

*Providing online marketing & e-commerce*

# **Commerce Planet Investor Presentation December 2007**

**Tony Roth, President & CEO  
Jaime Rovelo, CFO**



# Introduction

## Safe Harbor

Except for the historical information contained herein, the matters set forth in this press release, including statements as to management's intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future, are forward-looking statements. Such statements typically include such words as "believes," "anticipates," "expects" and similar terms. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons including: our ability to continue as a going concern, adverse economic changes affecting markets we serve; competition in our markets and industry segments; our timing and the profitability of entering new markets; greater than expected costs, customer acceptance of our products and services or difficulties related to our integration of the businesses we may acquire; and other risks and uncertainties as may be detailed from time to time in our public announcements and SEC filings. Although we believe the expectations reflected in the forward-looking statements are reasonable, they relate only to events as of the date on which the statements are made, and our future results, levels of activity, performance or achievements may not meet these expectations. We do not intend to update any of the forward-looking statements after the date of this document to conform these statements to actual results or to changes in our expectations, except as required by law.



# Introduction

## Presentation agenda

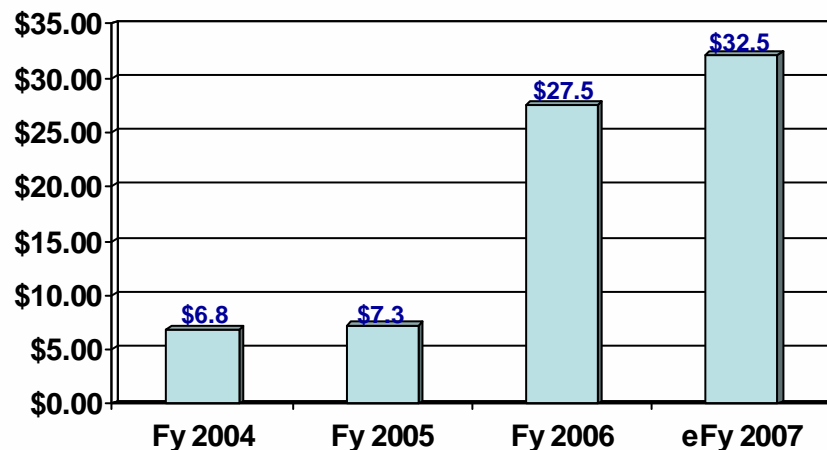
- Commerce Planet (CPNE) overview
- Market Dynamics
- 2008 – 2009 Strategic Objectives
- Financial Performance & Outlook



# Introduction

## Quick overview

- CPNE is a proven online marketing & e-commerce platform provider with growth in Consumer Loyalty Group & Legacy Media business drivers and recent acquisition of Iventa e-commerce dashboard solutions
- Offices in Santa Barbara and Los Angeles with software team in India and some 70+ employees including a Costa Rican Call Center
- Realized growth in online marketing/membership revenue in \$millions:



# Introduction

## Building Shareholder Wealth

- **Educating the marketplace and illustrating our strengths**

Further enhance our business model with fully integrated online/offline platform

- **Executing smartly with our proven business tools and model**

Leverage our existing traffic generation, database management, customer care capabilities for e-commerce business solutions roll-out

- **Growing profitably and via accretive acquisition**

Organically growing value propositions alongside synergistic opportunities



# Market Dynamics

## Many factors drive e-commerce

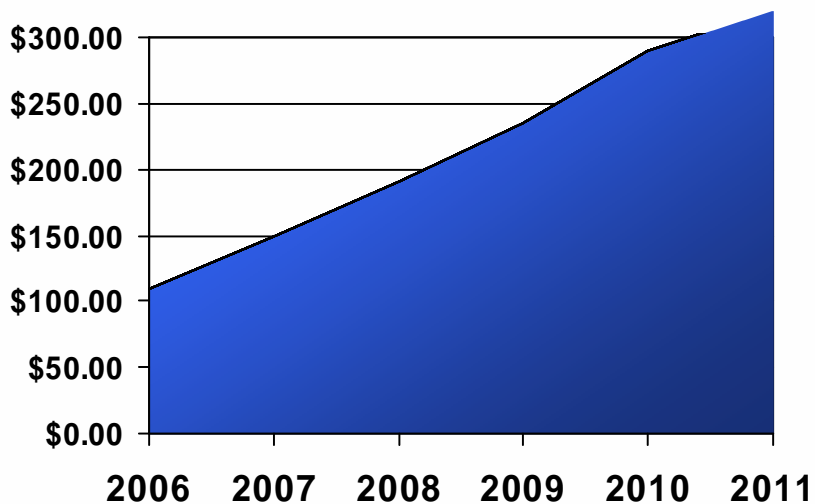
- Online commerce continues to grow aggressively  
U.S. Online sales will double in next 5 years (Forrester)  
\$354 billion market in U.S. by 2011 (Forrester)

