Boomerang

“Helping to turn your age around so that you can live life to the fullest!”

Sarah Stottsberry
Tom Vaughn
Phil Laube

Outline

- Need
- The Boomerang product
- Target market
- Our team
- Financial projections
- Conclusion
What is a Boomer?

- Mid 40’s / Early 60’s
- Health of Parents
- Movie clip
  - Exercise at middle age
- Need a way to make a healthy lifestyle “stick”

Why Do Diets Fail?

- Don’t ‘stick’ – early results, then we fade
- Why?
  - Hard to follow
  - Deprive essential balance in nutrition
  - Slow dieters metabolism
  - Exercise and/or Nutrition is missing.
  - Fitness Plateaus
How is Boomerang going to help?

- Focuses on Nutrition
- Focuses on Exercise
- Simple Analysis
- Easily accessible on Smartphone device you carry with you

Application Setup

- Basic information
- Lifestyle categories
  - Sets the baseline for the dashboard monitoring
- Categories
  - “Infrequent Exerciser”
  - “Slow Moving Senior”
  - “Exhausted Student”
  - “Busy Mom”
  - “Overworked Executive”
  - “Diabetic”
  - “Heart Attack Survivor”
  - “Experienced Exerciser”
Daily Use

- Main Menu lets user focus on what they want to track
- Options to Track Nutrition, Exercise or to view Results

Nutrition

- Easy to Track
  - Identification and Adding of Items with on-board camera
  - Frequent Items option to speed identification
  - Search By Category
Nutrition Cont.

- Easy to Customize
  - Combination items
    - Ability to combine ingredients
    - Useful for home cooked meals
    - Allows for realistic analysis
- Simple tracking by # of servings
  - Helpful hints available

Exercise

- Easy to Track
  - Frequent Items option to speed entry
  - Search activities by category
    - Hydraulic machines category useful for Curves® users
  - Simple tracking of minutes
Analysis

- At-a-glance Progress
  - Daily Dashboard
  - Customizable

- Simple Graphical Reports

Analysis cont.

- Basic Overall Analysis
  - Driven by lifestyle selection
  - Ability to customize target points
  - Easy to read
  - Helpful suggestions
Devices

- Palm Treo 700wx / Treo 750
  - Touch screen
  - $199.99 (w/ 2 yr service contract)
- Samsung Blackjack
  - $74.99 to $149.99
- Motorola Q
  - As low as $49.99!

OS – Windows Mobile

- Why
  - Open source easy to develop
  - Future of mobile computing
    - Convergence of business and personal use
    - Microsoft is best positioned to serve both
    - Several organizations predict that Windows Mobile will become a large part of the smart phone market
- Why not Apple’s iPhone?
  - No native development until 2008
  - Apple targets younger, trendy – not really our target
Technical Feasibility

- Application will require 4 MB
  - Application
  - Image technology
  - Databases
- Recommended devices have 60 MB and up
- Image technology using camera phone
  - Currently available
    - DTK Barcode Reader: Recognizes 1-D and 2-D barcodes from digital images and bitmaps
    - OCR from ABBEY Software House: Image to Text conversion

Target Market

Baby Boomers
- Person born between 1946 and 1964
- 78 million in United States
- 50 percent are women over 40
Target Market

Why women over 45?
- 30 percent overweight
- Less healthy than their parents
- Largest growing segment in health clubs
- Overweight conditions can lead to chronic diseases

Target Market

Risks of being overweight
- Hypertension
- Elevated cholesterol
- Type 2 diabetes
- Coronary heart disease
- Stroke
- Some cancers (endometrial, breast, and colon)
Sales Channel

- Partnership with Curves®
  - 4 million members in our target market
  - Shared philosophy of what is wrong with dieting
- Direct sales
  - Direct sales
  - Mobile software sites (Handango.com & others)

Our Team

- Sarah Stottsberry – Lead Programmer
  - Currently an Application Architect
  - 8 years experience
  - Strong background in Microsoft’s development environment, including Windows based, web & mobile applications
  - Experienced in designing, planning, developing, and overseeing projects from conception to completion
Our Team (cont)

1. Phil Laube – Controller
   - CPA
   - Previous experience as Controller / Dir of Systems and Services for start-up software concern
   - Audit Manager - Ernst & Young working with small owner managed businesses
   - Board member of local area small business
   - Experience with start-up concerns

Our Team (cont)

1. Tom Vaughn – Application Support
   - Currently a New Product Launch Coordinator
   - 14 yrs experience
   - Will be responsible for development of:
     1. Initial product testing
     1. Support function
## Financial Plan - Sales

