FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **2001-08-03** | Period of Report: **2001-06-30**
SEC Accession No. 0000950152-01-503537

(HTML Version on secdatabase.com)

FILER

FINDWHAT COM INC
CIK:**1094808**| IRS No.: **880348835** | State of Incorp.:**NV** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **000-30428** | Film No.: **1697323**
SIC: **7389** Business services, nec

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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

|X| QUARTERLY REPORT ON UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE OF 1934

For the quarterly period ended June 30, 2001.

|_| TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from............to..............

Commission file number: 0-27331

FINDWHAT.COM
(Exact name of registrant as specified in its charter)

Nevada	88-0348835
(State of Incorporation)	(I.R.S. Employer Identification No.)

121 West 27th Street, Suite 903
New York, New York 10001
(212) 255-1500

(Address and telephone number of registrant's principal executive offices and principal place of business)

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date. 16,455,177 shares of common, $.001 par value as of June 30, 2001.

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PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FindWhat.com and Subsidiary

CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	JUNE 30, 2001 (UNAUDITED)	December 31, 2000
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	$ 2,021,406	$ 815,317
Accounts receivable, less allowance for doubtful accounts of $32,500 at June 30, 2001 and $22,500 at December 31, 2000, respectively	298,362	418,459
Prepaid expenses and other current assets	633,894	7,289

Total current assets	2,953,662	1,241,065
EQUIPMENT AND FURNITURE - NET	892,419	838,763
OTHER ASSETS	56,159	22,240
Total assets	$ 3,902,240	$ 2,102,068

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 1,340,704	$ 1,174,711
Current portion of capital lease obligations	20,684	31,743
Deferred revenue	274,488	90,613
Total current liabilities	1,635,876	1,297,067
Capital lease obligationS, less current portion	8,470	15,337
Total liabilities	1,644,346	1,312,404
STOCKHOLDERS' EQUITY		
Preferred stock, $.001 par value; authorized, 500,000 shares; none issued and outstanding	--	--
Common stock, $.001 par value; authorized, 50,000,000 shares; 16,462,177 and 15,098,844 shares issued, respectively	16,462	15,099
Additional paid-in capital	15,660,362	13,511,343
Stock subscription receivable	--	(1,251,298)
Deferred service costs	(76,462)	(741,167)
Treasury stock; 7,000 shares, at cost	(82,035)	(82,035)
Accumulated deficit	(13,260,433)	(10,662,278)
Total stockholders' equity	2,257,894	789,664
Total liabilities and stockholders' equity	$ 3,902,240	$ 2,102,068

</TABLE>

The accompanying notes are an integral part of these statements.

FindWhat.com and Subsidiary

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
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	For the six months ended June 30		For the three months ended June 30,	
	2001	2000	2001	2000
	(unaudited)		(unaudited)	
<S>	<C>	<C>	<C>	<C>
Revenues	$ 7,003,421	$ 590,528	$ 4,440,089	$ 373,804
Cost of revenues	1,040,890	411,464	534,660	257,976
Gross profit	5,962,531	179,064	3,905,429	115,828
Operating expenses				

Sales and marketing	5,941,147	2,860,105	2,938,871	1,984,927
General and administrative	1,541,386	2,027,567	796,081	867,126
Product development	96,855	252,208	48,428	152,088
Loss on sale of advertising contract	996,382	--	--	--
Total operating expenses	8,575,770	5,139,880	3,783,380	3,004,141
Income (loss) from operations	(2,613,239)	(4,960,816)	122,049	(2,888,313)
Interest income, net	15,084	31,691	11,800	13,039
NET INCOME (LOSS)	$ (2,598,155)	$ (4,929,125)	$ 133,849	$ (2,875,274)
Income (loss) per share				
Basic	$ (0.16)	$ (0.36)	$ 0.01	$ (0.21)
Diluted	$ (0.16)	$ (0.36)	$ 0.01	$ (0.21)
Weighted-average number of common shares outstanding				
Basic	15,860,214	13,526,010	16,449,133	13,705,286
Diluted	15,860,214	13,526,010	17,059,326	13,705,286

</TABLE>

The accompanying notes are an integral part of these statements.

FindWhat.com and Subsidiary

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2000
(unaudited)

<TABLE>
<CAPTION>

	For the six months ended June 30, 2001	2000
	(unaudited)	
<S>	<C>	<C>
Cash flows from operating activities		
Net loss	$(2,598,155)	$(4,929,125)
Adjustments to reconcile net loss to net cash used in operating activities		
Allowance for doubtful accounts	9,900	22,136
Depreciation	168,766	120,558
Equity-based compensation	1,470,003	2,146,913
Loss on sale of advertising contract	996,382	--
Options issued for services, net	--	11,500
Changes in operating assets and liabilities		
Accounts receivable	110,197	(97,277)
Other current assets	(516,713)	(2,048)
Other assets	(33,919)	(39,645)
Accounts payable and accrued expenses	165,993	757,774
Deferred revenue	183,875	119,488
Due to affiliate	--	(45,106)
Net cash used in operating activities	(43,671)	(1,934,832)

Cash flows from investing activities		
Purchase of equipment	(272,372)	(605,577)
Loan to shareholder	(59,942)	--
Net cash used in investing activities	(332,314)	(605,577)
Cash flows from financing activities		
Gross proceeds from private placement	1,350,000	2,000,000
Payment of financing costs	--	(5,669)
Payments made on capital leases	(17,926)	(16,620)
Proceeds from sale of advertising contract	250,000	--
Net cash provided by financing activities	1,582,074	1,977,711
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,206,089	(562,698)
Cash and cash equivalents at beginning of period	815,317	906,931
Cash and cash equivalents at end of period	$ 2,021,406	$ 344,233
Supplemental noncash investing and financing activities		
Capital lease obligations for purchase of equipment	$ --	$ 70,330

</TABLE>

The accompanying notes are an integral part of these statements.

FindWhat.com and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2001 and 2000
(unaudited)

NOTE A - NATURE OF BUSINESS

FindWhat.com and its subsidiary (collectively, the "Company") are developers and marketers of performance-based advertising services for the Internet. FindWhat offers three services: FindWhat.com, a pay-for-position search engine which launched in September 1999, BeFirst.com RankPro, a search engine optimization service, and BeFirst.com SearchPro, a search engine submission service. The Company operates in one reportable business segment.

NOTE B - BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to present fairly FindWhat.com's financial position as of June 30, 2001 and the results of its operations and its cash flows for the six and three months ended June 30, 2001 and 2000. Certain financial information which is normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), but which is not required for interim reporting purposes, has been condensed or omitted. The accompanying condensed consolidated financial statements need to be read in conjunction with the audited consolidated financial statements and notes for the year ended December 31, 2000, which were included in the Company's Form 10-KSB, as filed with the Securities and Exchange Commission (the "SEC") on April 2, 2001.

Results of the interim period are not necessarily indicative of results that may be expected for the entire year.

NOTE C - PER SHARE DATA

The Company computes net income (loss) per share in accordance with Statement of Financial Accounting Standards No. 128 ("SFAS No. 128"), "Earnings per Share." Under the provisions of SFAS No. 128, basic income (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted-average common shares outstanding for the period. Diluted income (loss) per share reflects the weighted-average common shares outstanding plus the potential dilutive effect of securities or contracts which are in the money

FindWhat.com and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2001 and 2000
(unaudited)

NOTE C (CONTINUED)

and convertible to common shares, such as options and warrants, unless antidilutive. The following is a reconciliation of the number of shares used in the basic and diluted computation of income (loss) per share:

<TABLE>
<CAPTION>

	Six months ended June 30,		Three months ended June 30,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Weighted-average number of common outstanding - basic	15,860,214	13,526,010	16,449,133	13,705,826
Dilution from stock option plan and dilution from warrants issued			610,193	
Weighted-average number of common shares and common share equivalents outstanding - diluted	15,860,214	13,526,010	17,059,326	13,705,826

</TABLE>

An aggregate of 2.0 million options and warrants which have been granted are excluded from the calculation of earnings per share for the six and three months ended June 30, 2000 and 5.1 million options and warrants which have been granted are also excluded for the calculation of earnings per share for the six months ended June 30, 2001, since they were considered antidilutive.