### Applies to the following:

- Toys
- Sporting goods
- Pet supplies
- Over the counter med/personal care
- Collectables
- Office supplies
- Music videos
- Movies tickets
- Jewelry
- Home Furnishings
- Gift cards and Gift
- Certificates
- Food, beverages & groceries
- Flowers/cards
- Cosmetics/fragrances
- Consumer Electronics
- Computer Peripherals & Hardware
- Books
- Baby Products
- Auto/auto parts
- Appliances/tools
- Apparel, accessories

## Total US Online Retail Sales (non Travel)

Source: Forrester researcher October 2005



# Market Dynamics

## E-commerce business needs solutions

- 25% of online shoppers abandon
- 47% of e-commerce sites do not know their abandonment rate  
(According to Internet Retailer Magazine)
- 40% of online shoppers are dissatisfied with their online experience  
(Forrester)
- Conversion rates, visitor traffic, online revenue and profitability all vary greatly and remain difficult to track and analyze consistently



# Market Dynamics

## Behavior is driven by “Millennials”

Millennials' estimated spending power is \$200 Billion (5 – 17% online)

• Baby Boomers	Born 1946-1964	Total: 82,530,000
• Generation X	Born 1965-1981	Total: 50,469,000
• Millennials	Born 1982-2000	Est: 100,000,000

Millennials are:

Perpetually connected

-Stratifying communication

Multi-tasking and productive

-Filtering/looking for entertainment

Self expressive...yet assimilative

-Individually creative yet group oriented

Source: Resource Interactive

Optimistic and entitled

-Assumes success, demands involvement

Fickle

-Competition is just a click away

Driving other generation's behavior

-All generations may soon share expectations



# Market Dynamics

## The Merchant Speaks

- Over 50% of merchants change Web store elements weekly or more often (Many adjusting home pages daily)
- 83% of merchants make these changes manually
- Merchants need better efficiency - Number of employees working on e-commerce remains static
- Merchants want to personalize shopping experiences
  - 40% provide limited personalization on Web and e-mail
  - 39% intend to add personalization
- Merchants are trying to do more customer segmentation

Source: The Merchant Speaks, April 06



# Market Dynamics

## Online business needs more tools

- Customer loyalty is fluid at best
- Online competition is ever-increasing
- Brand value must be enhanced for survival
- Volume of SKUs in on the rise
- Shortening product lifecycles is a challenge
- Customer segments is extrapolating
- Accelerating rate of change

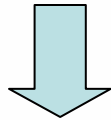


# Why Commerce Planet

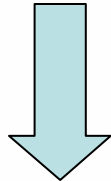
## Business value to partners

### Relevance

Right product  
Right information  
Right advice  
Right Time



Increases Probability  
of Acceptance



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Successful Programs

### Increase Conversions

Targeted product, ads,  
information, promotions, offers  
Trigger impulse buying

### Increase Order Size

Targeted cross-sells, up-sells



# Market Dynamics

## Call center support & Live-chat

### Case Studies Show Human Factor Counts:

- 62% conversion rate increase
- Twice the conversion rate toll-free
- 88% are more likely to contact
- 92% say it enhances their experience
- 90% abandonment / 55% converted (Dell Financial Services)
- 78% more likely to return (Continental Airlines)

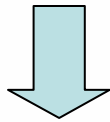


# Why Commerce Planet

## Fully integrated value proposition

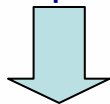
### Real-time business control

Tools to manage product placements, ads, promotions, cross-sells & up-sells, web content, and search results



### “Live Site”

Dynamic web site, frequent changes to home page, fresh product details, smart offers based on real-time business intelligence, responses to searches.



