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**Sent:** Friday, August 04, 2000 5:04 PM  
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**Subject:** Saralde board mtg

Attached please find a file showing 1) Saralde's revenue forecasts versus plan, 2) Saralde's P&L versus plan.

Key points are:

- Saralde's revenue contribution for yr 2000 is forecast to be \$11.5m. This is significantly lower, than the \$44.6m represented to us at the time of acquisition due diligence (23 Nov 1999). In addition, up until late April, 2000, Saralde repeatedly reassured to us (via one on one meetings with Ashok) that they were on track to execute close to this original plan.
- On a quarterly basis, Saralde's revenue contribution for 4Q00 is forecast to be \$4.0m which is a massive \$17.5m lower than their 4Q00 plan of \$21.5m. Granted, there is always some degree of variability w/respect to forecasting but the drastic size of the reduction has put us in a very awkward position. This is the main reason for our 4Q00 revenue challenges as analysts were clearly primed to expect major wireless revenues based on this plan.
- One could argue that the Saralde's value and original acquisition terms were substantially based on the assumed execution of the \$44m revenue plan.
- Of the \$11.5 revised forecast, only \$4.6 is forecast to be generated in Europe/AsPac whereas \$7.0m is based on Nth American contracts.
- In addition, when one looks at who actually originated the deals, it is InfoSpace or GIN who brokered the majority of contracts. GIN (whom Saralde acquired) originated 71% of the European deals currently generating revenues while InfoSpace originated 90% of the Nth American deals.

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