NOTE D - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	JUNE 30, 2001	December 31, 2000
Prepaid revenue sharing	$549,450	$ --
Shareholder loan receivable	60,000	--
Other	24,444	7,289

$633,894	$ 7,289
========	=======

The prepaid revenue sharing represents amounts paid pursuant to an agreement with a distribution partner for advertising and distribution of the Company's search results. Under US GAAP this item is classified as prepaid revenue-sharing payments, which is being amortized over its expected useful life of six months.

FindWhat.com and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2001 and 2000
(unaudited)

NOTE D (CONTINUED)

In June 2001, the Company advanced $60,000 to an officer and shareholder of the Company. The loan accrues interest at a rate of 7% per annum maturing on May 31, 2002. Such amount has been included in prepaid expenses and other current assets on the accompanying consolidated balance sheet as of June 30, 2001.

NOTE E - PRIVATE PLACEMENT

In March and April 2001, the Company completed a private placement of its common stock with accredited investors. The Company issued 1,350,000 shares of common stock for $1.00 per share and received gross proceeds of approximately $1.35 million. In connection therewith, the Company also issued 202,500 warrants to purchase shares of the Company's common stock at exercise prices ranging from $1.00 to $1.52.

NOTE F - COMMON STOCK AND STOCK OPTIONS ISSUED

Beasley Transaction

In January 2000, the Company entered into a common stock purchase agreement with Beasley Internet Ventures LLC ("Beasley"), whereby the Company issued 600,000 shares of common stock at $5.00 per share to Beasley in exchange for a note receivable of $3 million. Concurrently, the Company entered into an advertising agreement with Beasley for $3 million of advertising services to be provided over a two-year period. Beasley has the right to offset payment obligations on the note receivable owed to the Company by providing advertising services pursuant to the advertising agreement. Since the value of the stock on the date the agreements were consummated was $7.375 per share, an additional deferred service cost of $1,425,000 was recognized and was being expensed over the contract period. The remaining balance on the note receivable at December 31, 2000 of $1,251,298 was shown as a stock subscription receivable in stockholders' equity.

In March 2001, the Company sold the remaining unused advertising value and the stock subscription receivable under the agreements to a consultant for $250,000 in cash and issued a warrant to purchase 125,000 shares of common stock valued at $172,500. Prior to the sale of the unused advertising and stock subscription receivable, the Company recognized $771,783 of expense for the quarter ended March 30, 2001. In addition, the Company recognized an expense of approximately $996,000 in March 2001, which is shown as "Loss on sale of advertising contract" on the statement of operations.

Go2Net Transaction

In March 2000, the Company entered into a one-year agreement with Go2Net, Inc. ("Go2Net"), whereby Go2Net provides the Company with metasearch services, allowing the Company to have its

NOTE F (CONTINUED)

search results incorporated with Go2Net's. In exchange for these services, Go2Net received warrants to purchase 725,000 shares of the Company's common stock at $5.50 per share. Pursuant to the agreement, as the Company issued any additional shares of common stock, options or warrants at an exercise price less than the exercise price of $5.50, then in each case, the exercise price was lowered to the amount determined as per the agreement and Go2Net was entitled to receive an additional number of shares calculated per the agreement. The value of the warrants was determined upon completion of the service period and has been charged to operations and reflected in sales and marketing expense. The value of the warrants was remeasured at each reporting date until the services were completed in March 2001. In March 2001, the Company amended the agreement and fixed the number of warrants outstanding to 801,839 at an exercise price of $4.97.

Other

In February 2001, the Company issued a warrant to purchase 125,000 shares of the common stock at $1.00 per share for consulting services. The fair market value of the warrant was $122,500 and is being amortized over one year, the term of the consulting agreement. As of June 30, 2001, approximately $76,000 has been shown as deferred service cost in stockholders' equity.

NOTE G - EMPLOYMENT AGREEMENTS

The Company entered into employment agreements with three executive officers effective March 15, 2001. The agreements have an initial term of one year, after which each will renew automatically for additional one-year periods on the same terms and conditions, unless either party to the agreement provides notice to the other of an intention not to extend it prior to the end of its term. The employment agreements provide for minimum annual base salaries of $180,000 for each executive. The employment agreements require the Company to compensate the executives and provide them with certain benefits if their employment is terminated before the agreements expire. The compensation and benefits the executives are entitled to receive upon termination of employment vary depending on whether their employment is terminated: (1) by the Company without "cause"; (2) by the Company for "cause," or by the executive for "good reason"; (3) involuntarily due to death or disability; or (4) by the executive without "good reason."

In addition, the Company entered into an employment agreement with an executive officer effective April 23, 2001. All the above conditions apply, except that this agreement does not contain a renewal clause and the minimum base salary is $125,000.

NOTE H - STOCK INCENTIVE PLAN

On June 11, 2001, the Company's shareholders approved an amendment increasing the number of shares available for issuance under the Company's 1999 Stock Incentive Plan from 1,975,000 to 4,200,000 shares and increasing the number of shares an individual employee can receive from 600,000 to 1,000,000.

During the six months ended June 30, 2001, the Company issued approximately 825,000 options under this plan at prices ranging from $1.00 to $2.00 per share.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

This management's discussion and analysis of financial condition contains forward-looking statements, the accuracy of which involve risks and uncertainties. We use words such as "anticipates," "believes," "plans," "expects," "future," "intends" and similar expressions to identify forward-looking statements. This management's discussion and analysis also contains forward-looking statements attributed to certain third parties relating to their estimates regarding the growth of the Internet, Internet advertising and online commerce markets and spending. Prospective investors should not place undue reliance on these forward-looking statements, which apply only as of the date of this report. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons.

OVERVIEW

We are a developer and marketer of performance-based advertising services for the Internet. Our clients pay us for each visitor we deliver to their Web sites. Currently, we offer two such proprietary services: FindWhat.com, a bid-for-position search engine which distributes its listings to third-party Web sites, and BeFirst.com RankPro, a search engine optimization service. We also offer a search engine submission service, BeFirst.com SearchPro. Our focus is to:

- drive qualified traffic to Internet Web sites, and

- ensure that Internet users find what they are looking for when "surfing the Web."

Our services are designed to connect consumers and businesses that are most likely to purchase specific goods and services to the businesses that provide those goods and services.

The FindWhat.com search engine allows Internet users to enter a word, phrase or plain English query describing what they want to locate on the Internet. They can enter their query through the search box located at www.FindWhat.com or through the search areas of any of our distribution partners. Our search engine then displays a selection of Web sites related to that query. Through our open, automated, proprietary bidding process, advertisers can determine the placement of their listing in response to any given query. This is accomplished by allowing our advertisers to submit bids for the amount they will pay for each visitor who clicks-through to their Web sites. The highest bidder receives the first listing with all other bidders listed in descending bid order. Each advertiser pays us the amount of its bid whenever a consumer clicks on the advertiser's listing in the FindWhat.com search results. We believe that the FindWhat.com search engine is an efficient system for advertisers - they pay only for prospects that come to their site. They can insure that those prospects are qualified by picking only those keywords that are most relevant to their business. Advertisers can choose exactly how much they are willing to pay per prospect, thereby maintaining precise control over the placement of their listings in the FindWhat.com search results and their cost of customer acquisition. Unlike traditional online advertising alternatives, which charge based on impressions or page views, our advertisers only pay for performance, defined as a visitor who reaches their Web site. We distribute our search results to many third-party search engines, including Excite, Webcrawler, CNET's Search.com, and InfoSpace's MetaCrawler and Dogpile, and share with them the revenue we generate from click-throughs on our results by their users. These third-party sites show our results to provide more varied listings to their users and to derive additional revenue from their traffic. Our FindWhat.com search listing paid click-through revenue is determined by multiplying the number of click-throughs on paid search results by the amounts bid for applicable keywords. The following table charts the number of paid click-throughs per quarter and the average revenue per paid click-through for the FindWhat.com search engine since January 1, 2000 (revenue from the FindWhat.com search engine prior to 2000 was immaterial):

	Paid Click-throughs	Avg. Revenue per Paid Click-through
Q1 2000	1,200,000	$0.06
Q2 2000	3,800,000	$0.07
Q3 2000	5,600,000	$0.11
Q4 2000	13,200,000	$0.11
Q1 2001	22,900,000	$0.10
Q2 2001	33,300,000	$0.13

In order to generate significant revenues, we must continue to increase substantially the number of advertisers we service and the volume of click-throughs to our clients' Web sites, which we accomplish primarily by adding new distribution partners and improving our placement with existing distribution partners. Search listing click-through revenue is recognized when earned based on click-through activity to the extent that the advertiser has deposited sufficient funds with us or collection is probable. FindWhat.com revenue also includes a limited amount of banner advertisement revenue, which is recognized when earned under the terms of the contractual arrangement with the advertiser or advertising agency, provided that collection is probable.

