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ICEWEB COMMUNICATIONS INC

Form 10QSB

May 20, 2003

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended March 31, 2003

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____

Commission File Number: 0-27865

ICEWEB, INC.

(Exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
Incorporation or organization)

54-1789433
(IRS Employer
Identification No.)

620 Herndon Parkway, Suite 360, Herndon, VA 20170
(Address of Principal executive offices)

Issuer's telephone number, including area code: (703) 964-8000

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.) YES ☒ NO ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 31,030,878 issued and outstanding at March 31, 2003.

ICEWEB INC.

QUARTERLY REPORT ON FORM 10-QSB FOR THE PERIOD ENDED
March 31, 2003

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Item 1. Financial Statements

ICEWEB, INC. March 31, 2003 CONDENSED BALANCE SHEET (UNAUDITED)

ASSETS		2003
Current assets:		
Accounts receivable, net	\$	10,575

Total current assets		10,575
Property and equipment, net		64,465
Prepaid Expenses		4,500
Deposits		9,533

Total assets	\$	89,073
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Bank overdraft	\$	7,702
Accounts payable	\$	361,236
Accrued expenses		27,114
Line of credit - related party		316,706
Deferred Rent Revenue		13,995
Notes payable - related party		247,000

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Total current liabilities	973,753
Stockholders' deficit:	
Common stock, \$.001 par value;	
100,000,000 shares authorized, 31,030,878 issued	31,031
Additional paid in capital	1,735,308
Accumulated deficit	(2,651,019)

Total stockholders' deficit	(884,680)

Total liabilities and stockholders' deficit	89,073

See notes to condensed unaudited financial statements

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ICEWEB INC.

CONDENSED STATEMENT OF OPERATIONS THREE MONTHS ENDED MARCH 31, 2003 AND MARCH 31, 2002 (UNAUDITED)

	Three Months Ended March 31, 2003	March 31, 2002
	-----	-----
Revenues	13,054	67,686
Cost of Sales	2,625	13,122
	-----	-----
Gross Profit	10,429	54,564
Operating expenses:		
Marketing & sales	3,964	61,556
General & Administrative	82,965	130,621
	-----	-----
	86,929	192,177
Operating loss	(76,500)	(137,613)
Interest expense	(9,601)	(66)
Loss on disposal of assets	0	(2,117)
Net loss	(86,101)	(139,796)
	=====	=====
Basic loss per common share	\$ (.00)	\$ (.01)
Weighted average common shares outstanding	30,744,465	23,475,262

See notes to condensed unaudited financial statements

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ICEWEB INC.

CONDENSED STATEMENT OF OPERATIONS SIX MONTHS ENDED MARCH 31, 2003 AND MARCH 31, 2002 (UNAUDITED)

	Six Months Ended March 31, 2003	March 31, 2002
	-----	-----
Revenues	32,865	141,171
Cost of Sales	10,746	49,298
	-----	-----
Gross Profit	22,119	91,873
Operating expenses:		
Marketing & sales	12,024	115,851
General & Administrative	195,434	279,517
	-----	-----
	207,458	395,368
Operating loss	(185,339)	(303,495)
Interest expense	(9,597)	(3,440)
Loss on disposal of assets	0	(2,117)
Net loss	(194,936)	(309,052)
	=====	=====
Basic loss per common share	\$ (.01)	\$ (.01)
Weighted average common shares outstanding	30,526,237	23,091,626

See notes to condensed unaudited financial statements

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ICEWEB INC.

CONDENSED STATEMENT OF CASH FLOWS SIX MONTHS ENDED MARCH 31, 2003 AND MARCH 31, 2002 (UNAUDITED)

	March 31, 2003	March 31, 2002
	-----	-----
NET CASH USED IN OPERATING ACTIVITIES	(88,982)	(121,976)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayment of) note payable		
- related party	(9,635)	22,592

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Proceeds from private offering	97,310	-
	-----	-----
Proceeds from notes payable	-	97,000
Contributed capital	-	(3,986)
Increase in cash overdraft	(7,703)	-
	-----	-----
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	79,972	115,606
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(9,695)
Proceeds from sale of fixed assets	-	10,000
	-----	-----
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	305
NET INCREASE (DECREASE) IN CASH	(9,010)	(6,065)
CASH, beginning of period	9,010	15,484
	-----	-----
CASH, end of period	-	9,419
	=====	=====
NON-CASH TRANSACTIONS		
Conversion of debt to equity	10,000	-
	=====	=====
Stock compensation expense	16,160	-
	=====	=====

See notes to condensed unaudited financial statements

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ICEWEB Inc.

