

CornerWorld Corporation

Company Presentation

March 2012



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□ **Communication Services**

- Comprised of patented, 611 Roaming Service™ that connects roaming wireless cell-phone users to their primary customer service center throughout the United States and Canada
- Dial 611 provides stable, recurring revenues from 60% of US-based cellular carriers
- \$6.0 million revenue at gross profit in excess of 80%

□ **Marketing Services**

- Provide lead generation services on both a retail and wholesale basis for Fortune 500 companies as well as their advertising agencies
- Sale and lease of search optimized domains and websites complete with content and phone numbers
- Among the largest owners of geo-targeted domains in the world with over 8,000 domains under management
- High growth business potential

□ **Strategy**

- To utilize the stability of the communications services division to expand internationally and rapidly grow the marketing services division

Note: FY ends April 30

□ **611 Roaming**

- Connects cell-phone customers to customer service group, even while roaming
- Patented in 1998 by a consortium of carriers led by AT&T; customers will continue to utilize service post patent expiration due to multi-year customer contracts and proprietary technology
- 100% of the current CDMA carriers in the United States utilize this technology
- Processed 11.3 million calls in calendar year 2011
- B to B revenue recurring, stable, 100% collectible
- Make money per minute and per connection

□ **Strategy**

- To expand services to Caribbean nations, Europe, Asia, South America, India and Mexico and to fund growth of marketing services

❑ On-Line Lead Generation

- Lead generation provides prospective client information to customers and their sales force
 - Retail lead generation – we make banner placements where we are compensated on a pay per click or pay per call basis
 - Wholesale lead generation – we act as intermediary between buyers of leads and owners of websites
- Search engine optimization
 - Lease of search optimized websites and domains
 - GROWING inventory of over 8,000 websites ranking highly in search engines

❑ Strategy

- To expand portfolio of domains for sale or lease while simultaneously increasing sales of leads

Communication Segment	Marketing Segment		
<p><u>Communication</u></p>	<p><u>Enterprise Clients</u></p>	<p><u>Agencies</u></p>	<p><u>SMB-Skilled & Professional</u></p>
611 | Phone Services | Internet Services	SEO | SEM | Domain Leasing | Lead Generation | Social Media | Display Media		
50 Wireless Carrier Clients	350 Marketing Clients		

Key Facts

Symbol	.....	CWRL
Corporate Headquarters	.....	Dallas, Texas
Stock Price (12/31/11)	.....	\$0.13
Stock Price 52-Week Range	.....	\$0.02 - \$0.48
Shares Outstanding (12/31/11)	.....	147,547,607
Market Capitalization	.....	\$19,181,189
Volume (daily 90 day average)	.....	N/A
Debt (10/31/11)	.....	\$9,195,367
Cash (10/31/11)	.....	\$580,347
Revenue (TTM)	.....	\$11,789,387
EBITDA (TTM) (*)	.....	\$2,737,199
Insider/Affiliate Ownership	.....	69.4%
Full-time employees (12/31/11)	.....	30
Fiscal Year	.....	April 30
Accounting Firm	.....	Schumacher & Associates

(*) Adjusted to remove non-cash stock-based compensation and non-recurring legal fees

Scott N. Beck, *Chairman and Chief Executive Officer*

- Prior to founding CornerWorld, Mr. Beck worked as an Associate Vice-President at JP Morgan Chase
- He was a member of SG Cowen's leveraged Finance Group
- He was a senior auditor at Ernst and Young LLP
- Mr. Beck received a B.B.A. and Masters of Accounting from the McCombs School of Business at the University of Texas at Austin

Marc Pickren, *President and Chief Marketing Officer*

- Mr. Pickren is the founder of CornerWorld's Marketing Services Segment
- Mr. Pickren has fifteen years of experience. He excelled in executive management positions with leading companies, such as TMP Worldwide/Monster and JWT, and was a key player in one of the most successful IPO's of the late 1990s
- At JWT, Mr. Pickren was the founding partner of a direct marketing services group and was responsible for North American operations

