

## Spongetech Delivery Systems, Inc. (OTC BB: SPNG)



Spongetech Delivery Systems, Inc., founded in 1999 and headquartered in New York City, is engaged in the design, production, marketing and distribution of cleaning products utilizing innovative hydrophilic sponge technology based on liquid-absorbing foam polyurethane matrices. Designed with an outer contact layer and an inner matrix core, the company's sponges can be pre-loaded with specially formulated detergents and other fluids that are released gradually when pressure is applied during use in a wide variety of applications.

The company's lead product is SpongeTech® Ultimate One Step Car Wash & Car Wax System, a biodegradable multiple-use vehicle cleaning sponge formulated with high quality soap and carnauba wax. The company is also developing and testing products for pet, household and personal applications, such as the Puddle Pals®, children's floatable bath foam sponges with a "safe mesh" coating in the shape of animals in various colors and a special no-tear, non-irritating soap.

The company has recently initiated an aggressive sales development and marketing campaign, which includes expansion of its domestic and international independent contractor distribution network, retail placement efforts, industry trade show participation, ecommerce activities and TV advertising. The company is also exploring various strategic licensing partnerships, including testing household cleaning sponges infused with anti-bacterial bath and kitchen soaps with a bacterial detergent manufacturer for potential marketing under its brand and logo.



CURRENT PRICE: \$0.022  
 52-WEEK RANGE: \$0.0165 - \$0.30  
 AVG DAILY VOLUME (90-DAY): 1,584,040  
 OUTSTANDING SHARES: 111.8 million  
**MARKET CAPITALIZATION: \$2.5 million**

### INCOME STATEMENT HIGHLIGHTS

REVENUE: \$343.1 thousand  
 QTR REVENUE GROWTH: 10,331.4%  
 GROSS PROFIT: \$294.4 thousand  
 EBITDA: \$6.7 thousand  
 NET INCOME: (\$1.6 thousand)  
 EPS (Diluted): (\$0.00)

All figures six months ended November 30, 2007

### BALANCE SHEET HIGHLIGHTS

CASH & EQUIVALENTS: \$21.1 thousand  
 WORKING CAPITAL: \$506.5 thousand  
 TOTAL ASSETS: \$1.1 million  
 NET WORTH: \$821.4 thousand

All figures as of November 30, 2007

### RECENT NEWS HEADLINES

Thu, Jan 17, 2008

SpongeTech announced that QVC, a leading home shopping TV network, will be airing shows featuring its products between March 18th and March 25th, which already resulted in receiving the first QVC purchase order for 3,000 units for sales fulfillment.

Tue, Jan 15, 2008

SpongeTech announced it achieved a nominal first-ever net profit of \$8,000 for the three-month period ended November 30, 2007, the second quarter of SpongeTech's 2008 fiscal year. The company's sales for the quarter were \$343,052, compared to \$11,316 in the same quarter of prior year, resulting in an order backlog.

Thu, Dec 20, 2007

SpongeTech received a re-order from S.A. Trading Company, its South American distributor, for over 240,000 units of its products valued at \$2,475,500.

### HEADQUARTERS

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