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### Increase conversion rates

Targeted product, ads, information, promotions, offers, hot products, and bargains on overstocked products

### Increase order Size

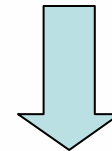
Adjust to buying patterns

Maximize inventory

Protect margins

Increase customer satisfaction

Saved time and money



Improve merchandiser efficiency



# 2008/2009 Strategic Objectives

## Our platform value proposition

Comprehensive



**Dynamic date-driven content...**

Define unlimited number of attributes  
Control all attributes & avoid multi-page designs

Ubiquitous



**Core to everything we do...**

Integrated into marketing, sales, & customer service interactions including email, web, phone

Easy to Use



**No programming required...**

Business user tools for web & email campaigns  
List management and data scoring

Automated



**Fact based/Rules-driven/Self-learning**

Profile-driven, anti-fraud order verification processes  
Event-based marketing scenarios & fulfillment  
Affinity-based recommendations for promo-marketing



# Why Commerce Planet

## Proven proprietary online success

onlinesupplier.com

- Product Offering Experience  
High profit margin model  
Re-occurring revenue stream



- Lead Generation & Data Management  
Data Capture & scoring customers  
Proprietary processing Systems



I Need A Good Diet

- Costa Rican Call Center  
Customer service & tele-sales  
Piloting new programs efficiently



# 2008/2009 Strategic Objectives

## Online marketing & e-commerce platform

- **Improving our Customer Experience**
  - Personalization
  - Advanced search and data management
  - Rich media, fully integrated eService and assisted care
- **Increasing our Agility and Services**
- **Intelligent Marketing & Merchandizing**
  - Web content management
  - Web analytics, order verification and anti-fraud processing
- **Increasing our Scale and Sustainable Model**
  - Visitors, orders, languages and currencies
  - Brands and micro-sites
  - Product offerings and # of SKUs



# 2008/2009 Strategic Objectives

## Introducing the Iventa Dashboard



A Fully managed, web-based, SaaS Application providing proprietary E-commerce solutions, services & fulfillment



# 2008/2009 Strategic Objectives

## Fully integrated offerings & services

- Reliable & Scalable
- Program Management & Administration
- Online Traffic and Lead Generation
- Campaign Management
- Catalog / Content Management
- Customer Care and Call Center Services
- Order Verification & Anti-fraud Processing



# 2008/2009 Strategic Objectives

## Leveraging the current business



DASHBOARD 2.0



A FULLY INTEGRATED DIGITAL COMMERCE PLATFORM

OPEN INTEGRATION WITH...

- Corporate Systems
- Accounting/ERP Programs
- Fulfillment Partners
- Download Providers
- Mobile Content Providers

### Ecommerce

- Downloads
- Products
- Membership
- Pre-sales
- Tickets
- Points & Loyalty

### Marketing

- Up-sells
- Cross-sells
- Gift Certificates
- Promo Codes
- Targeted Emails
- Surveys & Polls

### Web 2.0 Built-in

- Rate & Review
- Community & Forums
- Friends & Recommendations
- User Generated Content

### Reporting

- Buying Patterns
- Psychographics
- Demographics
- Sales & Forecasting
- Inventory & Accounting

### Customer Service

- Targeted Up-sells
- Order History
- Single-view, Full User Profile
- Process Automation

DISTRIBUTE COMMERCE TO...

- Group Sites
- Individual Sites
- Partner Sites
- Download Portals
- Retail Sites
- Affiliate Networks
- Blogs
- News Feeds
- Mobile Portals
- Much More...

The Dashboard System™ is a scalable platform that enables a broad range of high-end e-commerce functionality for both Enterprise and SMB customers

CPNE will leverage existing it's traffic generation online media, sales support, customer care, and unique anti-fraud processing, list and data-base management capabilities for exponential growth



# 2008/2009 Strategic Objectives

## Comprehensive sales & customer care

- **All the right information**  
Customer profile, order history  
Fulfillment & inventory status  
Multiple catalogs & price lists
- **Quickly retrieved**  
Information-rich with rapid update and no page reload  
One-click access to all parts of the app  
Search by order, customer, SKU, email, phone, login...
- **Full order administration/transaction functionally**  
Order capture with incident tracking/ticketing  
Merchandise exchange & return
- **In a configurable, extensible platform**  
Configurable keyboard navigation and shortcuts  
Configurable permissions & workflows  
Extensible modular framework