Notes to Condensed Financials Statements unaudited

Note 1 - BASIS OF PRESENTATION

The financial statements included in this report have been prepared in accordance with generally accepted accounting principles for interim financial information and by the Company pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting and include all adjustments (consisting only of normal recurring adjustment) that are, in the opinion of management, necessary for a fair presentation. These financial statements have not been audited.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual Report for the year ended September 30, 2002, which is included in the Company's Form 10-KSB for the year ended September 30, 2002. The financial data for the interim periods presented may not necessarily reflect the results to be anticipated for the complete year.

NOTE 2 - NEW PRONOUNCEMENTS

In December 2002, the Financial Accounting Standards Board issued Statement of

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Financial Account Standards No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure. This Statement amends Statements No. 123 to provide three alternative methods of transition for Statement No. 123's fair value method of accounting for stock-based employee compensation for companies that elect to adopt the provision of Statement No. 123. Transition to the fair value accounting method of Statement No. 123 is not required by Statement No. 148. The Company has elected to use the intrinsic value method of accounting for stock compensation in accordance with APB No. 25 and related interpretations. Statement No. 148 also amends the disclosure provisions of Statement No. 123 to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based compensation on reported net income and earnings per share in annual and interim financial statements. The disclosure provision of Statement No. 148 are required to be adopted by all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair value method of Statement No. 123 or the intrinsic value method of APB No. 25. The disclosure provision of Statement No. 148 has been adopted by the Company.

NOTE 3- PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2002
Furniture and fixtures	\$ 19,195
Computers and equipment	159,563
Software	96,615
Leasehold improvements	
Accumulated depreciation	(210,908)

Property and equipment, net	64,465
	=====

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NOTE 4 - OPERATING LEASES

The Company leased facilities in Herndon, VA for office space and developmental work through May 2004. The Company has renegotiated its existing lease at its current location. The Company has sub-leased a portion of its premises beginning March 1, 2003 through December 31, 2003 for a monthly payment of \$4,000. As of March 31, 2003, general and administrative expenses includes \$4,000 of sub-lease rental income and deferred revenue includes \$12,000 representing sub-lease income for April, May and June.

NOTE 5 - RELATED PARTIES

During the three months ended March 31, 2003, a certain shareholder paid the Company's debt of \$403,015 to a financial institution in full. As of March 31, 2003, the remaining balance of this debt, after repayments and off-set against a receivable from the same shareholder, is \$316,706. The Company has recorded \$3,762 in imputed interest expense on this non-interest bearing, due on demand line of credit.

During the three months ended March 31, 2002, the company converted a note payable - related party of \$10,000 to equity at \$0.10 per share, issuing 100,000 shares.

NOTE 6 - STOCKHOLDERS' DEFICIT

The Company had a private placement of up to 3,000,000 units as of September 30, 2002 that was extended through May 31, 2003. Each Unit consists of one share of

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common stock and one common stock purchase warrant. Each warrant entitles the holder to purchase one share of common stock at a purchase price of \$.60 per share. The Warrants are immediately exercisable and will expire on July 1, 2004. Upon 15 days written notice, the Company may call any Warrant at a call price of \$.001 per underlying share should the common stock trade at or above \$1 for 10 consecutive trading days prior to the date of such notice. The Company sold 300,000 shares during the three months ending December 31, 2002 and sold a total number of shares of approximately 975,000 shares as of December 31, 2002.

The Company sold approximately 350,000 share of common stock, receiving \$35,000 during the three months ended March 31, 2003.

The Company granted options to purchase 202,000 share of common stock to consultants recognizing \$16,160 in compensation expense.

NOTE 7 - STOCK OPTIONS

During the three and six months ended March 31, 2003, the Company issued the following options which remain outstanding:

Options expiring in January 2008, to purchase 202,000 shares of the Company's common stock, at \$.08 per share with registration rights with respect to the common stock underlying the options to certain consultants. Compensation expense of \$16,160 has been included in general and administrative expense.

Options expiring in January 2008, to purchase 230,000 shares of the Company's common stock, at \$.08 per share with registration rights with respect to the common stock underlying the options to certain employees. No expense has been recorded in association with these options.

