

SUMMARY

Company	CyberLinks, Inc. was incorporated in Delaware in June of 2001. Its main office address is 1372 Broadway, New York, NY 10018.
Business	The Company is an early-stage Internet venture that provides unique document management and communication services for financial institutions.
Company Description	<p>CyberLinks builds and operates private networks for its clients, on which they create, disseminate and manage confidential documents. This highly secure service aims at firms that deal in complex financial transactions such as:</p> <ul style="list-style-type: none"> o Syndicated bank loans o Mergers and acquisitions o High yield debt placement o Mortgage and asset-backed securities o Emerging markets debt & equity securities o Securities issued under SEC Rule 144A. <p>CyberLinks serves its clients as a trusted independent utility. The Company links its subscribers together via a business-to-business "extranet." This global network greatly reduces the need for its clients to invest in costly document management hardware and software. Subscribers can access CyberLinks' services from their standard desktop web browsers.</p> <p>Participants in CyberLinks' networks can cut their costs of traditional "sneaker-net" methods by 30% or more. The Company's services drastically reduce the need for mountains of printed paper documents, paper faxes, overnight deliveries, messengers and administrative telephone calls. CyberLinks' network shortens the time required to syndicate and document financial transactions.</p>
Company History	<p>The Company became an IBM Business Partner in December 2001 and a Lotus Development Partner in January of 2002. CyberLinks builds its extranets on Lotus Notes, Lotus Domino, and IBM InterConnect for Lotus Notes.</p> <p>The Company calls its first extranet application, "<i>CyberLoan</i>." This service targets the domestic syndicated bank loan market. (In syndicated deals, banks club together to make loans to large companies and governments.) In 2001, JPMorgan became a collaborative partner. JPMorgan and BankAmerica ran a beta test in April of 2002. JPMorgan launched a live deal in May and signed a two-year contract in June 2002.</p> <p>JPMorgan is the second-largest Agent bank in the domestic syndicated loan market. The Company expects to sign a similar contract with BankAmerica within 90 days. BankAmerica is the third largest Agent. In 2001, there were 2,600 syndicated loans. CyberLinks revenue yield for each syndicated loan should average about \$7,000. The <i>CyberLoan</i>TM module alone represents over \$18 million in potential revenue.</p> <p>In June 1997, IBM agreed in principle to license <i>CyberLoan</i>. IBM will pay the Company a license fee of \$1 million and will offer wide IBM staff field support. (This agreement is subject to negotiation of a mutually satisfactory contract.)</p>

**Profit
Strategy**

The Company provides a neutral service in a highly secure environment. *CyberLoan* is a communications clearinghouse. Agent banks can reduce their costs and speed up and streamline their deal processing. *CyberLoan* permits directed eMail and FAQ's; it allows "status tracking" of participating investors, mainly other commercial banks.

For investors, the service provides instant access to new and more deals, as directed by the Agent. It speeds deal approval and review -- because investors can use electronic cutting and pasting to prepare internal reports and memos. (This benefit is the favorite feature for many investors.) CyberLinks' document management system requires little set-up: Internet access and a standard web browser.

"CyberLinks It!"

Investors participate in the network for free. CyberLinks charges transaction fees to the Agent banks, who pass the costs (as usual) on to their borrowers. Each deal will generate revenues for the Company between \$6,000 and \$8,000. In the syndicated loan bank market, CyberLinks plans to gain a 35%+ market share by the year 2000. A 35% share would amount to about 1,000 deals and \$7 million in annual revenues.

The Company will enjoy substantial profit margins. Direct staffing, tech support, database maintenance and document conversion costs are semi-fixed and minimal. The relatively small numbers of large firms that use its electronic networks drive CyberLinks' low operating costs. The large number of deals involving these same institutions drive the Company's revenues.

**Unique
Business
Strategy**

By focusing first on a traditional financial market (syndicated bank loans), the Company has gained the collaborative sponsorship of two of the largest and most reputable banks in that market. This early success enhances the Company's credibility and reputation. Enhanced credibility will enable CyberLinks to introduce new extranet "modules" more rapidly into other financial markets.

Early in 2003, CyberLinks will launch an international syndicated bank loan module in Europe, then Asia.. During 2003-2004, the Company will develop new modules:

- o Mergers and Acquisitions
- o Asset-Backed Securities
- o 144A Securities
- o Collateralized Mortgage Obligations
- o High-Yield Debt Securities
- o Debt Private Placements

Revenue potential from these market segments alone is in excess of \$100 million. The Company believes its unique system, with minor adjustments, should hold appeal for many other financial and business-to-business applications. The immediate goal is to target the leading financial institutions that operate in multiple financial markets. Once one of CyberLinks' modules is up and running inside a given firm, cross-selling another module to that same institution is less difficult.

