

Wirestone Expands Into Denver/Fort Collins With Acquisition of Coonts Design and rgbStudio

EMERYVILLE, Calif.--(BUSINESS WIRE)--Aug. 23, 2000--Wirestone Wednesday announced the acquisition of Coonts Design and rgbStudio, two best-in-field independent Internet design and technology firms based in Fort Collins, Colo.

These acquisitions are the first since Wirestone's formation in April 2000 through the simultaneous merger of five Web specialty companies. Wirestone now has seven regional offices in Boise, Idaho, Denver, Fort Collins, Orange County, Calif., Sacramento, Calif. and Seattle, and has headquarters in Emeryville.

`` The acquisition of Coonts Design and rgbStudio makes good on our promise to acquire best-in-field Internet design firms delivering the skills and expertise that will help our clients achieve success in the New Economy," said Chris Running, president & CEO of Wirestone.

`` After an extensive search, we are very pleased with the strength of leadership and scope of talent these two firms contribute to Wirestone's strategy, technology, marketing and design services."

Coonts Design Joins Wirestone

`` Joining Wirestone allows us to greatly expand our offerings," said Ti Bensen, former owner of Coonts Design and now a Wirestone vice president. `` Instead of turning down business opportunities that fall outside of our core competencies, we now have access to the experts within Wirestone's other regional offices and can now offer our clients direct access to that talent pool."

Bensen added, `` We are excited by this monumental jump ahead, both in visibility and the range of talent in Wirestone. We believe Wirestone will be a dominant player in the global Internet development marketplace, and we are thrilled to be a part of it."

Coonts Design client Hewlett Packard supported the merger. `` As a veteran of the marketing and advertising industry, I can say that Ti's decision to join Wirestone shows foresight and vision," said Peter Tengerdy, consumer program manager at Hewlett-Packard Co. `` With the evolution of new media and the innovative tools and methods of reaching target markets, current and new clients will obviously benefit from a broad range of national resources and local expertise that this partnership brings to the forefront."

Coonts Design has been led by Bensen since she purchased the business from the company's founder Bob Coonts in 1993. Bensen has more than 25 years of experience in the design field, having served clients including AT&T, Agilent Technologies and Hewlett-Packard.

Her team's front-end Internet design capabilities and numerous industry awards impressed decision-makers at Wirestone, leading them to target the firm for acquisition. All of Coonts Design's employees have now joined the Wirestone family.

Coonts Design regularly partnered with rgbStudio for fully integrated Web development projects. Running said, `` The synergy between these two firms is incredible. As soon as we met the teams, it was clear that we needed to acquire both firms. We are very

pleased that they both have chosen to join Wirestone."

rgbStudio Joins Wirestone

Bryan Clapper, former owner of rgbStudio and now a vice president at Wirestone, said, ``Joining Wirestone gives us the opportunity to accelerate our growth, while retaining our employees, clients and local company culture. It puts us in the best position to bid and win bigger, more complex projects."

Founded in 1995, rgbStudio specializes in the design, development, hosting and ongoing support of Internet and e-commerce-based solutions for large and small businesses. Services include innovative Web site and Web application design and development, database integration, programming services, project management and content development.

In addition, rgbStudio provides hosting services (shared, collocated or dedicated) that include Web site and Web application hosting as well as DNS and e-mail application/account support. Its clients include the state of Colorado, Agilent Technologies, Hewlett-Packard and Atrix Laboratories.

Clapper has more than 21 years experience in the industry. All of rgbStudio's employees have now joined the Wirestone family.

Clapper is extremely excited about how this merger will benefit his clients as well as his employees. He said, ``From the client perspective, it's a big win. We can now offer a broader spectrum of services, while maintaining a strong, local working relationship.

``It also gives our employees increased access to technologies and resources, providing them the opportunity to grow and offer our customers more advanced solutions."

Dianne Fruits, program manager at Hewlett-Packard in Fort Collins and client of rgbStudio, said, ``We're excited about rgbStudio's merger with Wirestone. It gives us an increased reach to greater resources and solutions, while maintaining the small company dedication to client service that we've always enjoyed from the rgbStudio team."

Client Debbie Madden, outbound marketing manager, Firehunter Operation, for Agilent Technologies Inc. said, ``We have enjoyed a very fruitful, lucrative relationship with rgbStudio for the past three years. And now, as rgbStudio melds into Wirestone, we are excited about the new dimensions they will bring to our programs and initiatives, as well as to our special relationship."

``We are confident that Wirestone will help us harness the personality and image of our brand, plus explore new avenues to reveal our value-add to our customers," she added. Madden is based in Agilent's Fort Collins offices.

Increased Employee Benefits, Future New Jobs in Fort Collins/Denver Area

All 21 current employees at Coonts Design and rgbStudio will remain with Wirestone and serve in similar positions. The acquisition also brings greater employee benefits to these employees, including stock options, increased growth potential, expanded project opportunities and the chance to provide services to a greater geographical reach.

With these acquisitions, Wirestone now has more than 100 employees. Additional jobs

are likely to be added in Fort Collins and other Wirestone offices, as the company grows its client base regionally.

Future Wirestone Acquisition Plans

The Fort Collins/Denver acquisitions are a part of Wirestone's plan to acquire best-in-field Web development, marketing, strategy and technology design firms in major cities throughout the United States, according to Running.

He said, ``We plan to acquire additional companies, domestically and internationally. Our charter is to find small, yet exceptional firms who want to experience fast-paced growth and the opportunity to work with leading edge technologies and the country's most talented Internet and multimedia design experts."''

Wirestone is concentrating its acquisition strategy in the Western United States through September 2000 and plans to expand to the MidWest and East Coast in late 2000. International expansion will launch in 2001. Additional details can be found at www.wirestone.com.

Positioned to Hit Revenues of More than \$20 Million for 2000

With the addition of Coonts Design and rgbStudio, Wirestone is projecting revenues of \$20 million for 2000, which places the company among the top 40 interactive agencies in the country as ranked by ADWEEK. This projection is based on the June 2000 revenue annualized plus the addition of Coonts Design, rgbStudio and anticipated acquisitions for the remainder of 2000.

Wirestone is targeting the e-business market, a business segment with a projected \$970 billion revenue for 2002. According to Giga Information, the brightest e-business future for mid-sized companies lies in their ability to become key players in a larger niche market. Giga also notes that mid-cap companies need to plan for rapid commerce adoption by finding their niche markets and building their infrastructure and brand recognition accordingly.

The company received \$2.5 million in first-round funding from leading venture funds Prime Ventures, Edgewater Ventures and Plantagenet Capital.

About Wirestone

Wirestone is a fully integrated, single-source Internet, marketing and technology integration firm offering a best-in-field mix of e-business strategy, marketing, technology and creative design services to execute a total brand communications and technology solution for dot-coms, the B2B market and traditional brick-and-mortar companies seeking an Internet strategy for the new economy.

Wirestone combines the strong resources, capabilities, experience and national presence of a large Internet professional services firm with the agility, creativity and personalized service of a boutique firm to provide fully integrated front-to-end e-business solutions.

Founded in April 2000, Wirestone has headquarters in Emeryville, with regional offices located throughout the United States. For more information, visit the Wirestone Web site at www.wirestone.com.