### Definition of the market
- **Dieting population (000’s)**

<table>
<thead>
<tr>
<th>Over 45</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curves®</td>
<td>-</td>
<td>4,000</td>
</tr>
<tr>
<td>Other diet programs</td>
<td>8,030</td>
<td>16,060</td>
</tr>
<tr>
<td>No diet programs</td>
<td>5,900</td>
<td>8,345</td>
</tr>
</tbody>
</table>

### Smart phone sales

<table>
<thead>
<tr>
<th>(000's)</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone sales</td>
<td>7,580</td>
<td>11,975</td>
<td>16,370</td>
<td>21,380</td>
<td>26,390</td>
<td>29,029</td>
<td>31,932</td>
</tr>
<tr>
<td>Increase</td>
<td>-1.58</td>
<td>1.37</td>
<td>1.31</td>
<td>1.23</td>
<td>1.10</td>
<td>1.10</td>
<td></td>
</tr>
<tr>
<td>Windows Mobile share of market</td>
<td>5.6%</td>
<td>15.0%</td>
<td>20.0%</td>
<td>25.0%</td>
<td>30.0%</td>
<td>35.0%</td>
<td>40.0%</td>
</tr>
<tr>
<td>Units</td>
<td>424</td>
<td>1,796</td>
<td>3,274</td>
<td>5,345</td>
<td>7,917</td>
<td>10,160</td>
<td>12,773</td>
</tr>
</tbody>
</table>

### OS penetration to adults
- 0.2% 0.8% 1.5% 2.4% 3.6% 4.6% 5.7%

### Potential market to dieting
- 600 1,094 1,786 2,645 3,394 4,267
### Financial Plan - Assumptions for market share

#### Market share for Boomerang

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boomerang market share</td>
<td>0%</td>
<td>2%</td>
<td>5%</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>Curves clients</td>
<td>0%</td>
<td>0%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

#### Sources of Revenue

- **Database updates**
- **Sales - Partner**
- **Sales - Direct**

**Sources of Revenue Chart**

- **2008**
  - Database updates: $0
  - Sales - Partner: $0
  - Sales - Direct: $0

- **2009**
  - Database updates: $0
  - Sales - Partner: $500
  - Sales - Direct: $500

- **2010**
  - Database updates: $1,000
  - Sales - Partner: $1,500
  - Sales - Direct: $1,000

- **2011**
  - Database updates: $1,500
  - Sales - Partner: $2,000
  - Sales - Direct: $2,500

- **2012**
  - Database updates: $2,000
  - Sales - Partner: $2,500
  - Sales - Direct: $3,000

**Boomerang**
Financial Plan - Development costs

- Team - initial
  - 3 Programmers (1 level IV, 2 level II)
  - 1 Application Support
    - Initial product testing
    - Establish support function
  - Healthcare consultant
- Year 2
  - Add 1 Application Support
- Year 3
  - Add 1 Programmer
    (assist in tailoring to new partners)
  - Add 1 Application Support

Other Team and costs

- Initial Team
  - Controller
    - Bookkeeping
    - Business Analysis support
    - Marketing and capital
- Year 3
  - Add Marketing
    (develop new partner arrangements)
  - Clerical
Other Team and costs

- Budget for advertising
  - Google, Yahoo search placement
  - Also provided by Mobile software sites
- Travel expense
- Audit expense

Pro forma Income Statement

<table>
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<tr>
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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$0</td>
<td>$132,260</td>
<td>$1,248,604</td>
<td>$2,001,605</td>
<td>$3,165,341</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$0</td>
<td>$99,895</td>
<td>$1,057,617</td>
<td>$1,694,989</td>
<td>$2,663,879</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>335,877</td>
<td>309,640</td>
<td>431,678</td>
<td>463,776</td>
<td>509,358</td>
</tr>
<tr>
<td>Overhead &amp; startup costs</td>
<td>121,728</td>
<td>138,339</td>
<td>256,349</td>
<td>271,411</td>
<td>296,636</td>
</tr>
<tr>
<td>Net income</td>
<td>(457,605)</td>
<td>(348,084)</td>
<td>369,590</td>
<td>959,803</td>
<td>1,857,885</td>
</tr>
<tr>
<td>Cumulative</td>
<td>-</td>
<td>(805,688)</td>
<td>(436,098)</td>
<td>523,704</td>
<td>2,381,589</td>
</tr>
</tbody>
</table>
Summary and Investment Request

NPV of net income $1,583,445
Investment requested 1,000,000
ROI 58%
Yrs supported by investment request (excl revenue) 2.1

Conclusion

- Boomerang helps answer the question of why diets fail
- Sales plan is realistic and achievable
  - Partner with established brand in industry
  - Build on strong OS that looks to be a standard
- Strong team developing the product
- Realistic forecast with strong return