V. Chase McCrea III, *Chief Financial Officer*

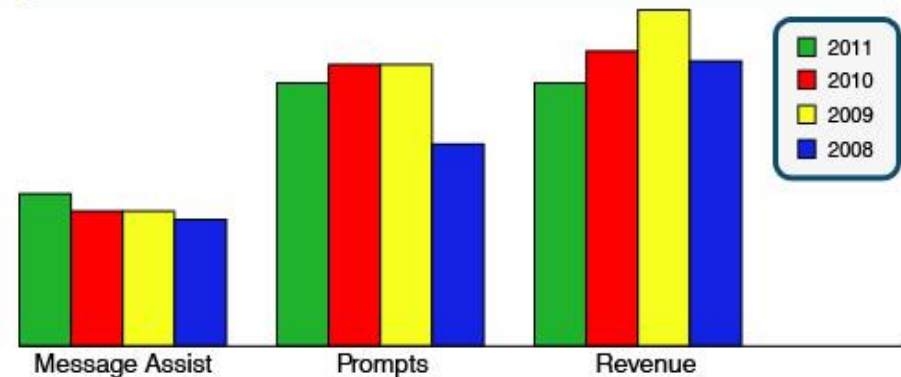
- Mr. McCrea is a CPA with over 18 years of experience working with public companies serving in a variety of capacities including most recently as the Interim Chief Financial Officer and Vice President of Finance of a publicly traded construction concern
- He has served as the Director of Finance for Penson Worldwide, Inc., an international securities clearing firm, and also as a Manager of SEC Reporting for chemical giant Celanese
- His experience also includes over 8 years working for Big Four accounting firms, where he attained the level of assurance manager, as well as approximately 5 years working in the telecom industry
- Mr. McCrea holds a Bachelor's of Science in Accounting from the University of Southern California

□ Dial 611 Opportunities

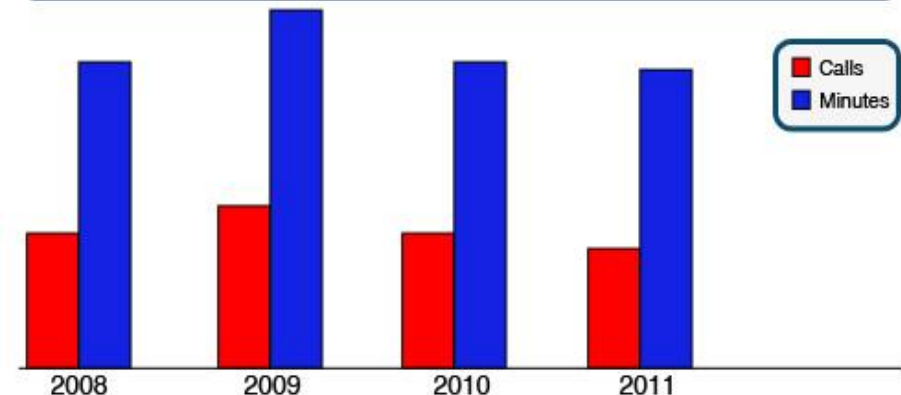
- Currently can dial 611 ANYWHERE in the continental US, Canada and Alaska and reach customer service
- 100% penetration of US based CDMA carriers
- CDMA base bandwidth in Asia, India, Mexico, South America and Caribbean
- Immediate plans to expand into international markets
- Mid-term plan to penetrate GSM market

