status @ webenable.com

Q1 1998	March 1998	WebEnable, Inc.

In the past quarter WebEnable has made tremendous progress in rolling out our first products, forming strategic alliances and interesting the financial community. As I write this report our Sales Channel Automation product is being tested by InfoTest, we are preparing to attend a new round of marketing events and we are preparing to close on our first angel investment. This report provides an overview of our status over the last quarter. It is only being distributed to advisors and employees. Please consider it WebEnable Confidential.

Financial Status

➢ $250,000 Angel investment round currently open
➢ Expect $100,000 escrow close by March 31, 1998
➢ Focused VC efforts on six firms with expected close July 1, 1998
➢ Closed 1997 books reporting a $60,497 loss
➢ Lost West Concord space to higher bidder, back in Harvard pending VC $

Sales Status

➢ Created Indirect Channel Program for potential resellers
➢ Created Design Partners Program for potential customers
➢ Lupfer & Associates first Manufacturers Representative
➢ HP has distributed WebEnable information to their Systems Integration group
➢ Digital Systems Integration evaluating SCA
➢ Caterpillar evaluating SCA
➢ Gould Shawmut expressed renewed interest
➢ Samsung opportunity likely in Q3
➢ Cologne Chips opportunity likely in Q3
➢ ImageLabs OEMs Framework, 3 re-sale opportunities in works

Product Status

➢ Sales Channel Automation (SCA) Prototype 3 months ahead of schedule
➢ SCA Alpha-test deployed at InfoTest instead of Marketing Encyclopedia
  Early availability and customer interest drives deployment
➢ SCA Beta-test scheduled for April 15, 1998
➢ SCA General Release Scheduled for June 15, 1998
  Formal rollout planned for July Sales Force Automation tradeshow

Marketing Status

➢ 1998 targeting Heavy Equipment & Electronic Components Markets
  InfoTest EPR project has provided access to Caterpillar, TI, 3M
➢ 1999 expanding into Automotive & Aerospace Markets
  TEWE Smart Parts project to provide access to Ford, GM, Boeing, Kodak
➢ Events Plan focused on Distribution, Supply Chain & E-commerce Events
➢ Q2 Events expected to include Internet & EC Expo, Oracle AUG, Distribution Computing, Supply Chain Management
➢ New web site planned for April 1998
➢ Major campaigns planned for May beta-test & July formal roll-out
➢ Digital Internet Partners and HP Software Provider Partners Programs

Strategic Partners Status

- DASCOM to provide Internet Protocol and File System level security
- Matrix One/WebEnable to integrate PDM solutions with SCA solutions
  - *Meets customer requirements for detailed technical info to dealers/distributors*
- Developing relationships with MacNeal-Schwendler, Parametric, SDRC
  - *Each PDM supplier represents different vertical markets & captive accounts*

Personnel Status

- Jeffrey Timmons joins Board of Advisors
- Don Lupfer joins Board of Advisors
- Julia Tiernan joins as part-time Controller
- Ed Walsh joins as part-time HR/Recruiter
- Walt Rosenberry & Associates to write product documentation
- Bill Lundberg has left the company

Additional information on many of these events is available in the WebEnable monthly newsletters. Future plans and justifications for recent decisions may be found in the WebEnable Operations Strategies and Plans. (Contact me if you do not have copies of these documents.)

Thank you for your ongoing support, advice and wisdom,

Brian D. Handspicker
CEO and Chairman
WebEnable, Inc.

3/23/98