We believe that our FindWhat.com search engine will be more attractive to advertisers as more consumers and businesses access our listings while searching the Internet, and our paid listings will be more relevant to these Internet users as more advertisers bid for placement in our search results. The largest component of our expenses consists of costs incurred to attract consumers and businesses to our search listings, either through our distribution partners or via our Web site at www.FindWhat.com. To date, we have primarily attracted Internet users through our distribution partners, who list some or all of our search listings on their Web sites. We expect to continue to rely upon distribution partners for most of the searches conducted on our service. Our future success is dependent upon reducing our click-through acquisition costs and increasing the revenue we derive from this traffic. In order to significantly increase revenues we will be required to incur a significant expansion of our operations, including hiring additional management and staff. These actual and proposed increases in marketing and personnel will significantly increase our operating expenses.

Our BeFirst.com RankPro search engine optimization service assists Web sites to achieve higher placements on search results on over 300 third-party search engines. We are able to achieve this for our clients through our understanding of search engine algorithms and constant monitoring of search engine behavior. Our BeFirst.com RankPro service enhances the probability that our clients' Web sites will appear in search results served in response to a user's inquiry on a particular keyword, as well as being placed higher in the ranking in the search results. This service generates revenue from initial set-up fees charged to new clients and from click-through fees our clients pay for third-party search engine users who get to their Web sites as a result of our efforts. BeFirst.com RankPro click-through fees are determined by multiplying the number of click-throughs to a client's Web sites as a result of our efforts by the amount we charge per click-through. BeFirst.com RankPro's clients include eBay and Avenue A.

The second service offered by BeFirst.com is the SearchPro search engine submission service. SearchPro submits information about our clients' Web sites on a regular basis to over 1,000 third-party search engines, which is integral to achieving and maintaining listings in the search results of these search engines. Our BeFirst.com SearchPro service derives revenue from one-time set-up fees and residual monthly submission fees.

We have a limited operating history. We began offering our BeFirst.com RankPro service in March 1998. Our FindWhat.com search engine was commercially launched in September 1999, but generated immaterial revenues in the fiscal year ended December 31, 1999. Our services have achieved only limited market acceptance to date. Our limited operating history and the uncertain nature of the markets we address or intend to address make prediction of our future results of operations difficult.

RESULTS OF OPERATIONS

Our fiscal year runs from January 1 through December 31. We began offering our BeFirst.com(SM) search engine optimization service in March 1998, we commercially launched our FindWhat.com(SM) search engine in September 1999, and we began offering our BeFirst.com(SM) search engine submission service in November 2000. As a result of these factors, comparisons between the three and six months ended June 30, 2001 and the three and six months ended June 30, 2000 have limited meaning.

REVENUE

Revenue for the three months ended June 30, 2001 increased to $4,440,089 compared to $373,804 for the three months ended June 30, 2000. Revenue for the six months ended June 30, 2001 increased to $7,003,421 compared to $590,528 for the six months ended June 30, 2000. The increase was primarily the result of increased revenue from the FindWhat.com search engine. Revenue from the FindWhat.com search engine represented approximately 93% of total revenue for the three months ended June 30, 2001, and approximately 90% of total revenue for the six months ended June 30, 2001. We currently expect that revenue from the FindWhat.com search engine will continue to represent over 90% of total revenue in future periods.

COST OF REVENUES

Cost of revenues consists primarily of costs associated with designing and maintaining our web sites and providing the BeFirst.com service, fees paid to outside service providers that provide our unpaid listings, credit card processing fees, and fees paid to telecommunications carriers for Internet connectivity. Costs associated with maintaining our web sites include salaries of related personnel, depreciation of web site equipment, co-location charges for our web site equipment and software license fees. Costs associated with providing the BeFirst.com service include salaries of related personnel, payments to consultants, and web site domain registration expenses for clients.

Cost of revenues increased to $534,660 for the three months ended June 30, 2001 from $257,976 for the three months ended June 30, 2000. Cost of revenues was $1,040,890 for the six months ended June 30, 2001, compared to $411,464 for the six months ended June 30, 2000. The increase was primarily due to the expansion of the FindWhat.com search engine and increased costs related to our BeFirst.com service, including an increase in consultants and personnel associated with providing the BeFirst.com service. We anticipate cost of revenues will continue to increase as our traffic and number of advertisers increase.

OPERATING EXPENSES

Sales and Marketing. Sales and marketing expenses consist primarily of:

- revenue-sharing or other arrangements with our FindWhat.com affiliates,

- advertising expenditures for the FindWhat.com search engine, such as radio, outdoor and banner advertising campaigns and sponsorships,

- promotional expenditures, including proprietary contests to attract consumers to the FindWhat.com web site and sponsorships of seminars, trade shows and expos,

- telemarketing and other expenses to attract advertisers to our services,

- fees to marketing and public relations firms, and

- payroll and related expenses for personnel engaged in marketing, customer service and sales functions.

Almost all of our sales and marketing expenses relate to the FindWhat.com search engine.

Our sales and marketing expense was $2,938,871 for the three months ended June 30, 2001 compared to $1,984,927 for the three months ended June 30, 2000. Sales and marketing expense was $5,941,147 for the six months ended June 30, 2001 compared to $2,860,105 for the six months ended June 30, 2000. The increase in sales and marketing expense was related primarily to increased revenue-sharing and other fees paid to distribution partners, along with expanding the number of marketing, customer service, and sales employees, and higher fees to our public relations firm. These increases were offset by decreases in radio and outdoor promotional activities, non-cash stock compensation expense, and outsourced telemarketing expenses. Revenue-sharing and other fees paid to distribution partners represent the largest component of our operating expenses. We believe that continued investment in sales and marketing, including attracting consumers and advertisers to utilize the FindWhat.com search engine and attracting additional distribution partners to display our search engine's results, is critical to attaining our strategic objectives. As a result, we expect these costs to continue increasing in the future.

General and Administrative. General and administrative expenses consist primarily of payroll and related expenses for executive and administrative personnel; costs related to leasing, maintaining and operating our facilities; insurance; recruiting fees; bad debt; fees for professional services, including consulting, legal, and accounting fees; expenses and fees associated with the reporting and other obligations of a public company; travel costs; depreciation of furniture and equipment for non-technical employees; non-cash stock compensation expense for the issuance of stock and stock options to non-employees, and other general corporate expenses; as well as fees to affiliates which provide office space and other general and administrative services. General and administrative expenses decreased to $796,081 for the three months ended June 30, 2001 from $867,126 for the three months ended June 30, 2000. General and administrative expenses decreased to $1,541,386 for the six months ended June 30, 2001 from $2,027,567 for the six months ended June 30, 2000. The decrease in general and administrative expenses was primarily due to decreases in costs associated with being a public company, and decreased professional and recruiting fees, offset by higher administrative and executive headcount and salaries along with related expenses associated with the hiring of personnel; increased rent and other office expenses; and increases in general corporate expenses. The decrease in general and administrative expenses for the six months ended June 30, 2001 was also due to a decrease in non-cash stock compensation expense. We expect general and administrative expenses to increase in the future as we expand our staff and incur additional costs related to the growth of our business.