# 2008/2009 Strategic Objectives

## Leverage cross-channel support systems

- Optional robust email, text message, response management system with turn-key training for call center support
- Optional incorporation of best-selling Datintel™, automated shopping cart & abandonment, Trans-guarantee™ order verification, to call & live chat
- Offer online management fully integrated with web merchandising creating:
  1. Cross-selling
  2. Up-selling
  3. Personalization



# 2008/2009 Strategic Objectives

Grow with newly acquired client base

Iventa Client Sampling

The logo for BusinessWeek, featuring the word "BusinessWeek" in white serif font on a red rectangular background.The logo for Sony BMG Music Entertainment, with "SONY" and "BMG" in black serif font, a treble clef symbol between them, and "MUSIC ENTERTAINMENT" in a smaller black sans-serif font below.The logo for Rhino Records, consisting of the word "RHINO" in white serif font inside a red oval.The logo for American Idols Live, with "American Idols" in white serif font and "LIVE" in a red box with "2008-2009" below it, all on a blue background.The logo for Dominion Enterprises, featuring a large red "D" with a white "E" inside, followed by "DOMINION" in black serif font and "ENTERPRISES" in a smaller black sans-serif font below.The logo for MTV Music Television, with a large yellow "M" and "TV" in red script, and "MUSIC TELEVISION" in a smaller black sans-serif font below.The logo for Kings, featuring a crown above the word "KINGS" in a stylized blue and white font, with a basketball below.The logo for Guitar Center, featuring a black silhouette of a guitar and the words "Guitar Center" in black sans-serif font.The logo for Kubota, with the word "Kubota" in orange stylized font and "Powerful Solutions For A Compact World" in a smaller black sans-serif font below.The logo for CMP, featuring a circular graphic of dots forming a "U" shape above the letters "CMP" in a black sans-serif font.The logo for GTI, with the lowercase letters "gti" in a blue sans-serif font.The logo for Toyota, featuring the silver Toyota emblem above the word "TOYOTA" in red sans-serif font.The logo for Freeman, with the word "FREEMAN" in white serif font inside a dark blue rectangular box.The logo for CommercePlanet, featuring a stylized blue and yellow circular graphic above the word "CommercePlanet" in a blue sans-serif font.

# 2008/2009 Strategic Objectives

## Goals & strategies summary

- **Strengthen our leadership in e-commerce**  
Further differentiate our products, services & solutions with value-added approach
- **Strategically drive our fully-integrated business model**  
Leverage our proven Consumer Loyalty Group & Legacy Media Divisions for Iventa
- **Grow organically and via accretive acquisition**  
Capture meaningful sales conversions and identify synergistic roll-ups



# CPNE Financials

## Performance & Outlook

Commerce Planet (CPNE)  
Financial Review



# Financials

## Strong & Scalable Business Model

### Management Projections

*in Millions *Except EBITDA Per Share	Outlook Range 2008
<b>Revenue</b>	\$24 - 28
<b>Gross Profit</b>	\$18 - 21
<b>R &amp; D</b>	\$0.7 - 1.0
<b>Sales &amp; Marketing</b>	\$8.3 - 9.0
<b>General &amp; Administration</b>	\$6.0 - 7.0
<b>EBITDA</b>	\$3.0 - 4.0
<b>EBITDA per share estimate**</b>	\$0.05 - 0.07

\*\* Assumes 58 Million Shares



# Financials

## Strong Balance Sheet

### Management Projections

*in Millions Except Working Capital Ratio	<b>Actual 10/31/07</b>	<b>Projected 12/31/07</b>
<b>Cash</b>	\$1.5	\$3.9
<b>Credit Card Cash Reserves (Restricted)</b>	\$4.9	\$2.6
<b>Merchant Receivables</b>	\$0.4	\$0.9
<b>Other Assets</b>	\$4.5	\$3.5
<b>Total Assets</b>	\$11.3	\$10.9
<b>Working Capital Ratio</b>	5.08	4.66
<b>Stockholders Equity</b>	\$9.0	\$8.9

\*As of 10/31/07 The Company had no outstanding debt.

\*The Company has positive cash flow from operations and expects to maintain positive cash flow going forward.



# Opportunity

## Summary discussion

Commerce Planet has:

1. Healthy market opportunity
2. Proven online marketing, sales and management systems
3. Marketing Differentiation with Iventa Dashboard
4. Solid Financials
  - Recurring revenue model with revenue recognized ratably
  - Cash Flow from operations with meaningful scale and margins

