



Quarterly Disclosure Update, Q2, 2012

Item 1 Exact name of the issuer and the address of its principal executive Offices:

WrapMail, Inc. (WRAP)
445 NE 12th Avenue, Fort Lauderdale, FL 33301

Item 2 Shares outstanding: **165,376,100**

Item 3 Interim financial statements: Filed separately

Item 4 Management's discussion and analysis or plan of operation: Please see Initial Disclaimer statement and note this update:

Revenue growth, new clients, enhanced technology and design are main milestones so far in 2012

[WRAPmail, Inc. \(WRAP\)](#) has already met many of the milestones for 2012 and expects this trend to continue.

Revenues and Revenue models:

We reported for Q1 that we have moved from a free service to a three-prong revenue model:

- WRAPmail PRO: 3rd party advertising revenue from WRAPmail's own advertising network and partner network(s). **WRAPmail is the only company in the world that offer 3rd party advertising in regular emails.**
- WRAPmail PRO+ and WRAPmail Enterprise: License revenue
- WRAPmail Super Affiliate program revenue

WRAPmail Q2 Revenue was \$10,505.00, representing an increase of 141% from Q1. Considering that WRAPmail just moved from a free service to implementing various revenue models we are satisfied with these numbers. Neither the CEO nor CTO are currently taking any salary. Running operating costs are thus low at about \$10-15K/month. The future revenue growth will come as a result of growth in free users where we can sell and display 3rd party advertising and in licensing fees from PRO+ and Enterprise solutions. Obtaining new funding is crucial to obtain for this expansion. WRAPmail has client number 6,000 sign up very recently. Considering we had about 1,000 sign ups from 2006 through 2010 we are excited to have seen this number grow 6-fold in about 18 months.

About 300 billion emails are sent everyday world-wide. We conservatively estimate that 90% of these are SPAM or Bulk emails leaving a potential market for WRAPmail of about 30 billion daily one-on-one emails. All free users emails contain a minimum of six 3rd party advertisements. Users who do not want 3rd party ads pay a license fee for PRO+ of \$50/user/year.

The concept behind WRAPmail ([WRAP](#)) is to utilize the facts that almost everyone have websites, social network site(s) and also send emails every day. These emails can become complete marketing tools and help promote, brand, sell and cross-sell in addition to drive traffic to the website and conduct research. WRAPmail is available for free (with 3rd party ads) or for a small license fee at www.wrapmail.com. No routines change as users simply download a toolbar or routes emails via Google or WRAPmail's servers.

WRAPmail also helps search for missing children with every email sent by free users incorporating an RSS feed from the Center for Missing and Exploited Children – see http://www.huffingtonpost.com/roly-e-heggenhougen/finding-missing-children_b_1540866.html

New clients:

WRAPmail had over 1,000 new PRO and PRO+ signups in the first half of 2012 and also have signed 3 Enterprise clients so far in 2012: RE/MAX KY, Wall-Street.com and The Automotive Resource Network.



New technology and design:

WRAPmail has released quite a few new solutions and designs so far in 2012 with the main focus being ease of use and simplicity:

- New Website
- New Dashboard (the back office used by clients)
- Security enhancements
- New WRAPmaker that includes hundreds of templates and also pairing email and social networks.
- Advertising network where users can advertise in PRO user' emails
- Affiliate network where **users can make money with every email they send** anyway and on any client(s) they deliver to WRAPmail

We have also been very successful in our PR efforts and specifically want to mention the article published in the [Huffington Post about how WRAPmail helps in the search for missing children](#).

New partnerships:

WRAPmail has earlier announced partnerships this year with both www.snnwire.com and www.marketleverage.com, both of which are Marketing oriented. WRAPmail actively seeks additional partners in the areas of Marketing, Sales and Technology.

WRAPmail Solutions:

- 1 **WRAPmail PRO:** Free solution with 3rd party ads.
- 2 **WRAPmail PRO+:** Shared solution, \$50/user/year, no 3rd party ads.
- 3 **WRAPmail Enterprise:** Dedicated solution, \$3,500/year plus \$40/year per user.