Product Development. Product development expenses consist primarily of payroll and related expenses for personnel responsible for development of features and functionality for our FindWhat.com services and depreciation for related equipment. Product development was $48,428 for the three months ended June 30, 2001 compared to $152,088 for the three months ended June 30, 2000. Product development was $96,855 for the six months ended June 30, 2001 compared to $252,208 for the six months ended June 30, 2000. The decrease was a result of reduced compensation expense, as well as decreased use of technical consulting services. We believe that continued investment in product development is critical to attaining our strategic objectives and as a result, expect product development expenses to increase in the future.

Loss on Sale of Advertising Contract. From January 2000 through March 2001, Sales and Marketing expense included non-cash charges related to the issuance of 600,000 shares of common stock to a national radio group in return for radio advertising time to promote the FindWhat.com search engine. The common stock had a value of $4,425,000 at the time of issuance, and was being expensed as the radio time was being used. As of March 30, 2001, $3,351,118 had been expensed in this fashion. On March 30, 2001, a third party paid $250,000 in cash in return for the remaining radio time and a warrant to purchase 125,000 shares of common stock. The warrant was valued at $172,500. As a result of this transaction, a loss of $996,382 was recorded in the six months ended June 30, 2001 for the sale of the radio advertising contract, which is shown as "Loss on sale of advertising contract" on the statement of operations.

INTEREST INCOME, NET

Interest income, net, consists primarily of earnings on our cash and cash equivalents, net of interest expense attributable to equipment leases. Net interest income was $11,800 for the three months ended June 30, 2001 compared to $13,039 for the three months ended June 30, 2000. Net interest income was $15,084 for the six months ended June 30, 2001 compared to $31,691 for the six months ended June 30, 2000. The decrease in our interest income was primarily due to a decrease in our average cash and cash equivalent balances and lower interest rates. Our interest expense during the first six months of 2001 and 2000 consisted of interest on leases of computer equipment.

NET INCOME (LOSS)

As a result of the factors described above, we generated net income of $133,849 for the three months ended June 30, 2001, compared to a net loss of $2,875,274 for the three months ended June 30, 2000. We incurred a net loss of $2,598,155 for the six months ended June 30, 2001 compared to a net loss of $4,929,125 for the six months ended June 30, 2000.

LIQUIDITY AND CAPITAL RESOURCES

We have historically satisfied our cash requirements primarily through private placements of equity securities and the reliance on affiliated businesses owned by our executive officers. Through June 2001, we have raised $8.45 million through private equity financings and $250,000 through the sale of radio advertising time which we previously acquired through the issuance of common stock. To date, space and support services in New York City have been provided to us by WPI Advertising, Inc., an affiliate of our co-founder, Robert D. Brahms. We have been billed our pro rata share of applicable expenses.

Net cash used in operating activities totaled approximately $43,671 for the six months ended June 30, 2001. The net cash used during the six months ended June 30, 2001 was primarily attributable to a net loss of $2,598,155 and an increase in other current assets of approximately $517,000, primarily offset by non-cash equity-based compensation related to stock, option, and warrant grants to service providers and non-employees totaling approximately $1,470,000, a non-cash loss on the sale of an advertising contract of approximately $996,000, an increase in accounts payable, accrued expenses and deferred income of approximately $350,000, depreciation of approximately $169,000, and a decrease in accounts receivable of approximately $110,000.

Net cash used in investing activities totaled approximately $332,000 for the six months ended June 30, 2001, and consisted of capital expenditures for equipment and a loan to a shareholder.

Net cash provided by financing activities totaled approximately $1,582,000 for the six months ended June 30, 2001. In March and April 2001, we completed a private placement of common stock with accredited investors. We issued 1,350,000 shares of common stock for $1.00 per share and received gross proceeds of approximately $1.35 million. We also issued 202,500 warrants to purchase shares of our common stock at exercise prices ranging from $1.00 to $1.52. In March 2001, we sold the remaining portion of an advertising contract for $250,000 in cash and issued the purchaser a warrant to purchase 125,000 shares of common stock.

Our principal sources of liquidity consisted of approximately $2,021,000 of cash and cash equivalents as of June 30, 2001. Although we have no material long-term commitments for capital expenditures, we anticipate an increase in capital expenditures consistent with anticipated growth of operations, infrastructure and personnel, including capital expenditures to upgrade our technical systems during the remainder of 2001. We currently anticipate that the net proceeds from our private placements and the sale of an advertising contract, together with cash flows from operations, will be sufficient to meet the anticipated liquidity needs for working capital and capital expenditures over the next 12 months. In the future, we may seek additional capital through the issuance of debt or equity depending upon results of operations, market conditions or unforeseen opportunities. Our future liquidity and capital requirements will depend upon numerous factors. The pace of expansion of our operations will affect our capital requirements. We may also have increased capital requirements in order to respond to competitive pressures. In addition, we may need additional capital to fund acquisitions of complementary products, technologies or businesses. As we require additional capital resources, we may seek to sell additional equity or debt securities or obtain a bank line of credit. The sale of additional equity or convertible debt securities could result in additional dilution to existing stockholders. There can be no assurance that any financing arrangements will be available in amounts or on terms acceptable to us, if at all. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties and actual results could vary materially as a result of the factors described above.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis or Plan of Operation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, among other things those Business Risks set forth below.

In addition, in this Management's Discussion and Analysis or Plan of Operation, the words "believe", "may", "will", "estimate", "continue", "anticipate", "intend", "expect", "plan" and similar expressions, as they relate to us, our business or our management, are intended to identify forward-looking statements.

We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this prospectus. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

BUSINESS RISKS

The Company desires to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The following factors have affected or could affect the Company's actual results and could cause such results to differ materially from those expressed in any forward-looking statements made by the Company. Investors should consider carefully the following risks and speculative factors inherent in and affecting the business of the Company and an investment in the Company's common stock. Factors that might cause such a difference include, but are not limited to, those discussed below.

OUR BUSINESS IS DIFFICULT TO EVALUATE BECAUSE WE HAVE A LIMITED OPERATING HISTORY AND HAVE ONLY RECENTLY LAUNCHED OUR FINDWHAT.COM SEARCH ENGINE.

We began offering search engine optimization marketing services through our BeFirst.com service in March 1998, and in September 1999 we commercially launched FindWhat.com, our pay-for-position search engine. Accordingly, we have a limited relevant operating history upon which an investor can make an evaluation of the likelihood of our success. An investor in our securities must consider the uncertainties, expenses and difficulties frequently encountered by companies such as ours that are in the early stages of development. Our operations may never generate significant revenues and we may never achieve profitable operations. An investor should consider the likelihood of our future success to be highly speculative in light of our limited operating history, as well as the problems, limited resources, expenses, risks and complications frequently encountered by similarly situated companies in the early stages of development, particularly companies in new and rapidly evolving markets, such as e-commerce. To address these risks, we must, among other things:

- maintain and increase our client base;
- implement and successfully execute our business and marketing strategy;
- continue to develop and upgrade our technology;
- continually update and improve our service offerings and features;
- provide superior customer service;
- respond to industry and competitive developments; and
- attract, retain and motivate qualified personnel.

We may not be successful in addressing these risks. If we are unable to do so, our business, prospects, financial condition and results of operations would be materially and adversely affected.

WE HAVE LIMITED MARKETING EXPERIENCE; THE SUCCESS OF OUR FINDWHAT.COM SEARCH ENGINE IS DEPENDENT UPON OUR ABILITY TO ESTABLISH ONLINE MARKETING RELATIONSHIPS.

We have limited marketing experience and limited financial, personnel and other resources to undertake extensive marketing activities. Our ability to generate revenue from our FindWhat.com search engine is dependent upon our ability to attract advertisers and generate traffic to our advertisers' Web sites. If we are unable to enter into additional agreements to generate significant traffic to our advertisers' Web sites on commercially acceptable terms, or

are unable to implement successfully current agreements which drive traffic to our advertisers' Web sites, our operations may never generate significant revenues and we may never achieve profitable operations. Our failure to further develop our marketing capabilities and successfully market our products and services could have a material adverse effect on our business, prospects, financial condition and results of operations.

