



joystar, inc.

January 2004 Corporate Profile

STATISTICS:

OTCBB:	ARGT
Fiscal Year:	Dec. 31
Common Stock :	21.1 m
MarketCap:	61.2 m

COMPANY OVERVIEW:

Headquarters:	Irvine, CA
Transfer agent:	PlanEase

OPPORTUNITIES:

- ✓ The global travel and tourism industry approached nearly \$4 trillion in annual revenues in 2000¹. The Internet and online travel has permanently changed the way the travel and tourism industry thinks about customer interaction. Industry growth will be driven by online travel.
- ✓ By the end of 2003, the global e-commerce market is expected to reach approximately \$86 billion. Online travel purchases will account for the largest percentage of the e-commerce market (29 percent) with over \$24 billion in revenue². Growth is expected to be the most dramatic in the more complex travel segments like cruise, which has grown from two percent in 2000 to 13 percent in 2003.
- ✓ A significant opportunity exists for a new online global travel marketplace that brings travel agents, consumers and travel suppliers together. To be successful, this new travel marketplace must offer the end customer the efficiency of online commerce without sacrificing the personal customer service that only an experienced travel agent can provide. This is the secret to Joystar's success.

Online Travel is the largest and fastest-growing category in e-commerce. According to Forrester Research, United States leisure travelers are expected to book an estimated \$30 billion in airline ticket purchases and hotel and car rental reservations through travel websites in 2003, growing to \$55 billion in 2005. Joystar has developed a unique business model positioning the company to become a major niche player in the online travel space.

Joystar is a provider of online travel services for the leisure and small business traveler, with a unique twist to its marketing program. In addition to offering reliable, real-time access to research and reservation services for over 400 airlines, 65,000 lodging properties, all major cruise lines, vacation packages and major car rental companies, Joystar has developed a dynamic home-based business opportunity providing Web savvy travelers and entrepreneurs the ability to become independent travel agents in the comfort of their home.

Joystar's independent travel agent program focuses on loyalty marketing instead of the special skills usually required by the affiliate agent, because the actual bookings and fulfillments are handled by Joystar agents or the travel supplier. Joystar has two separate agent programs: Its "Flagship" program is priced at \$495 and the "light" version is priced at \$149. Joystar derives revenues from membership fees from new and existing affiliate agents and travel transactions by its agents and their customers.

The benefits to the outside agent include access to "agent only" specials, deeply discounted travel offered by travel suppliers, and cash incentives. Joystar's travel agents and their customers can use Joystar's online travel services to research and book their own airline tickets, car rentals, hotel reservations and to search and book selected vacation packages, cruise lines and specialty lodging.

Notes: (1) WTTC, Credit Suisse First Boston, Accenture Analysis, 2000 data
(2) Jupiter Communications

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Joystar has focused on building the infrastructure and technology platform to support significant growth for its online travel services. They have assembled a team of travel industry and technology veterans to properly manage the expansion of Joystar and its partner programs.

The company is currently implementing an aggressive marketing strategy to increase program awareness and stimulate travel activity. Joystar provides its affiliate agents access to "agent only" specials, provides its affiliate agents access to "agent only" specials, familiarization trips, sweepstakes, travel specials, trip bonuses, cash bonuses and a stock option plan.

Joystar's travel portal also allows travel industry suppliers to reach the company's travel agents and customers who are actively engaged in planning and purchasing travel. Suppliers can pursue a range of targeted merchandising and advertising strategies designed to increase revenues while reducing transaction and customer service costs.

The company, with projections for revenues of \$16 million in 2004 increasing to \$35 million in 2005, has already signed in excess of 600 outside agents. The proven business plan provides an enrollment of approximately 250,000 affiliate travel agents over the next five years with each agent producing an average of \$5,000 in travel booking annually.

Only a few private travel agencies are providing a program with some similarity to Joystar's independent agent program. Global Travel, based in Maitland, Florida, reports 35,000 independent travel agents for combined annual bookings of over \$125 million dollars.

The online travel sector remains strong and has produced some of the market's best performing stocks over the last 12 months and significant M&A activities. Travelocity has been acquired by Sabre (NYSE:TSG) and both Hotels.com (ROOM) and Expedia (EXPE) have been acquired by Interactive Corp. (IACI). On November 6, 2003, IACI acquired Hotwire.com for \$665 million in cash. Hotwire.com is expected to produce \$700 million in bookings and approximately \$110 million in revenue for 2003.

<u>Symbol</u>	<u>12 Mo. Low</u>	<u>11/07/03</u>	<u>Increase</u>
LMIN	\$ 6.25	\$ 27.51	77%
BKR	5.75	15.84	64%
PCLN	6.75	20.78	68%

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IN THE NEWS:

Nov. 18 – Joystar retained McCloud Communications to spearhead Joystar's financial communications and shareholder relations campaign to formally launch its rich loyalty programs to the investment community and establish a line of communications to new and existing shareholders.

Oct. 29 – Joystar announced that Jason Liu has joined the management team and will head-up Joystar's Vacation Division. Bringing 11 years of industry experience, Liu's new position also includes vacation packaging and fulfillment.

Oct. 27 – Joystar expanded its management team with the addition of industry veteran Ms. Robin Moore as Director of Agent Services. Moore, with over 20 years of industry experience, will oversee travel agent training and customer service.

Oct. 24 – Joystar launched an enhanced e-marketing program for its global network of affiliates and independent travel agents to build brand awareness and encourage customer loyalty. The campaign includes a ready-to-use travel portal that allows users to begin sales of online travel immediately upon their registration as an independent travel agent.

Oct. 21 – Joystar adds a CIO to its management team. Thomas DeRosa, a 12-year travel industry veteran has joined Joystar. DeRosa has worked with major global distribution systems including Sabre, 1800/FLY CHEAP and Worldspan. He has developed automation processes and booking technologies for large U.S. consolidators and developed one of the first GUI CRS booking engines.

Oct. 15 – Joystar entered into an agreement with Pegasus Solutions (Nasdaq:PEGS) under which Pegasus will prove Joystar comprehensive commission processing services for more than 35,000 hotels around the world.

Included in this Corporate Profile are "forward-looking" statements. Such statements are indicated by words such as "expect," "should," "anticipate" and similar words indicating uncertainty in facts and figures. Although Joystar believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations reflected in such forward-looking statements will prove to be correct. Joystar's actual results could differ materially from those anticipated in the forward-looking statements as a result of various factors.