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Had the compensation expense for the employee stock options been determined based on the fair value of the options at the grant date consistent with the methodology prescribed under Statement of Financial Standards No. 123, "Accounting for Stock Based Compensation", the Company's net loss for the six months ended March 31, 2003 would have been increased to the pro forma amounts indicated below:

Net loss as reported	\$ (194,936)
	=====
Proforma net loss	\$ (213,336)
	=====
Basic loss per share as reported	\$ (0.01)
	=====
Basic loss per share pro forma	\$ (0.01)
	=====

NOTE 8 - GOING CONCERN

The Company's auditors stated in their reports on the financial statements of the Company for the years ended September 30, 2002 and 2001 that the Company is dependent on outside financing and has had losses since inception that raise substantial doubt about our ability to continue as a going concern. For the years ended September 30, 2002 and 2001, the Company incurred net annual losses of \$751,925 and \$996,474 respectively. Management believes that resources will be available from private and operating sources in 2003 to continue the marketing of the Company's products and services. The financial statements do not include any adjustments relating to the recoverability and classification of

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recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Management has established plans intended to increase the sales of the Company's products. Management intends to seek new capital from new equity securities offerings to provide funds needed to increase liquidity, fund growth and implement its business plan; however, no assurance can be given that the Company will be able to raise any additional capital.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion should be read together with the information contained in the financial statements and related notes included elsewhere in this report.

Our independent auditors have added explanatory paragraphs to their audit opinions issued in connection with the 2002 and 2001 financial statements which states that our Company is dependent on outside financing and has had losses since inception that raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Critical Accounting Policies

Financial Reporting Release No. 60, which was recently released by the U.S. Securities and Exchange Commission, encourages all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. Our consolidated financial statements include a summary of the significant accounting policies and methods used in the preparation of our consolidated financial statements.

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Management believes the following critical accounting policies affect the significant judgments and estimates used in the preparation of the financial statements.

Revenue Recognition

Revenues are recognized at the time of shipment of the respective products and/or services. Our Company includes shipping and handling fees billed to customers as revenues.

Use of Estimates

Management's discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates these estimates, including those related to allowances for doubtful accounts receivable and the carrying value of inventories and long-lived assets. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Plan of operation

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From 1999 until June 2001, Iceweb operated as a technology hardware and software distributor business. In June 2001, we acquired the assets of Learning Stream, Inc. (LSI) in bankruptcy and changed the business model to enable interactive communication and education on the Internet. Our goal is to expand our product and services offering to take advantage of what we believe to be a rapidly growing market.

Iceweb's proprietary software, IceSHOW(TM) under development since 1999 and completed in 2002, allows us to create Web-ready multimedia productions very quickly, giving us a tangible competitive advantage in both time and cost. Our technology integrates audio, video and PowerPoint slides into a highly interactive, customizable interface for online training and interactive marketing.

Additional features can easily be added including closed captioning, indexing, animation, quizzes and surveys and pay-per-view capabilities. The software ties to a database backend that provides authentication and reporting.

Markets for Products and Services

Iceweb currently has customers in the training, corporate communications and advertising/marketing areas. We focus on e-learning solutions while continuing to support the other areas.

Training - A model customer has a widely dispersed audience with regular training needs; these needs could include compliance with government regulations, skills updating or educational enhancement.

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A typical online course would include video or audio with synchronized slides, plus interactive elements such as registration, quizzes and materials downloads as well as a database to track progress, compliance and effectiveness. In addition, training companies, universities or trade associations could charge students for the course work, creating a new source of ongoing revenue. Iceweb is providing e-learning solutions for the hotel brands within a large hotel chain training hospitality managers worldwide.

Corporate Communications - A model customer is a corporation with offices throughout the US or the world. Iceweb's solutions could provide on-demand or live streaming of executive addresses or earnings calls. They could also be used by the Human Resources department to provide orientation, introduce new benefits programs or deliver presentations to employees on compliance matters, such as sexual harassment training.

Advertising & Marketing - Online presentations can be used to sell or market nearly any industrial or consumer product. As with any direct marketing technique, the content is of prime importance. However, studies have shown that by making the message entertaining, combining audio, video and synchronized slides, retention by the viewer dramatically increases.

Iceweb has the ability to profitably sell its products and services while maintaining compatibility with the leading technology standards. In addition, Iceweb's training focus will allow it to market its products and services to the most rapidly growing viewing audience.

Technology

The majority of Iceweb's applications are based on client-server technology. The authoring and content management application software has been developed using a

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combination of ColdFusion, Javascript, ASP, VBscript, Java, and Flash. Since a majority of the processing is done on our server network, the author only needs a browser to produce and manage presentations. This keeps the need for desktop processing power to a minimum and allows for future development of enterprise solutions that can be hosted within a customer's network.