OUR PRINCIPAL COMPETITOR MAY HAVE PATENT RIGHTS WHICH COULD PREVENT US FROM OPERATING OUR FINDWHAT.COM SEARCH ENGINE IN ITS PRESENT FORM.

Our principal competitor, GoTo, was issued a patent on July 31, 2001 regarding a system and method for influencing a position on a search result list generated by a computer network search engine. Prior to being issued the patent, GoTo advised us of the pending patent application with respect to our current pay-for-position business model, but refused to provide to us the details of the application. Additionally, GoTo has announced it acquired an issued patent that may apply to our current pay-for-position business model. However, we believe that the acquired patent does not prohibit us from operating our current business. If the patents held by GoTo interfere or prevent us from using the pay-for-position business model, our business, prospects, financial condition and results of operations could be materially and adversely affected. Moreover, although GoTo has indicated that it will monitor our activities, they have not commenced or threatened to commence any legal action against us. If we are required to participate in litigation we may not have the resources to fund the required litigation costs, which may adversely affect our business, prospects, financial condition and results of operations.

In the event that GoTo's patents are found to be applicable to our current business model, we may be required to obtain a license to the covered intellectual property or substantially revise our business model in order to continue operations. We can offer no assurance that a license would be available on acceptable terms or at all, or that we will be able to revise our business model economically, efficiently or at all.

WE PARTIALLY DEPEND ON THIRD PARTIES FOR CERTAIN SOFTWARE AND INTERNET SERVICES FOR OUR FINDWHAT.COM SEARCH ENGINE.

We partially depend on third-party software to operate our FindWhat.com search engine. Although we believe that several alternative sources for this software are available, any failure to obtain and maintain the rights to use such software would have a material adverse effect on our business, prospects, financial condition and results of operations. We also are dependent upon third parties to provide Internet services to allow us to connect to the Internet with sufficient capacity and bandwidth so that our FindWhat.com search engine can function properly and our FindWhat.com Web site can handle current and anticipated traffic. We currently have contracts with Sprint, UUNet, KMC Telecom and Excite@Work for these services. Any restrictions or interruption in our connection to the Internet would have a material adverse effect on our business, prospects, financial condition and results of operations.

WE RELY ON INTERNALLY DEVELOPED SYSTEMS WHICH MAY PUT US AT A COMPETITIVE DISADVANTAGE.

We use internally developed systems for a portion of our search engine request processing software. We developed these systems primarily to increase the number of appropriate search results for each search request made on our Web site and for customer service. A significant amount of manual effort may be required to update these systems if our competitors develop superior search methods. This manual effort is time-consuming and costly and may place us at a competitive disadvantage when compared to competitors with more efficient systems. We intend to upgrade and expand our search request processing systems and to integrate newly-developed and purchased modules with our existing systems in order to improve the efficiency of our search methods and support increased transaction volume, although we are unable to predict whether these upgrades will improve our competitive position when compared to our competitors.

OUR MANAGEMENT TEAM IS RELATIVELY NEW; MANY OF OUR EMPLOYEES HAVE RECENTLY JOINED US AND MUST BE INTEGRATED INTO OUR OPERATIONS.

Some of our officers have no prior senior management experience in public companies. In three years we have grown to approximately 50 employees; our new employees include a number of key managerial, technical, financial, marketing and operations personnel who have not yet been fully integrated into our operations; and we expect to add additional key personnel in the near future. Our failure to fully integrate our new employees into our operations could have a material adverse effect on our business, prospects, financial condition and results of operations.

WE MAY HAVE DIFFICULTY ATTRACTING AND RETAINING QUALIFIED, HIGHLY SKILLED PERSONNEL.

We expect the expansion of our business to place a significant strain on our limited managerial, operational and financial resources. We will be required to expand our operational and financial systems significantly and to expand, train and manage our work force in order to manage the expansion of our operations. We will need to attract and retain highly qualified, technical personnel in order to maintain and update our products and services and meet our business objectives. Competition for such personnel is intense. We may not be successful in attracting and retaining such qualified technical personnel on a timely basis, on competitive terms, or at all. If we are unable to attract and retain the necessary technical personnel, it would have a material and adverse effect on our business, prospects, financial condition and results of operations.

CURRENT CAPACITY CONSTRAINTS MAY REQUIRE US TO EXPAND OUR NETWORK INFRASTRUCTURE AND CUSTOMER SUPPORT CAPABILITIES.

Our ability to provide high-quality customer service largely depends on the efficient and uninterrupted operation of our computer and communications systems in order to accommodate any significant increases in the numbers of advertisers using our services and the search queries and paid click-throughs we receive. We may be required to expand our network infrastructure and customer support capabilities to support an anticipated expanded number of search queries and paid click-throughs. Any such expansion will require us to make significant upfront expenditures for servers, routers, computer equipment and additional Internet and intranet equipment and to increase bandwidth for Internet connectivity. Any such expansion or enhancement will need to be completed and integrated without system disruptions. Failure to expand our network infrastructure or customer service capabilities either internally or through third parties, if and when necessary, would materially adversely affect our business, prospects, financial condition and results of operations.

OUR TECHNICAL SYSTEMS ARE VULNERABLE TO INTERRUPTION AND DAMAGE.

A disaster could interrupt our services for an indeterminate length of time and severely damage our business, prospects, financial condition and results of operations. Our systems and operations are vulnerable to damage or interruption from fire, floods, power loss, telecommunications failures, break-ins, sabotage, computer viruses, penetration of our network by unauthorized computer users and "hackers" and similar events. The occurrence of a natural disaster or unanticipated problems at our technical operations facility could cause material interruptions or delays in our business, loss of data or render us unable to provide services to customers. Failure to provide the data communications capacity we require, as a result of human error, natural disaster or other operational disruptions could cause interruptions in our service and Web sites. The occurrence of any or all of these events could adversely affect our business, prospects, financial condition and results of operations.

WE MAY BE UNABLE TO OBTAIN THE INTERNET DOMAIN NAMES THAT WE HOPE TO USE.

The Internet domain name we are using for our search engine Web site is "FindWhat.com." We believe that this domain name is an extremely important part of our business. We may desire, or it may be necessary in the future, to use other domain names in the United States and abroad. Governmental authorities in different countries may establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. These new domains may allow combinations and similar domain names that may be confusingly similar to our own. Also, we may be unable to acquire or maintain desired and relevant domain names in all countries in which we will conduct business. In addition, there are other substantially similar domain names which

are registered by companies which may compete with us. There can be no assurance that potential users and advertisers will not confuse our domain name with other similar domain names. If that confusion occurs,

- we may lose business to a competitor,

- have to adjust our advertising rates and service fees accordingly, and

- some users of our services may have negative experiences with other companies on their Web sites that those users erroneously associate with us.

WE MAY BE UNABLE TO PROMOTE AND MAINTAIN OUR BRANDS.

We believe that establishing and maintaining the brand identities of our services is a critical aspect of attracting and expanding a large client base. Promotion and enhancement of our brands will depend largely on our success in continuing to provide high quality service. If businesses do not perceive our existing services to be of high quality, or if we introduce new services or enter into new business ventures that are not favorably received by businesses, we will risk diluting our brand identities and decreasing their attractiveness to existing and potential customers.

In order to attract and retain customers and to promote and maintain brands in response to competitive pressures, we may also have to increase substantially our financial commitment to creating and maintaining a distinct brand loyalty among our customers. If we incur significant expenses in an attempt to improve our services or to promote and maintain our brands, our business, prospects, financial condition and results of operations could be materially adversely affected. Moreover, any brand identities we establish may be diluted as a result of any inability to protect our service marks or domain names, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

OUR INTELLECTUAL PROPERTY RIGHTS MAY NOT BE PROTECTABLE OR OF SIGNIFICANT VALUE IN THE FUTURE.

