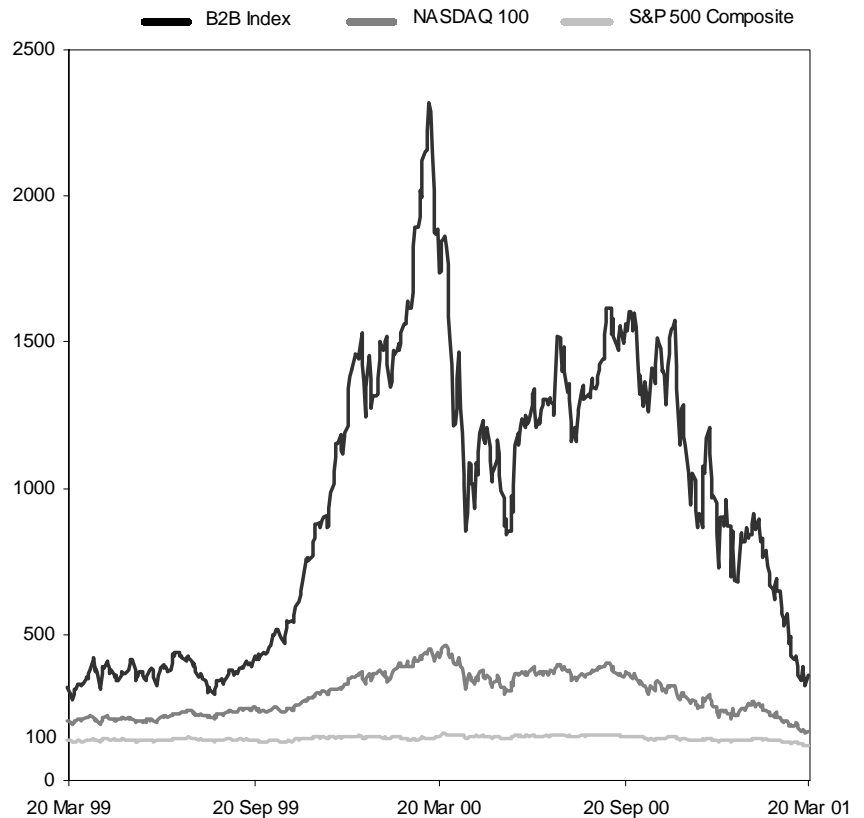


B2B Index – March 2001

Performance vs. S&P 500 and Nasdaq 100
100 = Value as at 26 January 1998

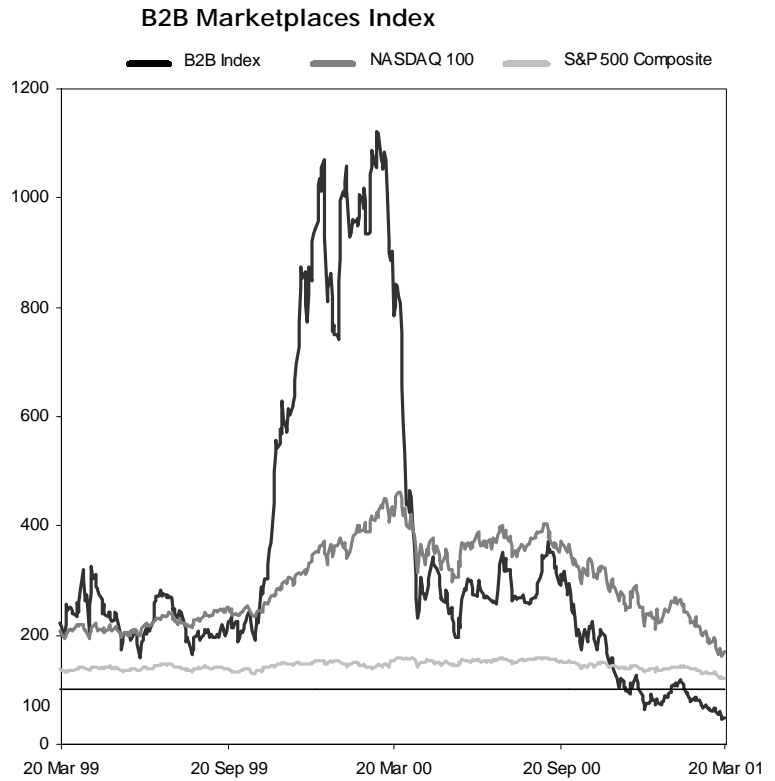


The B2B Index has seen a steady decline since 20th September 2000 in keeping with general market trends.