All Iceweb's software utilizes its original technology in one form or another. By leveraging the code of existing products, Iceweb decreases new product development costs, shortens time to market and is therefore able to realize new revenues from new products quickly.

IceSHOW(TM) is the company's core technology, a multimedia creation and delivery platform. IceSHOW's powerful feature set and intuitive viewer interface are designed for ease of use. It offers great flexibility and convenience to non-technical users. IceSHOW(TM) further reduces costs through an online production center. A "wizard" steps users through the process of uploading and converting existing media components, then stitching them together seamlessly. There are options for adding a branded interface and other interactive elements as well. Taking only minutes to complete, the resulting show is ready for distribution via the Internet or an intranet.

IceSLIDE(TM) is our PowerPoint-to-Flash format conversion tool. It makes PowerPoint shows small enough to distribute via the Web or through e-mail. IceSLIDE(TM) was developed from the slide conversion technology built into IceSHOW(TM). We currently sell IceSLIDE(TM) directly to graphics professional via our Web site.

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Services

Consulting - Iceweb's consulting staff has experience in providing custom multimedia solutions to all size organizations. Iceweb consulting services include personalized project management, multimedia development, synchronization of all media assets, application design and development, software integration, instructional design, graphic design, foreign language translations and delivery methods.

IceSTUDIO(TM) - Iceweb provides services include audio/video production, live Webcasting, audio/video editing, audio/video encoding, audio/video transcription, and voiceovers.

o Encoding - We accept source material in virtually any format to digitize and encode into a file format that is compatible with the streaming media architecture being used. The end result is video and audio configured properly for transmission online at the best possible resolution, motion, clarity and system compatibility.

o Webcasting - We can produce live Webcasts from a studio or from on-location. Our Webcasts can include audio, video, synchronized slides and graphics; shows can appear in an interface branded with your company's look and feel. Interface options include buttons for downloading additional material, sending a message to the presenter and requesting technical help. Other available features include advance user registration, user system detection, password protection, interactive surveys, quizzes and more.

Sales & Marketing Strategy

Iceweb reaches its buyers directly through telemarketing sales and direct marketing. We are also building a highly focused sales channel to refer or resell Iceweb products.

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Packaged Solutions

IceWEB's packaged solutions provide for on-demand viewing and include a customized interface, login and registration forms, some level of interactivity, and hosting services for a specified period of time. They require only minimal amount of labor to create the presentations. These products include:

- o IceSHOW(TM) e-Learning: Aimed at the educational market, this allows customers with existing content (video, slides, etc.) to quickly produce an online training session. It includes an online quiz with real-time results.
- o IceSHOW(TM) HR: For corporate HR managers who wish to contact employees with new information, for example, details on a new benefits program. It includes a survey form to poll the viewers.
- o IceSHOW(TM) Exec: This package, designed for local organizations, puts new video of an executive address online; the video can be shot in our studio or at the executive's location.
- o IceSHOW(TM) WebVideo: Many companies have invested in corporate video productions. This package allows them to quickly put them online. The customer submits a videotape or electronic file of the original production. We provide the encoding and hosting services as well as the customized interface.

We also are launching a Web portal to deliver our customers e-learning courses. Learningstream.com provides an outlet for customers to sell their online classes. Iceweb will manage the e-commerce aspects and provide payments to the course owners, in exchange for a percentage of the revenues. We will include content that we have produced for our customers as well as existing online content, or video content that we can convert for Web use. The technology to support and manage this portal is already in use, as we are currently providing these services for Fred Pryor Seminars.

Sales

Our solutions are sold directly and indirectly through agents. Agents earn commissions or discounts based on their sales volumes.

Results of Operations

Net revenues - For the six months ended March 31, 2003, we generated revenues of \$32,865, compared to \$141,171 the comparative period in 2002, a decrease of 74%. Sales for the three months ending March 31, 2003 of \$13,054 were 75% lower than the same quarter for the previous fiscal year of \$67,686. The primary reason for this was a change in our marketing and sales strategy to build our business around the IceShow products. Sales from both custom services and webcasts were lower this period than in the previous period due in part to hiring and training new telemarketing salespersons. We also changed our E-commerce business to sell third-party classes and on-line training over the Internet.

Marketing and Sales - Our sales and marketing expense consists of personnel costs, including commissions, public relations, advertising, marketing programs, lead generation, travel and trade shows. Marketing and sales costs decreased from \$115,851 for the six months ended March 31, 2002 to \$12,024 for the six months ended March 31, 2003, a decrease of \$103,827 or 90%. Marketing and sales costs decreased from \$61,556 for the three months ended March 31, 2002 to \$3,964 for the three months ended March 31, 2003, a decrease of \$57,592 or 94%. These decreases for both periods were the result of continued realignment of our sales and marketing personnel, commission expenses and marketing programs.