We depend upon confidentiality agreements with certain of our employees, consultants and subcontractors to maintain the proprietary nature of our technology. These measures may not afford us sufficient or complete protection, and others may independently develop know-how and services similar to ours, otherwise avoid our confidentiality agreements or produce patents and copyrights that would materially and adversely affect our business, prospects, financial condition, and results of operations.

Legal standards relating to the validity, enforceability and scope of protection of certain intellectual property rights in Internet-related industries are uncertain and still evolving. The steps we take to protect our intellectual property rights may not be adequate to protect our future intellectual property. Third parties may also infringe or misappropriate any copyrights, trademarks, service marks, trade dress and other proprietary rights we may have. Any such infringement or misappropriation could have a material adverse effect on our business, prospects, financial condition and results of operations.

We own a federal service mark registration for "Be1st." We have also filed an application to register "FindWhat.com" as a servicemark. If other companies also claim the words "Be1st" or "FindWhat.com," we may be required to become involved in litigation or incur additional expense. Effective service mark, copyright and trade secret protection may not be available in every country in which our services are distributed or made available through the Internet.

The process and technology we use to operate the FindWhat.com search engine is critical to the success of our business. In February 2000, we filed a patent application for our FindWhat.com search engine with the United States Patent and Trademark Office. This application is currently pending. Our patent application may be rejected and we may be unable to prevent third parties from infringing on our proprietary rights. Further, our principal competitor has been granted a patent which may cover our business model and has acquired an issued patent that may be applicable to our business model. See " Our principal competitor may have patent rights which could prevent us from operating our FindWhat.com search engine in its present form."

In addition, the relationship between regulations governing domain names and laws protecting trademarks and similar proprietary rights is unclear. We may be unable to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of our trademarks and other proprietary rights, which may result in the dilution of the brand identity of our services. See "Risk Factors - We may be unable to promote and maintain our brands."

Our current and future business activities may infringe upon the proprietary rights of others, and third parties may assert infringement claims against us. Any such claims and resulting litigation could subject us to significant liability for damages and could result in the invalidation of our proprietary rights. Even if not meritorious, such claims could be time-consuming, expensive to defend and could result in the diversion of our management's time and attention. In addition, this diversion of managerial resources could have a material adverse effect on our business, prospects, financial condition and results of operations.

PROVIDERS OF INTERNET SEARCH ENGINES COULD ACT TO IMPEDE THE OPERATION OF OUR BEFIRST SERVICE.

The success of our BeFirst service depends on our ability to stay current with changes in search engine technologies. The providers of Internet search engines could alter the configuration of their search engines in new ways to make it more difficult for providers of optimization services to modify their systems to accommodate rapid changes in search engine technology. Our proprietary software programs track the historical patterns of change in the search engine technologies of various providers of Internet search engines. If these providers were to alter significantly and continually these historical patterns, and our software was unable to track effectively these changes, our ability to provide this service could be materially and adversely affected. The inability to provide this service could materially adversely affect our business, prospects, financial condition and results of operations.

WE DEPEND ON THE EFFORTS OF OUR KEY PERSONNEL.

Our success is substantially dependent on the performance of our senior management and key technical personnel. In particular, our success depends substantially on the continued efforts of Craig A. Pisaris-Henderson, our Chief Executive Officer and President, and Phillip R. Thune, our Chief Operating Officer and Chief Financial Officer. Currently, we do not have key person life insurance on Messrs. Pisaris-Henderson or Thune and we may be unable to obtain such insurance in the near future due to high cost or other reasons. We believe that the loss of the services of any of our executive officers or other key employees could have a material adverse effect on our business, prospects, financial condition and results of operations.

WE DEPEND ON ONE CUSTOMER FOR A SUBSTANTIAL PORTION OF OUR BEFIRST.COM RANKPRO SERVICE REVENUE.

A significant portion of our BeFirst.com RankPro service revenue has been derived from one customer, eBay. As a result, our net sales are concentrated and this customer accounted for approximately 30% and 40% of our BeFirst.com RankPro service revenue in 1999 and 2000, respectively. We expect that we will continue to be dependent upon this customer for a significant portion of our BeFirst.com RankPro service revenue in the future. Our BeFirst.com RankPro service revenue comprised 99% and 19% of our total revenue in 1999 and 2000, respectively. As a result of this customer concentration, our business, prospects, financial condition and results of operations could be materially adversely affected if this customer discontinues or curtails its use of our BeFirst.com service.

OUR CHARTER DOCUMENTS LIMIT THE LIABILITY OF OUR DIRECTORS AND OFFICERS.

Our articles of incorporation contain provisions which limit the personal liability of our directors and officers for monetary damages arising from a breach of their fiduciary duties as directors or officers. In addition, our by-laws require us to indemnify any person who is or was involved in any manner, or who is threatened to be involved, in any pending or completed action or proceeding, including a derivative action brought by us or in our name, by reason of the fact that such person is or was a director, officer, employee or agent of ours, or was serving at our request as an officer, director, employee or agent of another entity, enterprise or employee benefit plan, against all liabilities and expenses actually and reasonably incurred by such person in connection with any such action or proceeding.

OUR ARTICLES OF INCORPORATION AUTHORIZE US TO ISSUE ADDITIONAL SHARES OF STOCK.

We are authorized to issue up to 50,000,000 shares of common stock which may be issued by our board of directors for such consideration as they may consider sufficient without seeking stockholder approval. The issuance of additional shares of common stock in the future will reduce the proportionate ownership and voting power of current stockholders.

Our Articles of Incorporation also authorize us to issue up to 500,000 shares of preferred stock, the rights and preferences of which may be designated by our board of directors. These designations may be made without stockholder approval. The designation and issuance of preferred stock in the future could create additional securities which would have dividend and liquidation preferences prior in right to the outstanding shares of common stock. These provisions could also impede a non-negotiated change in control.

WE DO NOT INTEND TO PAY FUTURE CASH DIVIDENDS.

We currently do not anticipate paying cash dividends on our common stock at any time in the near future. We may never pay cash dividends or distributions on our common stock. Any credit agreements which we may enter into with institutional lenders may restrict our ability to pay dividends. Whether we pay cash dividends in the future will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements and any other factors that the board of directors decides is relevant.

THE MARKET PRICE OF OUR SECURITIES MAY BE VOLATILE.

From time to time the market price of our common stock may experience significant volatility. Our quarterly results, failure to meet analysts' expectations, patents issued or not issued to us or our competitors, announcements by us or our competitors regarding acquisitions or dispositions, loss of existing clients, new procedures or technology, litigation, changes in general conditions in the economy and general market conditions could cause the market price of the common stock to fluctuate substantially. In addition, the stock market has experienced significant price and volume fluctuations that have particularly affected the trading prices of equity securities of many technology and Internet companies. Frequently, these price and volume fluctuations have been unrelated to the operating performance of the affected companies. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against such a company. This type of litigation, regardless of the outcome, could result in substantial costs and a diversion of management's attention and resources, which could materially adversely affect our business, prospects, financial condition and results of operations.

SIGNIFICANT ADDITIONAL DILUTION WILL OCCUR IF OUTSTANDING OPTIONS AND WARRANTS ARE EXERCISED.

As of June 30, 2001 we also have outstanding stock options under our 1999 Stock Incentive Plan to purchase 2,330,463 shares of common stock at a weighted average exercise price of $2.10 and warrants and non-plan options to purchase 2,780,589 shares of common stock at a weighted average exercise price of $3.28 per share. To the extent these options or warrants are exercised, our stockholders will experience further dilution. In addition, in the event that any future financing should be in the form of, be convertible into, or exchangeable for, equity securities, and upon the exercise of options and warrants, investors may experience additional dilution.

WE MAY HAVE TROUBLE MAINTAINING OUR LISTING ON THE NASDAQ SMALLCAP MARKET.