Premade WRAPS:

More than 200 premade templates are currently available for major Network Marketing/Affiliate Marketing/MLM companies, Real Estate Agents, Business, Scenery, Sports, Holidays and Animals with Social Network Interface and personalization (image, text and links).

Clients can also make 100% custom WRAPS in the WRAPmail dashboard using the WRAPmaker.

Toolbars:

[Toolbars are available to use WRAPmail with Gmail, Hotmail, Yahoo Mail, AOL and Microsoft Outlook](#). Users of other email platforms can route their emails through WRAPmail's servers or use the built-in webmail feature in the WRAPmail dashboard.

Advertising Network:

WRAPmail has its own advertising network where users can advertise in other user's emails. The concept is a mix between similar models from Facebook and Google but the difference is our focus is email and not websites. An advertiser can have a free account and there's no usage requirement to become an advertiser. Advertisers simply create their ad in the WRAPmail Dashboard; pick City, State, Country and/or Industry of other users for placement of ads. WRAPmail also has a partnership with Market Leverage for utilization of their advertising inventory.



Affiliate Programs – “Make money with every email you send anyway”

Any user can sign up for one of our affiliate programs and earn up to 25% lifetime commission. Commissions are earned on any business delivered to us by the affiliate but the **main focus is to share the 3rd party advertising revenue generated from the regular emails sent by our users.**

Google:

[WRAPmail is a Google Apps Vendor and also compatible with Google Analytics and Google Chrome/Gmail.](#)

WRAPmail Enterprise new release

We just announced a new release of WRAPmail Enterprise which is a major improvement to our previous version. The Enterprise solution includes a Campaign Module which puts us in a very competitive position in the large mass email market. The main differentiator in our solution is that emails arriving in Microsoft Outlook for example have images displayed immediately without the user having to see the message “right click to download images” nor the warning against viruses when downloading from the Internet. This is the same technological solution we have always used for emails routed through our servers where images and links are embedded in the email itself and not hosted externally.

WRAPmaker new release

- Redesigned GUI into a wizard that makes the wrap creation process much more intuitive and easier to navigate.
- Consolidated all templates and themes into one template that has the inclusive design flexibility of all the other previous templates.
- Users now have the ability to choose from uploading an image from their desktop, browsing to a webpage to slice out an image using our image slicing tool, or choosing an included theme image for all four sides of their wrap.
- Users can now scale and crop images to any size they desire for all four sides of their wrap.
- Social Network Pairing with over 20 social network images available for email/WRAP integration. Users set their own links to their social networking sites.

Security improvements

- Placed tighter security around our production servers to continue to ensure the highest customer data integrity.

Other technology improvements

- * Implemented new designs of our core software added additional 24/7 redundant monitoring and added new fail-safe mechanisms to ensure high availability of the product and to continue our delivery guarantee.
- * Reevaluated our current hardware infrastructure and cut costs on our hosting fees by 10% by removing unneeded hardware/software.

Funding:

WRAPmail will seek to raise up to \$5M in 2012. Uses of proceeds are mainly Marketing (60%), Technology (20%) and Management/Enterprise Sales (20%). Marketing & Sales have so far been handled by the CEO who has been very successful but limited in time and reach, hence the need for Marketing funding to make Businesses, Individuals and Advertisers world-wide aware of the opportunities that WRAPmail presents



Item 5 Legal proceedings: We currently are not involved in any legal proceedings.

Item 6 Defaults upon senior securities: None

Item 7 Other information: None

Item 8 Exhibits: None

Item 9 Certifications: I, Rolv Heggenhougen certify that:

1. I have reviewed this quarterly disclosure.
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement

Fort Lauderdale, Florida August 15, 2012

A handwritten signature in blue ink, appearing to read "Rolv E. Heggenhougen", with a long horizontal line extending to the right.

Rolv E. Heggenhougen, Chairman & CEO