



To whom it may concern,

Background

Takeflite has grown from the creative talents of Neil Middleton and Jason Hopkins, whose background is in providing enterprise CRM/Call-Centre/ERP systems to corporate customers throughout Asia Pacific & Europe. Having grown dissatisfied with the failure of the CRM industry to produce results, they looked to specialize in an industry specific business system, where real undeniable demonstrable value could be added.

While travelling frequently on smaller airlines in 2000, Neil & Jason observed they were struggling with increased regulation, competition and costs. Moreover, smaller airlines have to manage these pressures without the tools available to major carriers, which results in the same information getting entered (inaccurately) up to 6 times. Applying successful management methodologies from other industries, Jason & Neil knew it was better for the operations manager to enter a flight, the public and staff to add booking details to the flight information, the check-in staff to add check-in information, pilots to add flight logs, engineers to add inspection/inventory data and management to run reports. To have value, information should be entered once and checked many times.

From this concept, Takeflite was established to use the emerging “Software as a Service” (SaaS) Cloud Computing concept to make it economic for smaller airlines to improve their prospects using an integrated software business solution; something that would benefit owners, staff, agents & the public. By sharing implementation costs across all clients and making it quick to implement, many of the road-blocks to automation disappeared. Looking at the development of other industries, it is also clear that the small airline/tour operator industries are on a road to efficiency via automation, which will in the next 10 years lead to 2-3 SaaS vendors being the dominant players worldwide. The Takeflite service has been designed with this opportunity in mind.

In 2002, Neil & Jason setup the first airline (SoundsAir) to streamline processes by consolidating information into one place, which could be accessed appropriately by anyone, anywhere, anytime. Takeflite has underpinned SoundsAir's subsequent wild success, which has seen the fleet treble and turnover quadruple without expanding staff. Over the next 4 years, three additional pilot operators were added including Vincent Aviation (operating two bases from Darwin, Australia and Wellington, New Zealand), Great Barrier Airlines and Air West Coast. The four clients with widely varying requirements all provided wonderful feedback to drive the product forward.

In 2006, Takeflite was re-written to take advantage of web-services and the Web 2.0 philosophy. Web-services also enabled Takeflite to be delivered via a Windows User Interface, which was more functional, faster and less prone to staff OOS problems than browser based systems.

Also in 2006, 25% of TSL was sold to Koromiko Leasing Ltd, the investment arm of SoundsAir, to provide access to capital, domain expertise & a sales team.

Since 2006, the target market for the Takeflite service has expanded to include airlines, balloons, jet boats, bus companies and really any company with vehicles to manage and the vision to go online. There are now in excess of 30 clients across Australia and New Zealand. These clients use a service delivered via Microsoft's latest Framework 3.5 architecture from Virtual Servers at a Tier 1 data center in Sydney.

So how do 30 different clients use the same software for widely varying needs? An airline can customize the service they consume using extensive Site Settings to suit their particular processes; a task managed entirely without needing recourse to IT people, making Takeflite entirely data driven. Takeflite has been described as “an airline in a box”.

TakeFlite makes upper end computing facilities available to airline/tour operator customers, who in the past had to fend for themselves with:

1. one-off projects (which were risky & expensive, delivered little, and ran out of steam when the original developers left), or
2. with legacy software packages more suited to larger airlines, which cost more than makes sense, only address one requirement and aren't a good cultural fit.

Opportunity

1. The worldwide market for medium retail & business airline/tour services is showing compound growth combined with a need for efficiency that makes old ways of doing business impractical;
2. Takeflite is a user-driven service that's been trialed and proven over the last 5 years internationally with 30+ small to medium airlines/tour operators. Takeflite has great reference customers;
3. The initial investment phase has been completed successfully with the opportunity for exponential passive profits from increasing turnover and costs flat-lining. The product/service is designed from the ground up to be scalable, so there is no ceiling to market size;
4. The potential market in Australia has been explored in a preliminary fashion with good results, but Asia, Europe, the Middle East and the US beckon for a product, which is marketable world-wide;
5. Competition exists to validate the market, but isn't threatening for a variety of reasons, providing the opportunity to become the dominant industry player in the domain is pursued with vigor.
6. Takeflite as a company is profitable from its monthly subscription income as of the start of this year. AU\$4.5M has been invested into the company in the previous 5 years. As an investor, you can take advantage of the investment and successful software development project, now that there is something to show for it.
7. Takeflite is on-track in the medium term to providing stakeholders with a healthy ongoing largely passive income in reward for skillful stewardship and initial hard work. However, this is not a short term opportunity for a quick return. Takeflite is not a “cash & carry” business opportunity and as such will be better suited to those who understand the concepts of Cloud Computing, SaaS and structured selling, than those who want P&L statements for the last 3 years.

Summary

The TSL Directors recognize the need for investors to accelerate the company forward to the next level of growth. We are looking to divest shareholding to an appropriate partner to fund growth and open up new markets.

We are interested in parties with a proven track record of experience in:

1. international distribution of online software;
2. a large complementary customer base with a complementary service;
3. providing capital.

We are also interested in hearing about relevant industry business opportunities and niches, which could be furthered by being given “the Takeflite SaaS treatment” e.g. perhaps an XML interface with a widely used legacy system could be introduced to make information online and amendable by staff and customers in different offices and locations. If you have such an opportunity with a large target market, we may be the people who can turn a pipe dream into a reality.

If you feel there are synergies between our companies and we have value to offer each other, then please contact us directly to discuss how we can progress matters.

Neil Middleton & Jason Hopkins

(Contact us via the investor page of the website www.tflite.com or call on +64 9 889 0014)