Under the currently effective criteria for continued listing of securities on the Nasdaq SmallCap Market, a company must maintain $4.0 million in market value, a minimum bid price of $1.00 per share and either (i) have net tangible assets of at least $2 million, (ii) have a market capitalization of $35 million, or (iii) have net income of at least $500,000 in two of the last three fiscal years. We currently meet the continued listing requirements, however, due to the amount of our net tangible assets and the volatility of our stock price, from time to time we have not met the continued listing requirements. If we are unable to continue to meet the standards for continued listing our common stock could be subject to delisting from the Nasdaq SmallCap Market. Trading, if any, in our common stock would then be conducted in the over-the-counter market on the OTC Bulletin Board. As a result, an investor may find it more difficult to dispose of, or to obtain accurate quotations as to the price of, our shares.

WE FACE SUBSTANTIAL AND INCREASING COMPETITION.

We may face increased pricing pressure for the sale of paid listings, advertisements and direct marketing opportunities, which could materially adversely affect our business, prospects, financial condition and results of operations. Our competitors may have or obtain certain intellectual property rights which may interfere or prevent the use of our pay-for-position business model. See "Risk Factors - Our intellectual property rights may not be protectable or of significant value in the future." The market for Internet-based marketing services is relatively new, intensely competitive and rapidly changing. Since the advent of search engine optimization services on the Internet, the number of companies offering services similar to our BeFirst.com service has proliferated due to, among other reasons, the absence of substantial barriers to entry. This competition may further continue to intensify. Such increased competition may lead to reductions in market prices for search engine optimization marketing and sales. Our principal competitors in our search engine optimization business are Did-it.com and WebsiteResults.com, and our principal competitors in our search engine submission business are Submit-it.com, NetMechanic, WorldSubmit, and SubmitWizard, each of which may have a longer operating history, a larger customer base, greater brand recognition and may have greater financial, marketing and other resources than we have. Our principal competitor in the pay-for-position search engine aspect of our business is GoTo.com. We also compete against providers of Web directories and search and information services, such as those provided by America Online, Yahoo and Alta Vista.

Additionally, in pursuing acquisition opportunities we may compete with other companies with similar growth strategies, certain of which may be larger and have greater financial and other resources than we have. Competition for these acquisition targets will likely also result in increased prices of acquisition targets and a diminished pool of companies available for acquisition.

We have filed for one patent and have only a limited amount of other proprietary technology that would preclude or inhibit competitors from entering the paid listings market or the search engine optimization and submission markets. Therefore, we must rely on the skill of our personnel and the quality of our client service. The costs to develop and provide e-commerce services are relatively low. Therefore, we expect that we will continually face additional competition from new entrants into the market in the future, and we are subject to the risk that our employees may leave us and may start competing businesses, notwithstanding non-competition agreements. The emergence of these enterprises could have a material adverse effect on our business, prospects, financial condition and results of operations.

WE MAY NOT BE ABLE TO ADAPT AS THE INTERNET, ELECTRONIC COMMERCE, INTERNET ADVERTISING AND CUSTOMER DEMANDS CONTINUE TO EVOLVE.

We may not be able to adapt as the Internet, electronic commerce, Internet advertising and customer demands continue to evolve. Our failure to respond in a timely manner to changing market conditions or client requirements would have a material adverse effect on our business, prospects, financial condition and results of operations. The Internet e-commerce and the Internet advertising industry are characterized by:

- rapid technological change;

- changes in user and customer requirements and preferences;

- frequent new product and service introductions embodying new technologies; and

- the emergence of new industry standards and practices that could render proprietary technology and hardware and software infrastructure obsolete.

Our success will depend, in part, on our ability to:

- enhance and improve the responsiveness and functionality of our pay-for-position search engine;

- license or develop technologies useful in our business on a timely basis, enhance our existing services and develop new services and technology that address the increasingly sophisticated and varied needs of our prospective or current customers; and

- respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

INTERNET SECURITY POSES RISKS TO OUR ENTIRE BUSINESS.

The process of e-commerce aggregation by means of our hardware and software infrastructure involves the transmission and analysis of confidential and proprietary information of the advertiser, as well as our own confidential and proprietary information. The compromise of our security or misappropriation of proprietary information could have a material adverse effect on our business, prospects, financial condition and results of operations. We rely on encryption and authentication technology licensed from other companies to provide the security and authentication necessary to effect secure Internet transmission of confidential information, such as credit and other proprietary information. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the technology used by us to protect client transaction data. Anyone who is able to circumvent our security measures could misappropriate proprietary information or cause material interruptions in our operations. We may be required to expend significant capital and other resources to protect against security breaches or to minimize problems caused by security breaches. To the extent that our activities or the activities of others involve the storage and transmission of proprietary information, security breaches could damage our reputation and expose us to a risk of loss or litigation and possible liability. Our security measures may not prevent security breaches. Our failure to prevent these security breaches may have a material adverse effect on our business, prospects, financial condition and results of operations.

OUR FUTURE SUCCESS WILL DEPEND ON CONTINUED GROWTH IN THE USE OF THE INTERNET.

Our future success will depend substantially upon continued growth in the use of the Internet to support the sale of our advertising services and acceptance of e-commerce transactions on the Internet. As this is a new and rapidly evolving industry, the ultimate demand and market acceptance for Internet-related services is subject to a high level of uncertainty. Significant issues concerning the commercial use of the Internet and online services technologies, including security, reliability, cost, ease of use and quality of service remain unresolved and may inhibit the growth of Internet business solutions that utilize these technologies. In addition, the Internet or other online services could lose their viability due to delays in the development or adoption of new standards and protocols required to handle increased levels of Internet activity, or due to increased governmental regulation. In the event that the use of the Internet and other online services does not continue to grow or grows more slowly than we expect, or the Internet does not become a commercially viable marketplace, our business, prospects, financial condition and results of operations would be materially adversely affected.

THE MARKET FOR OUR SERVICES IS UNCERTAIN AND IS STILL EVOLVING.

Internet marketing and advertising, in general, and advertising through priority placement in an Internet search engine, in particular, are at early stages of development, are evolving rapidly and are characterized by an increasing number of market entrants. Our future revenues and any future profits are substantially dependent upon the widespread acceptance and use of the Internet and other online services as an effective medium of commerce by merchants and consumers. Rapid growth in the use of, and interest in, the Internet, the Web, and online services is a recent phenomenon, and may not continue on a lasting basis. In addition, customers may not adopt, and continue to use, the Internet and other online services as a medium of commerce. The demand and market acceptance for recently introduced services is generally subject to a high level of uncertainty. Most potential advertisers have only limited experience advertising on the Internet and have not devoted a significant portion of their advertising expenditures to Internet advertising. If this trend continues, the market for our existing services, which are dependent upon increased Internet advertising, may be adversely affected, which in turn will have a material adverse effect on our business, prospects, financial condition or results of operations.

WE WILL NEED TO KEEP PACE WITH RAPID TECHNOLOGICAL CHANGE IN THE INTERNET SEARCH AND ADVERTISING INDUSTRIES.

In order to remain competitive, we will be required continually to enhance and improve the functionality and features of our existing FindWhat.com search engine and BeFirst.com services which could require us to invest significant capital. If our competitors introduce new products and services embodying new technologies, or if new industry standards and practices emerge, our existing services, technology and systems may become obsolete and we may not have the funds or technical know-how to upgrade our services, technology and systems. If we face material delays in introducing new services, products and enhancements, our users may forego the use of our services and select those of our competitors, in which event, our business, prospects, financial condition and results of operations could be materially adversely affected.

WE WILL NEED TO CONTINUE TO UNDERSTAND AND KEEP PACE WITH SEARCH ENGINE TECHNOLOGY.

The success of our BeFirst.com services depends on our ability to understand search engine technology. Consequently, we will be required to remain current with any new technologies used in search engines, in order to continue to be able to provide our BeFirst.com services.

We use internally developed proprietary systems for our BeFirst.com services. If we are unable to modify our systems to accommodate necessary changes in search engine technology which effect optimization or submission, the result could be unanticipated disruptions, slower retail response times, impaired quality of optimization and submission, degradation in customer service and delays in reporting accurate financial information. These events could result in a material adverse effect on our business, prospects, financial condition and results of operations.

REGULATORY AND LEGAL UNCERTAINTIES COULD HARM OUR BUSINESS.

