Web2 Corporation's Chamber of E-commerce product offering provides the user with a seamless e-commerce solution that allows even the most computer illiterate web

entrepreneur to set up an efficient online business with minimal stress and limited financial investment (approximately \$40 by company estimate).

WBTO is gaining increased traction in the web community as of late due to its ability to provide a very effective shortcut for those seeking to conduct business online. With retail U.S. e-commerce spending surpassing \$102 billion in 2006 according to research firm comScore Networks, Americans are more eager than ever to bring their brick & mortar business online and/or establish new web-based businesses.

888% Three Month Growth Rate Establishes Byindia.com as #1 Indian Search Engine

Intelligently targeting India, which houses the world's fastest growing internet population, with its Byindia.com offering, WBTO has already propelled itself to the head of the class in terms of Indian-centric search engines. Recently making the transformation from a search engine website to what WBTO refers to as "one of the

Internet's First Super Center Websites", the site now integrates a full suite of today's most popular Web 2.0 technologies such as those used in offerings like craigslist.com, YouTube.com, Myspace.com, Ebay.com, and more.

Making up 1/6th of the world's total population, India is expected to have the most Internet users in the world by 2010 (estimated at 100 million). Furthermore, India's overall population is expected to grow rapidly through 2030 when it is forecasted to surpass China as the most populated country on the globe. Boasting a youthful population of which only approximately 10% are senior citizens, India is a hotbed for the growth of both the Internet and the E-commerce industry.

The Internet & Mobile Association of India forecasts that there are currently 38.5 million Indians online, a number expected by the association to reach 100 million by 2007-2008. One key attribute of this emerging market that attracts the attention of global advertising giants and developers more than anything else is its youth. With

the IMAI estimating that possibly more than 90% of the country's users are between the ages of 18-45, near to mid-term forecasts regarding e-commerce and online advertising growth within the Indian community are more than optimistic. When taking into consideration the past success of leading online search engine ventures such as Google and Baidu, the future looks promising for Web2 Corp if it is able to maintain its position as India's top search engine site.

Taking Ebay, MySpace, Google's, youtube and blogger and Making Them Better

By improving and simplifying ease-of-use of existing best-of-breed web-based products WBTO is positioning itself at the forefront of a new era of Internet technology. Through its offering of next-generation products in a modular package that can be updated and re-configured with no down time, WBTO is positioned at the forefront of e-commerce product development. Web2 Corp expands on the ideas and scope of existing web



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ventures, therefore creating a significantly larger target demographic than current web offerings.

For example, consider Myspace.com, a surging social networking site that has established itself as the 5th most visited website in the U.S. Purchased for \$580 million dollars in 2005, the site has attracted many advertisers, many of which have had a tough run at making money on the site unless peddling products and services aimed directly at the 15-25 demographic. Web2 Corporation fills in the gaps left by current web offerings such as Myspace.com by allowing its social networking product to be modified and re-configured to meet the needs of niche groups such as town ordinances or special interest groups. By optimizing today's most popular web offerings and treating each one as an individual piece of a modular whole, WBTO is leading the world into a new era of online commerce.

WBTO is able to generate real advertising revenues through its ability to offer a solution that goes far beyond a simple meet and greet for teens and twentysomethings. The company has developed a revenue generating plan/model for advertising on specific niche sites and now looks to capitalize on new opportunities in that arena. By targeting groups such as colleges, athletic associations, special interest groups, stores, and just about any other existing niche group, WBTO can actively target advertisers and make a solid case that their ads will be viewed by their target audience. At the end of the day, Web2 seems to have generated a revenue sharing/splitting model that satisfies the financial requirements of all parties involved. This is very positive as WBTO pushes forward towards financial success.

Byindia.com: The Next Baidu?

Now that ByIndia.com has positioned itself as the top Indian-centric search engine, comparison to Chinese online search engine success Baidu (NASDAQ: BIDU) is likely to increase. If Byindia.com continues to expand through WBTO's plan to continuously release new best-of-breed web offerings to the Indian community, the company will be poised to become to India what Baidu is to China. Depending on how the situation is viewed, one could also make the argument that since ByIndia.com offers much more than simply a web search engine, its opportunities in India could someday lead to gains that trump the achievements of its behemoth Chinese peer.

The story of Baidu's success provides hope for the future of ByIndia.com as it exhibits how demand for an authentic, regional-specific internet search engine translates into enormous profits. By catering to the specific demands of the Chinese public and a little help from the government, Baidu has fought off stiff competition from U.S. giants such as Google and Yahoo.

One can draw many parallels between India and China, making ByIndia's and WBTO's case for Indian domination very interesting. Furthermore, in recent months ByIndia has begun nudging larger competitors out of its key market, just as Baidu did during its rise to dominance. Now user-friendly in five major Indian languages as well as English, ByIndia.com provides the first ever Indian-centric versions of today's most popular web offerings.

Conclusion/Investment Analysis

Taking into consideration:

- Web2 Corp's unique position as an innovative developer of next-generation Web 2.0 technologies that optimize today's most popular web offerings and assist approximately 95% of the world Internet user population currently unable to publish web media;
- WBTO's intelligent market segmentation and strategy surrounding the penetration of the Indian Internet user community which is pegged to grow to 100 million by 2010;
- The recent success of Byindia.com, which is marked by its rise to becoming the #1 ranked Indian-centric search engine by Alexa.com and web traffic doubling that of competitors such as Guruji.com, Raftaar.com, and SearchIndia.com;
- WBTO's unique ability to bring non-tech savvy entrepreneurs online with minimal investment of financial resources and valuable time;
- WBTO's potential to replicate or trump the success of Chinese search engine giant Baidu;
- The company's development of a revenue generating plan/model for advertising on specific niche sites that holds the potential to unlock a virtually endless revenue stream;



We are optimistic that the future Web2 Corporation (OTCBB: WBTO) will be bright, particularly if the company is able to expand on its position as an Internet technology leader in the surging Indian and U.S. markets.

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