General and administrative expense - Our general and administrative expense consists primarily of personnel costs, rent, legal, accounting, human resources, telecommunications, office supplies and corporate governance and compliance. General and administrative expense decreased from \$279,517 for the six months ended March 31, 2002 to \$195,434 for the six months ended March 31, 2003 a

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decrease of \$84,083 or 30%. General and administrative expense decreased from \$130,621 for the three months ended March 31, 2002 to \$82,965 for the three months ended March 31, 2003, a decrease of \$47,656 or 36%. The primary reasons for these decreases were a reduction in rent expense, personnel costs, and other fixed expenses.

Overall, our loss per share was \$0.01 for the six months ended March 31, 2003 and \$0.00 for the three months ended March 31, 2003. For the balance of this fiscal year we anticipate that our loss per share may increase.

We expect to generate losses resulting principally from costs incurred in conjunction with our marketing and sales and research and development initiatives, and we expect that the costs of these activities will increase as the implementation of our business plan continues. However, as we continue to implement our plan of operation, we expect general and administrative expenses to remain nearly flat and actually decrease as a percentage of sales due to the process efficiencies we have already put in place.

In order to provide sufficient working capital to fund our ongoing operations we will be required to raise additional capital to fund these anticipated costs. There are no assurances that we will be able to obtain the additional capital in which event our future operations would be materially and adversely affected.

Liquidity and Capital Resources

Since inception, our operating and investing activities have used more cash than they have generated. Because of the continued need for substantial amounts of working capital to fund the growth of the business and to pay our operating expenses, we expect to continue to experience significant negative operating and investing cash flows for the foreseeable future. Our existing working capital will not be sufficient to fund the continued implementation of our plan of operation during the next 12 months and to meet our capital commitments and general operating expenses. We are unable to predict at this time the exact amount of additional working capital we will require, however, in order to provide any additional working capital which we may require, we will in all likelihood be required to raise additional capital through the sale of equity or debt securities. We currently have no commitments to provide us with any additional working capital. If we do not have sufficient working capital to implement our plan of operation described above, it is likely that we will cease operations.

Cautionary Factors That May Affect Future Results

This report and other written reports and oral statements made from time to time by the Company may contain so-called "forward-looking statements," all of which are subject to risks and uncertainties. One can identify these forward-looking statements by their use of words such as "expects," "plans," "will," "estimates," "forecasts," "projects" and other words of similar meaning. One can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address the Company's growth strategy, financial results, and product and development programs. One must carefully consider any such statement and should understand that many factors could cause actual results to differ from the Company's forward-looking statements. These factors include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward-looking statement can be guaranteed and actual future results may vary materially.

The Company does not assume the obligation to update any forward-looking statement. One should carefully evaluate such statements in light of factors described in the Company's filings with the Securities and Exchange Commission, especially on Forms 10-K, 10-Q and 8-K. In various filings the Company has

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identified important factors that could cause actual results to differ from expected or historic results. The Company notes these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. One should understand that it is not possible to predict or identify all such factors. Consequently, the reader should not consider any such list to be a complete list of all potential risks or uncertainties.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

ITEM 5. OTHER INFORMATION

Evaluation of disclosure controls and procedures

Within the 90 days prior to the filing date of this report, the Company carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. This evaluation was done under the supervision and with the participation of the Company's Chairman and CEO. Based upon that evaluation, he concluded that the Company's disclosure controls and procedures are effective in gathering, analyzing and disclosing information needed to satisfy the Company's disclosure obligations under the Exchange Act.

Changes in internal controls

There were no significant changes in the Company's internal controls or in other factors that could significantly affect those controls since the most recent evaluation of such controls.

Item 6. Exhibits and Reports on Form 8-K

None.

SIGNATURES

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

ICEWEB Inc.

Dated: May 20, 2003

By: /s/ John R. Signorello

John R. Signorello,
Chairman and CEO

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CERTIFICATION OF CHAIRMAN AND CEO

I, John R. Signorello, Chairman and Chief Executive Officer., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Iceweb, Inc.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors: (or persons performing the equivalent functions)
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls, and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

DATE: MAY 20, 2003

BY: /S/ JOHN R. SIGNORELLO
JOHN R. SIGNORELLO,
CHAIRMAN & CEO

Exhibit Index

Exhibit #	Description
99.1	Certification of Chairman & CEO Relating to a Periodic

