



BURLEY & ASSOCIATES
BUSINESS ACQUISITION SERVICES

ACQUISITION PROFILE
HOMELAND SECURITY ONLINE SOLUTIONS COMPANY

EXECUTIVE SUMMARY

Burley & Associates has been retained to identify an acquirer for a company headquartered in the Washington, D.C. metropolitan area. The Company is a provider of digital workspace solutions and online collaboration services for the architectural, engineering and construction (AEC) industry, and is currently developing, with significant collaboration and assistance from Harvard University, a product extension targeted at the Homeland Security market.

The fully-launched software solution targeted at the AEC market is based on an eRoom platform. This service allows multiple firms and their project managers – typically from disparate locations – to work on project drawings, documents and project tracking items in a real-time basis and from the same depository. The service provides considerable value to its users by shortening project design and completion times, minimizes errors and saves significant costs. Currently in the early stage growth cycle of revenue-development, the Company is seeing increased interest and sales from the market

As appealing as the initial product launched by this Company appears, the product extension presently under development has far greater potential. Using the same base concept and platform as its current AEC solution, the Company is well underway developing an Emergency Response System (ERS) with direct focus on Homeland Security issues and needs. This solution will allow first responders to emergency situations on college campuses, office complexes, government campuses, and similar facilities, to have immediate access to critical information about these facilities. Through a secure portal, the responders will be able to instantly see biohazard/chemical data, fire and explosives threats, means of egress, structural details on the buildings, locations of gas and electrical lines, elevator locations and many other pertinent details. A key differentiator of this solution in comparison to competitive products on the market is the creators' knowledge and expertise in the AEC market and their ability to provide critical structural and other similar building data, and do so in a 3-D format. This system can reduce response times, allow for quicker and more accurate decision-making, and thereby has means to save lives and property in a consider manner.

The Company has multiple sources to drive revenues from their emergency response system, but the primary driver will be the revenues from mapping the buildings and facilities to enter them into the portal database and eRoom. A sizable but reasonable charge per building is obtained during the setup process and these revenues can be quite significant. The initial target market of colleges and universities, real estate investment trusts (REITs), government campuses and facilities and property management firms, many thousands of buildings exist and could drive tens of millions of dollars of revenues for quite some time.

In developing the emergency response system, the Company has tapped a number of heavy-hitting partners, but none as much as Harvard University who has teamed with the Company in the development of this product. The product development process has several months remaining and the service is currently planned to be launched in the late third quarter / early fourth quarter time horizon. This service has far-reaching revenue potential, has no known direct competitors offering similar building modeling and is targeting the emerging high-growth homeland security industry.

FINANCIAL SUMMARY

This Company has been in business for several years, but has been in the product development stage for much of it and its revenues can best be described as early stage currently. Because of its active and significant product development activities – including over \$4 million invested – the Company has not yet crossed into profitability although revenues are increasing for its initial AEC solution.

The Company has favorable expectations for 2005 as sales and interest in the AEC solution has started to gain traction and the ERS solution expects to be launched later this year. The outlook for 2006 and beyond is more appreciable. The Company forecasts the revenues from the first three years of sales in the ERS solution to be in the \$25 million region. The underlying assumption in this forecast is that approximately twenty moderately sized college campuses - of the 1,800 or so in the total market - come on board with their product, or some other combination of government facilities and other targeted industries.

To fund the startup of this firm and the initial product development, the Company issued equity and currently has roughly 200 shareholders on record. The Company has not offered and currently holds no debt. As part of the initial losses incurred by the Company, they do possess a significant tax asset that may present a financial benefit to an acquirer.

ACQUISITION TERMS

The Company recognizes that as an early stage revenue firm that it needs to be flexible and open to deal structures that may include significant reliance on deferred components. They are open to discussing offers of this sort and would actually prefer offers that involve partial or whole payment in publicly-traded stock – especially if the firm has an interesting and appealing story. Other offers and deal structures will be considered and evaluated on their merits.

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Upon proper qualification of the potential acquirer, including the customary exchange of financial information and confidentiality agreements, a detailed Confidential Offering Memorandum will be provided.

All inquiries will be held in strict confidence.