This is due in part to the general economic slowdown and recent dotcom and B2B marketplace disasters e.g. (Chemdex, Promedix) as also to the growing realisation that there are certain key barriers that must be overcome before forecasts of exponential B2B growth are realised. These include channel conflicts, external and internal integration challenges, shortcomings of legacy systems, security, trust and verification issues and a lack of support services such as financial products and guarantees.

However, recent events in 2001 such as the announcement by Manugistics that it is likely to meet its fiscal fourth quarter earnings expectations and the release of Gartner Group's report forecasting that B2B e-commerce in the US market will reach a value of \$8.5 trillion in 2005 indicate that though B2B may be affected by short term market fluctuations its long term intrinsic economic potential is undeniable.

B2B Marketplaces & Solution Providers Indices



In this review, we introduce two new sub indices for B2B Marketplaces Index and B2B Solution Providers. The Marketplaces index reflects the “bubble” performance in market capitalisation of leading publicly quoted B2B digital marketplaces: the bubble burst in mid-2000 and the index has been consistently declining for about a year now. The index is currently under performing as compared to both the Nasdaq 100 and the S&P 500 composite.

This current state of the marketplaces index is evidenced by current market performance of prominent digital marketplace stocks such as Verticalnet which has seen a CEO shuffle, a failed Sierra Cities deal and an 8% job cut all in close succession. The past trend along with recent research reports revealing that out of the thousands of current marketplaces only 200 or so will be around in 2003 as well as the rise of alternate models such as peer to peer computing and corporate extranets indicates that many B2B marketplaces may have to reinvent themselves considerably if they are to survive.

The Solution Providers Index has, on the other hand, outperformed the marketplaces index by a reasonable margin despite showing a steady recent decline in keeping with market sentiment. However recent positive earnings expectations from majors such as Manugistics reveals that B2B software and solution providers will intrinsically outperform in the long run despite current market sentiment.

End Note – About the B2B Index

The B2B index is calculated using the growth in market capitalisation of the following 34 leading publicly quoted B2B pure plays in Europe and the US. The index has been calculated using the growth in market capitalisation of these companies starting from 26th January 1998 although we show data from 20th March 1999 through to 20th March 2001.

The companies currently included in the B2B index are:

- Ariba
- BEA Systems
- Breakaway Solutions
- Broadvision
- Calico Commerce
- Clarus
- CMGI
- Commerce One
- Critical Path
- Datastream Systems
- E.piphany
- Emerge Interactive
- Engage Technologies
- Freemarkets Incorporated
- Kana Communications Inc
- MicroStrategy
- Neoforma.com
- Onvia.com
- Onyx Software
- Open Market
- PcOrder.com
- PurchasePro
- Rowecom
- Safegd. Science
- Sciquest
- Siebel Systems
- Ventro
- Verticalnet

- i2 technologies
- ImageX
- Intraware
- Vignette Corp
- Vitria Technologies
- Web MD

The B2B Index is further subdivided into the B2B Marketplaces Index and the B2B Solution Providers Index

The companies currently included in the marketplaces index are:

- Emerge
- Freemarkets
- Imagex
- Neoforma
- Onvia
- Openmarket
- Purchasepro
- Sciquest
- Ventro
- Verticalnet

The companies currently included in the solution providers index are:

- Ariba
- BEA Systems
- Breakaway Solutions
- Broadvision
- Calico Commerce
- CMGI
- Commerce One
- Critical Path
- Datastream Systems
- Engage Technologies
- E.piphany
- i2 Technologies
- Intraware
- Rowecom
- Safegd. Science
- Siebel Sytems
- Vignette Corporation
- Vitria Technologies

Andy Gueritz, March 2001