

IPSWITCH, INC.'S E-COMMERCE SITE RETURNS AMAZING RESULTS IN LIGHT OF SLOWING ECONOMY

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July 30, 2001 - Ipswitch, Inc., a leading supplier of award-winning Internet productivity software, today announces that its Web site has delivered extraordinary bottom line benefits on both sides of the revenue generation and cost savings equation. In a rare example of e-commerce success in the face of the much publicised dotcom crash, Ipswitch boasts that for every \$1 spent on salaries and resources last year, \$40 in on-line sales was generated. Global e-commerce sales for 2000 were \$7 million, 35 percent of total sales and 79 percent of all orders processed.

As well as acting as such an impressive revenue generator, Ipswitch's Web site plays a strategic role in populating its leads database and reducing the overall cost of contacting both existing and potential customers. The Web site has played a large part in establishing Ipswitch as a global player in the Internet software market.

"Our proprietary e-commerce system, built for a cost of \$100,000, now generates over seventy times in annual revenues what it cost to create," commented Roger C. Greene, president of Ipswitch. "The site goes beyond just a transactional center for Web site purchases. By providing ancillary applications, it augments both our 'try it, buy it' business model as well as our commitment to growing our reseller channel."

One of these applications is the company's WebVAR program, which has been a strong recruitment tool for Ipswitch and an invaluable selling tool for its partners. The program allows thousands of third-party Web sites to sell Ipswitch's products on-line without having to make the investment in their own e-commerce and file-serving systems. Although all file downloads and purchases take place on Ipswitch's system, through the use of a unique identifier, partners are notified of all downloads and receive credit for all sales initiated from their Web sites.

Why the Web site has proven to be so profitable is explained by one simple factor, according to Greene. "At Ipswitch, we believe that standard navigation and interface are the staples of good design and have a direct impact on our bottom line. Many other companies feel they have to add flash and splash to their sites to make them successful," explained Greene. "There's really no mystery to our design strategy – it's the 'keep it simple' principle at its functional best. We believe that simplicity and customer-friendly are not means, they are ends. These are the rewards if a Web site's design is functional and intuitive."

With existing German, French and Spanish versions of its Web site, which account for over 10 percent of total visits, Ipswitch is in the process of rolling out a Portuguese version to target the Brazilian market. Last year, Ipswitch launched FTPplanet.com (www.ftpplanet.com), a community site for FTP users.

About Ipswitch, Inc.

Founded in 1991, Ipswitch develops Windows-based software products for the Internet and corporate intranets. Its product family includes WS_FTP Pro, the world's most popular FTP client; WS_FTP Server, the first industrial-strength, full-featured FTP server for Windows NT; WhatsUp Gold for network management; IMail Server, an NT-based Internet messaging server; and WS_Ping ProPack, a utility suite for the Internet and intranets - all designed for today's mission-critical business communications. Ipswitch products set new standards for functionality, performance, reliability and interoperability, while providing the foundation for corporate internetworking solutions, and are available directly from Ipswitch and through distributors, resellers and OEMs worldwide.

Editor's Notes

Review copies, interviews, screen shots and information for all Ipswitch products are available from Martin Brindley and Adrian Brophy at MCC International.

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