Management	<p>Mark XXXXXX, founder, President and Chief Executive Officer, worked for leading Wall Street firms for over 20 years. He has extensive experience in marketing complex financial deals to large financial institutions.</p> <p>Patrick YYYYYY, Chief Operating Officer, was a founder and the COO of PSCM, a company specializing in outpatient health care services. Patrick helped to start and grow this company to 650 employees. PSCM went public in 1993. In 1996, he was instrumental in its sale for \$70 million to a <i>Fortune 500</i> company.</p> <p>Arthur ZZZZZZ, founder and Chairman, worked for JPMorgan for over 25 years. He served as head of that firm's Private Banking division before taking early retirement in 1995. Arthur is Chairman of the Bermuda Stock Exchange. He is a founder of CATEX Bermuda, an electronic exchange for risk insurance.</p> <p>John AAAAAA, founder and CPA, is the Chief Financial Officer and Treasurer. Mr. AAAAAA has spent 13 years in financial management in the securities industry. He served as CFO for Perry Corporation and was a senior manager at Caxton Corp.</p> <p>CherylBBBBBB, SVP-Product Development, has over 10 years of experience in product development and in marketing for high tech companies.</p>
Financing	<p>The Company is raising \$5 million in an expansion round of financing, in exchange for a 28% equity ownership interest. Investors will hold a Series B, Convertible Preferred Stock. Considering this valuation, the Company's financial plan and an assumed exit in five years, investors could expect to earn an IRR in excess of 45%. CyberLinks will use the proceeds to ramp up its staff and to develop new modules.</p>
Exit Strategy	<p>As an exit strategy for investors, CyberLinks will consider a timely sale to a larger strategic buyer. Buyer candidates include information service providers, content providers or financial printers. As an alternative, an IPO might become appropriate.</p>
Share-Holders	<p>The founders and their families now own about 75% of the total equity interests. Mark, John and Arthur each control approximately 25%. Patrick owns 11%; Cheryl owns 6%; and outside investors own 10%.</p>

Financial Summary (\$ 000's)	Income	2002	2003	2004	2005	2006
	Revenues	60	1,500	6,425	11,125	17,450
	EBITDA	(1,720)	(2,115)	292	2,835	5,895
	EBITDA Margin			5%	25%	34%

TERMS OF THE FINANCING

Amount	CyberLinks is raising \$5 million in an expansion round of financing.
Proceeds	The Company will develop new service modules with the proceeds of the financing.
Securities	Investors will own Convertible Preferred Stock, Series B. Series B will have rights of liquidation preference over common stock and will rank pari-passu with Preferred Stock, Series A. There will be mandatory conversion in the event of an IPO or in the event of a sale of control.
Price	Convertible at any time into common shares at a price of \$8.00 per share. Series B will equate to 625,000 common shares, or 28% of the fully diluted equity interests. <i>(See Table A below.)</i>
Dividends	None.
Voting Rights	Convertible Preferred Stock, Series B, votes on an as-converted basis and may elect one person to the Company's Board of Directors.
Governance	The Company's six-person Board of Directors will make major decisions upon the affirmative vote of at least four directors.
Other Terms	Documentation includes other standard terms and conditions for private equity, including: (a) "Tag-Along" rights; (b) "Bring-Along" rights (whereby a majority of the voting shares may require all other shareholders to sell their shares to a strategic buyer on the same terms and conditions as the majority); and (c) Pre-Emptive rights if CyberLinks issues primary shares in the future at a price below \$8.00 per share.

Table A

Capitalization Summary	Pre-Money		Post-Money	
	Fully Diluted Shares	Percent Owned	Fully Diluted Shares	Percent Owned
Mark and Family	399,500	25.2%	399,500	18.0%
Arthur and Family	392,750	24.7%	392,750	17.7%
John and Family	368,000	23.2%	368,000	16.5%
Patrick and Family	170,250	10.7%	170,250	7.7%
Cheryl	94,500	6.0%	94,500	4.2%
Outside Investors, Others	162,500	10.2%	175,000	7.9%
Series B Preferred Stock	-	-	625,000	28.1%
Total	1,587,500	100.0%	2,225,000	100.0%