

Herrold, Beau

From: Jennifer Binder [jbinder@photofete.com]
Sent: Monday, April 30, 2001 12:20 PM
To: sherri sera; Beau Harrold; jep@wincrest.com; jab@wincrest.com; jim woodhill; peter schaffer; Peter JMI-linc; charlie noell; jmoores-jmi; MaeBelle; mwillis@comsys.com
Subject: Board Presentation



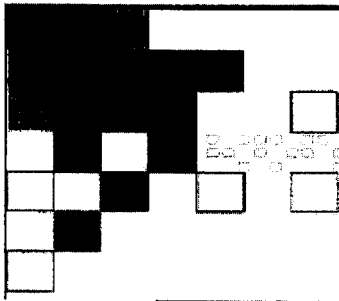
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All,

The board presentation as of 4/30/01 at 1:15pm is attached.

Please let me know if you would like any of the attachments.

Thanks,
Jennifer Binder
jennifer@photofete.com
713-942-7797



Schedule

10:00 to 10:15am **Introduction & Infrastructure by Jennifer Binder**

10:15 to 10:45 **Sales & Marketing by Jennifer Binder & Jim Golden**

General Sales Strategy & primary focus
Pipeline
Notes from Carol Cox
New Sales Teaser

10:45 to 11:15 am **Financials by Jan Sutherlin & Jeffri Botkin**

P&L Statements, Balance Sheets
Tax issues
Gut Burn Rate / Longevity
New Standard Procedures

11:15 to 11:45 am **Technology by Frank Soehnge**

New Product features & schedule
Time & cost to implement software

11:45 to 12:15 pm **Issues to be Addresses by Jennifer Binder**

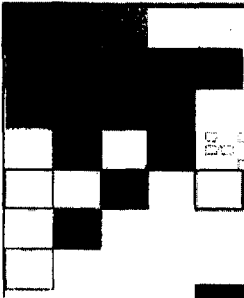
Pricing Structure
Decision to sue or not sue Microdata Systems
Cost of Closing /Thompson Knight Legal fees
Employee Update

12:15 to 12:45 pm **Request for Board Participation by all Board Members**

Q&A
Financial, Technical, Introductions

12:45 to 1:15 pm **Closing remarks by Jennifer Binder**

Goals
Milestones
Conclusion



Introduction

▪ Photofete officially closed \$550k in new cash and converted \$440 in debt/accrued interest April 9, 2001. The company originally did not budget closing costs which have cost us a month's worth of operation. We have 4-5 months to hit break even.

▪ Our main focus at this time is to accelerate the sales cycle and lock down standard procedures.

▪ We must generate a minimum of \$50k a month to take us to break even. Our recurring revenue is @\$25k, sales are down so our burn is up. After our April 30 payroll:

\$272k in the bank

\$58k in accounts receivable

\$25k in recurring monthly revenue

We expect BP's \$100k to hit in June

BP will increase our recurring revenue to \$50k a month

After dismissing King & Golden our cost of ops will be @ 85k

▪ We have experienced a few set backs with our VP of Ops and VP of Sales even though their references checked out. Both employees were given goals but did not deliver immediate results a start up demands. Due to our cash flow situation, I do not recommend replacing the VP of Ops. Jim Golden will have another month to produce, please advise on whether he should be considered an employee or consultant.

▪ Our sales cycle has slowed due to my focus on the due diligence process as well as a weaker economy and employee issues. I will need as much support for researching, calling, meeting and developing new clients.

▪ I, along with our core team, are devoted to making this company work.

▪ We will make up for lost time in sales THEN focus on recruiting a CEO and raising a Series B round of financing. The company can not afford a CEO at this time. If anyone can find someone who can produce results and will take stock, please let us know. Keep in mind we have \$300k in cash, the only value add at this time is sales.