We are not currently subject to direct regulation by any government agency other than laws or regulations applicable generally to e-commerce. Due to the increasing popularity and use of the Internet and other online services, federal, state and local governments may adopt laws and regulations, or amend existing laws and regulations, with respect to the Internet or other online services covering issues such as user privacy, pricing, content, copyrights, distribution and characteristics and quality of products and services. In 1998, the United States Congress established the Advisory Committee on Electronic Commerce which is charged with investigating, and making recommendations to Congress regarding, the taxation of sales by means of the Internet. Furthermore, the growth and development of the market for e-commerce may prompt calls for more stringent consumer protection laws and impose additional burdens on companies conducting business online. The adoption of any additional laws or regulations may decrease the growth of the Internet or other online services, which could, in turn, decrease the demand for our services and increase our cost of doing business, or otherwise have a material adverse effect on our business, prospects, financial condition and results of operations. Moreover, the relevant governmental authorities have not resolved the applicability to the Internet and other online services of existing laws in various jurisdictions governing issues such as property ownership and personal privacy and it may take time to resolve these issues definitively. Any new legislation or regulation, the application of laws and regulations from jurisdictions whose laws do not currently apply to our business, or the application of existing laws and regulations to the Internet and other online services could have a material adverse effect on our business, prospects, financial condition and results of operations.

IMPLEMENTATION OF OUR FINDWHAT.COM SERVICE AND OUR BEFIRST.COM SERVICES FOR SOME CLIENTS MAY INFRINGE ON INTELLECTUAL PROPERTY RIGHTS OF OTHERS.

In implementing our FindWhat.com service and our BeFirst.com services, we utilize promotional material generated by our clients and our editing staff to promote Web sites. In the past, third parties have advised that the use of certain keywords in our FindWhat.com service and our search engine optimization services have infringed on their intellectual property rights. Although the terms and conditions of our services provide that our clients are responsible for infringement of intellectual property rights of others arising out of content on their Web sites, if we become involved in disputes regarding intellectual property, these claims could be time-consuming, expensive to defend and could result in the diversion of our management's time and attention, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

WE CANNOT PREDICT OUR FUTURE CAPITAL NEEDS AND WE MAY NOT BE ABLE TO SECURE ADDITIONAL FINANCING.

Although we have no material long-term commitments for capital expenditures, we anticipate an increase in capital expenditures consistent with anticipated growth of operations, infrastructure and personnel. We currently anticipate that the net proceeds from our private placements, together with cash flows from operations and anticipated financings, will be sufficient to meet the anticipated liquidity needs for working capital and capital expenditures over the next 12 months. In the future, we may seek additional capital through the issuance of debt or equity depending upon results of operations, market conditions or unforeseen opportunities. Our future liquidity and capital requirements will depend upon numerous factors. The pace of expansion of our operations will affect our capital requirements. We may also have increased capital requirements in order to respond to competitive pressures. In addition, we may need additional capital to fund acquisitions of complementary products, technologies or businesses. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties and actual results could vary materially as a result of the factors described above. As we require additional capital resources, we will seek to sell additional equity or debt securities or obtain a bank line of credit. The sale of additional equity or convertible debt securities could result in additional dilution to existing stockholders. There can be no assurance that any financing arrangements will be available in amounts or on terms acceptable to us, if at all.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES

RECENT SALES OF UNREGISTERED SECURITIES

In April 2001, in a private placement to accredited investors, we issued 75,000 shares of our common stock at $1.00 per share, accompanied by warrants to purchase an additional 11,250 shares at an average exercise price of $1.43 per share. In the opinion of FindWhat.com, the issuance of these shares was exempt pursuant to Section 4(2) of the Securities Act and the rule 506 promulgated thereunder.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) FindWhat.com held its Annual Meeting of Stockholders on June 11, 2001, for the purposes of electing nine directors and amending the 1999 Stock Incentive Plan.

(b) At the Annual Meeting of Stockholders, all directors nominated were elected and the 1999 Stock Incentive Plan was amended.

(c) The table below shows the voting tabulation for each matter voted upon at the Annual Meeting of Stockholders:

PROPOSAL 1: Election of nine directors, each to serve for a one year term:

	NUMBER OF SHARES	
NOMINEES:	FOR	WITHHOLD AUTHORITY
Craig A. Pisaris-Henderson	12,281,852	13,500
Courtney P. Jones	12,281,852	13,500

Robert D. Brahms	12,281,852	13,500
Rupinder S. Sidhu	12,281,852	13,500
Frederick E. Guest II	12,281,852	13,500
Peter V. Miller	12,281,852	13,500
David M. Medinis	12,281,852	13,500
Kenneth E. Christensen	12,281,852	13,500
Martin G. Berger	12,281,852	13,500

PROPOSAL 2: Approval of amendment increasing the number of shares available for issuance under the Company's 1999 Stock Incentive Plan from 1,975,000 to 4,200,000 and increasing the number of shares an individual employee can receive from 600,000 to 1,000,000.

	TOTAL NUMBER OF VOTES CAST
FOR	10,294,609
AGAINST	67,231
ABSTAINED	23,700

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Report.

2.1*	Agreement and Plan of Reorganization dated June 17, 1999 by and among BeFirst Internet Corporation, Collectibles America, Inc. and Mick Jardine.
3.1*	Articles of Incorporation of FindWhat.com (f/k/a Collectibles America, Inc.)
3.2*	By-laws of FindWhat.com
3.3**	Audit Committee Charter
10.1****	Executive Employment Agreement between FindWhat.com and Craig A Pisaris-Henderson
10.2*	Lease Agreement by and between Cambridge Management Associates and BeFirst.com Inc.
10.3****	Executive Employment Agreement between FindWhat.com and Courtney P. Jones
10.4*	BeFirst 1999 Stock Incentive Plan
10.5*	Form of Incentive Stock Option Agreement
10.6*	Form of Non-Qualified Stock Option Agreement
10.7(R)***	Search Result Agreement, dated March 29, 2000, between the Registrant and Mamma.com.
10.8****	Executive Employment Agreement between FindWhat.com and Robert D. Brahms

10.9	Reserved.
10.10#	Executive Employment Agreement between FindWhat.com and Anthony Garcia.
10.11***	Executive Employment Agreement between FindWhat.com and Phillip R. Thune.
10.12***	Executive Employment Agreement between FindWhat.com and Peter Neumann.

* Incorporated by reference to the exhibit previously filed on September 14, 1999 with prior Form 10 of FindWhat.com (file no. 0-27331).

** Incorporated by reference to the exhibit previously filed on March 30, 2000 with Amendment FindWhat.com's Form 10-K for the fiscal year ended December 31, 1999.

***Incorporated by reference to the exhibit previously filed on May 15, 2000 to FindWhat.com's Form 10-QSB for the fiscal quarter ended March 31, 2000.

****Incorporated by reference to the exhibit previously filed on April 2, 2001 to FindWhat.com's Form 10-KSB for the year ended December 31, 2000.

#Incorporated by reference to the exhibit previously filed on May 15, 2001 to FindWhat.com's Form 10-QSB for the fiscal quarter ended March 31, 2001.

(R) Please note that certain confidential commercial information has been redacted from some of the exhibits incorporated into this Form 10-QSB in order to preserve the confidentiality of such information. All of the confidential information which has been redacted is on file with the Securities and Exchange Commission. Exhibits to this Form 10-QSB which have had confidential information redacted are indicated as follows on the exhibit list above: (R). Within the exhibits to this Form 10-QSB, redacted material is indicated by the following sign where such redacted text would have appeared in the relevant exhibit: (**REDACTED**)

(b) Reports on Form 8-K

On May 15, 2001, FindWhat.com filed a Form 8-K which announced its first quarter 2001 financial results and provided guidance for future financial performance.

On June 6, 2001, FindWhat.com filed a Form 8-K which announced it achieved positive cash flow ahead of schedule and provided guidance for future financial performance.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

FINDWHAT.COM

Date: August 3, 2001 By: /s/ Phillip R. Thune

Phillip R. Thune
Chief Operating Officer and
Chief Financial Officer
(Duly Authorized Officer and Principal
Financial and Accounting Officer)