

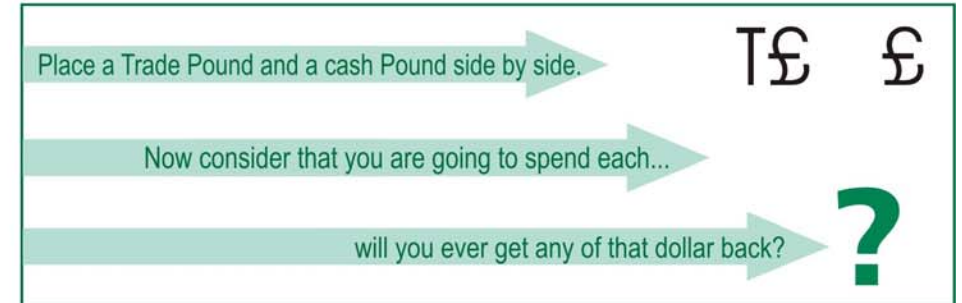
INFORMATION

Trade Pound Concept

If you really want to understand the value of Trade, try this mental exercise:

With the cash pound there is no guarantee of a return. With the Trade Pound you know that each time you spend, it will come back to you in the form of new business from another Member of Bartercard. Now, did you save anything? With the cash dollar you paid the market price for your purchase and the merchant (non-member) goes about his business spending the cash outside the Bartercard program. With the Trade Dollar, although you pay the ticket or market price for the goods and services, you are actually paying for your purchase with your own inventory - which costs you wholesale.

In effect, each time you spend a Trade Dollar, you save whatever your mark-up profit margin is! It's a space age version of the barter system fully computerised, where Members trade among themselves using a cashless



credit program and the ultimate billing is a revolving account of debits and credits. Members will go out of their way to buy from you because you are also a Member and, because they have accounts 'receivable' in the form of Trade Credits to spend, they are likely to make larger purchases than usual and come from further away to take advantage of their program, bringing you sales and new business that you would not otherwise have received!!

Now, to expand on this Trade concept a little further, consider this: for every 'Trade Pound' you are able to take in and then spend with another Bartercard Member, you have been able to release one 'cash dollar' into your cash flow. And, on the other side of the ledger, when you spend the Trade Pound for essential goods and

services for your business, i.e. advertising, office equipment and stationery supplies etc., you have reduced your overheads by one cash pound.

Let's stretch this line of reasoning to its logical conclusion: Suppose your bottom line margin of profit is 10% and that you were able to increase total retail sales by 10% on Trade. Ideally, if you were able to pick up just 10% of your overhead on Trade - you would increase your net cash profit by 100%!

WITH ACTIVE USE OUR MEMBERS CAN ALWAYS SEE THAT BARTECARD = BUSINESS PROFITS