Selected Dial-611 Operating Statistics

Revenue Drivers

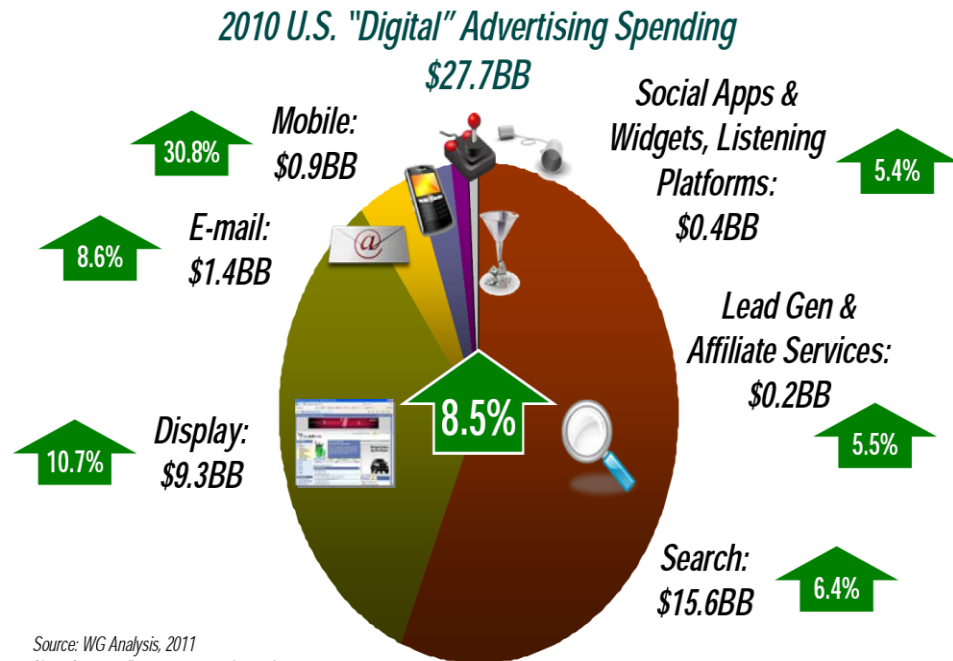


Calls & Minutes



- **Online advertising spending is growing fast!**
 - Global internet advertising is expected to grow 31.6% from \$72.2B in 2011 to \$94.9B in 2013
 - Search engine optimization (SEO)/paid search spending in the US will reach \$20.7B in 2011 and to grow 34% to \$27.7B in 2012
 - Display internet advertising spends to reach \$25.3B in 2011 and to grow 36% to \$34.4B
 - Domain name real-estate platform built for scale
 - Lead generation business has been in place and profitable for over 5 years

In the Digital Channels, Growth Driven by Search, Video and Targeted Display Advertising



Source: WG Analysis, 2011
Note: Arrows reflect percentage change in spend, by channel, from 2009 levels



- **Communication Services**

- Patented technology

- **Marketing Services**

- Provides alternatives to traditional print, TV and radio media
- Intra-net portal that details search engine page ranking for the Company's portfolio of websites; provides internal sales force a competitive advantage
- Lead generation space fractured with few big players, thousands of smaller players with frequent turnover
- Extensive network provides Company competitive advantages

- ❑ **611 revenue sources are consistent and highly recurring**
 - Basic premise – CARRIERS WANT TO SERVICE THEIR CUSTOMERS
 - Generate cash from carriers on per call, per minute, per message assist and per prompt

- ❑ **Can scale 611 business without new significant infrastructure and capital expenditures upgrades**
 - On the cusp of expansion into more international markets
 - Prove out business model which enables access to other international markets



Capitalization Table

	Issued Shares	Average Price	Fully Diluted
Equity:			
Common shares	147,547,607		147,547,607
Warrants	26,036,144	\$0.12	26,036,144
Total	173,583,751		173,583,751
Debt			
Notes payable to Emerald Crest Capital (the “Senior Lender”); the notes mature March 31, 2015. The interest rate was floating at LIBOR plus 12%; the note’s floor utilizes a minimum LIBOR of 3%. At October 31, 2011 the total rate was 15%.			\$4,750,000
Note payable to Ned Timmer; the note matures April 30, 2016. Interest rate 10%			\$1,800,000
Notes payable to related parties with various maturity dates bearing interest at 10%			\$4,056,388
Total debt			\$10,606,388
Issuance discounts			(\$1,411,021)
Carrying value of debt			<u>\$9,195,367</u>

Source: CornerWorld Corporation

Balance Sheet – October 31, 2011

Assets

Current Assets

Cash	\$580,347
Accounts receivable, net	\$2,053,233
Prepaid expenses and other current assets	\$93,772
Total Current Assets	\$2,727,352

Property and equipment, net	\$281,499
Goodwill	\$2,136,836
Patent, net	\$6,750,584
Intangibles, net	\$0
Other assets	\$28,410
Total assets	\$11,924,681

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	\$2,216,295
Accrued Liabilities	\$769,013
Notes payable - Current	\$558,793
Notes payable, related parties	\$1,102,189
Deferred revenue	\$700,589
Other current liabilities	\$0
Total current liabilities	\$5,346,879

Long-term Liabilities:

Long-term debt, net of current portion	\$4,986,099
Note payable, related parties - Long Term	\$2,548,286
Other liabilities	\$700,563
Total liabilities	\$13,581,827

Stockholders' equity:

Common stock	\$147,547
Additional paid-in capital	\$10,081,102
Retained earnings	(\$11,885,795)
Total stockholders' equity	(\$1,657,146)
Total liabilities and stockholders' equity	\$11,924,681

Income Statement



	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2011	2010	2011	2010
Sales, net	\$ 2,914,058	\$ 2,950,294	\$ 5,855,731	\$ 5,827,896
Costs of goods sold	728,924	914,778	1,580,421	1,943,162
Gross profit	2,185,134	2,035,516	4,275,310	3,884,734
Expenses:				
Selling, general and administrative expenses	1,619,189	1,708,213	2,955,200	3,129,617
Depreciation and amortization	518,505	564,183	1,095,756	1,132,183
Total Operating expenses	2,137,694	2,272,396	4,050,956	4,261,800
Operating income (loss)	47,440	(236,880)	224,354	(377,066)
Other income (expense), net:				
Interest expense	(581,100)	(247,929)	(1,277,082)	(507,440)
Other income (expense), net	62,252	63,208	59,660	481,643
Total other expense, net	(518,848)	(184,721)	(1,217,422)	(25,797)
Loss before income taxes	(471,408)	(421,601)	(993,068)	(402,863)
Income taxes	—	—	—	—
Net loss	\$ (471,408)	\$ (421,601)	\$ (993,068)	\$ (402,863)
Basic and diluted loss per share	\$ 0.00	\$ 0.00	\$ (0.01)	\$ 0.00
Basic and diluted weighted average number shares outstanding	147,207,875	95,518,317	147,090,388	95,518,317

	6 months ended October 31, 2011
Net Loss	(\$993,068)
Non-cash charges:	
Non-recurring fees associated with attempted acquisition	\$228,390
Stock-based compensation	\$74,892
Depreciation and amortization	\$1,095,756
Interest Expense	\$1,277,082
Total add-backs	<u>\$2,676,120</u>
Adjusted EBITDA	<u><u>\$1,683,052</u></u>

□ **Communications Services**

- Expand 611 service to other international countries (currently in Canada)
 - Pending contract signature, targeting multiple additional carriers
 - Business model proof for Asia, India and South America which could exponentially grow revenue and profitability
 - Difficult to forecast growth due to long sales cycle but addition one significant customer could double EBITDA of this division

□ **Marketing Services**

- Using free capital to acquire more geo-targeted domains
- Rapidly expanding domain sale and leasing business

- ❑ Strong, recurring cash flows on a publicly traded platform
- ❑ Dial-611 service has ability to expand to other markets
- ❑ Dial-611 business well protected with significant barriers to entry
- ❑ Marketing services enterprise solutions offer benefits as compared to traditional strategies; should continue to grow at rates in excess of 50%