Securities And Exchange Commission
Washington, DC 20549

FORM 8-K/A

Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of earliest event reported: December 31, 2002

Manhattan Associates, Inc.

(Exact Name of Registrant as Specified in Charter)

Georgia	**0-23999**	**58-2373424**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

2300 Windy Ridge Parkway, Suite 700, Atlanta, Georgia 30339
(Address, Including Zip Code, of Principal Executive Offices)

(770) 955-7070
(Registrant's Telephone Number, Including Area Code)

This Form 8-K/A amends Registrant's previously filed Form 8-K, which was dated and filed on January 15, 2003. This document includes the financial statements and pro forma financial information that had been omitted from the previously filed Form 8-K as permitted by Item 7(a)(4) of Form 8-K.

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Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial Statements of Business Acquired.

The following audited and unaudited consolidated financial statements for Logistics.com, Inc. are attached hereto as Exhibit 99.1:

Report of Independent Auditors

Consolidated Balance Sheets as of December 31, 2002 and 2001 and September 30, 2002 (unaudited)

Consolidated Statement of Operations for the year ended December 31,
2002, the period from August 25, 2001 to December 31, 2001 and the period from January 1, 2001 to August 24, 2001 and the
nine
months ended September 30, 2002 (unaudited)

Consolidated Statement of Preferred Stock and Stockholders' Deficit at December 31, 2002 and 2001

Consolidated Statement of Cash Flows for the year ended December 31,
2002, the period from August 25, 2001 to December 31, 2001 and the period from January 1, 2001 to August 24, 2001 and the
nine
months ended September 30, 2002 (unaudited)

Notes to Consolidated Financial Statements

(b) Pro Forma Financial Information.

The following unaudited pro forma combined financial statements for Manhattan Associates, Inc. are attached hereto as Exhibit 99.2:

Unaudited Pro Forma Combined Balance Sheet as of September 30, 2002

Unaudited Pro Forma Combined Statement of Operations for the Nine Months Ended September 30, 2002

Unaudited Pro Forma Combined Statement of Operations for the year ended December 31, 2001

Notes to Unaudited Pro Forma Financial Information

(c) Exhibits.

The following exhibits are furnished in accordance with Item 601 of Regulation S-K.

*2.1	Asset Purchase Agreement, dated December 13, 2002, by and among Manhattan Associates, Inc. and Logistics.com, Inc.
23.1	Consent of Ernst & Young LLP with respect to financial statements
99.1	Financial Statements of Business Acquired
99.2	Pro Forma Financial Information

* Previously filed

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Manhattan Associates, Inc.

By: /s/ Edward K. Quibell

Edward K. Quibell
Senior Vice President and Chief Financial Officer

Dated: March 17, 2003

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements of Manhattan Associates, Inc. listed below of our report dated March 7, 2003, with respect to the consolidated financial statements of Logistics.com, inc. included in the Current Report (form 8-K/A) dated March 17, 2003.

1. Registration Statement on Form S-8 pertaining to the Manhattan Associates, Inc. 1998 Stock Incentive Plan (File No. 333-68968);

2. Registration Statement on Form S-8 pertaining to the Manhattan Associates, Inc. 1998 Stock Incentive Plan (File No. 333-45082);

3. Registration Statement on Form S-8 pertaining to the Manhattan Associates, L.L.C. Option Plan, Manhattan Associates, Inc. Stock Incentive Plan and Other Stock Options (File No. 333-60635);

4. Registration Statements on Form S-3 and Post-Effective Amendment No. 1 to Form S-3 pertaining to the registration of certain shares of common stock of Manhattan Associates, Inc. in connection with the acquisition of certain assets of Intrepa, L.L.C. dated January 8, 2001 and September 5, 2001, respectively (File No. 333-68972 and 333-53388).

/s/ Ernst & Young LLP

Boston, Massachusetts
March 17, 2003

EXHIBIT 99.1 - FINANCIAL STATEMENTS
OF BUSINESS ACQUIRED

Report of Independent Auditors

The Board of Directors and Stockholders
Logistics.com, Inc.

We have audited the accompanying consolidated balance sheets of Logistics.com, Inc. as of December 31, 2002 and 2001, and the related consolidated statements of operations, preferred stock and stockholders' deficit and cash flows for the year ended December 31, 2002 and period from August 25, 2001 to December 31, 2001 (Successor Period) and the period from January 1, 2001 to August 24, 2001 (Predecessor Period). These financial statements are the responsibility of Logistics.com's management. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Logistics.com, Inc. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the year ended December 31, 2002 and the period from August 25, 2001 to December 31, 2001 (Successor Period) and the period from January 1, 2001 to August 24, 2001 (Predecessor Period), in conformity with accounting principles generally accepted in the United States.

As discussed in Note 2 to the consolidated financial statements, in 2002 the Company ceased amortization of goodwill and intangible assets with indefinite lives in accordance with the Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets."

ERNST & YOUNG LLP

Boston, Massachusetts
March 7, 2003

Logistics.com, Inc.

Consolidated Balance Sheets
(in thousands, except share and per share data)

	DECEMBER 31 2002	DECEMBER 31 2001	SEPTEMBER 30 2002
			(unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 297	$ 2,058	$ 1,477
Accounts receivable, net of allowance for doubtful accounts of $516, $533, and $636 as of December 31, 2002, 2001, and September 30, 2002, respectively	2,333	1,510	1,495
Other current assets	536	326	525

Total current assets	3,166	3,894	3,497
Property and equipment, net	1,268	3,160	1,427
Goodwill and other intangible assets, net	5,458	6,514	5,695
Total assets	$ 9,892	$ 13,568	$ 10,619
LIABILITIES, PREFERRED STOCK AND STOCKHOLDERS' DEFICIT			
Current liabilities:			
Accounts payable	$ 540	$ 439	$ 898
Accrued expenses	3,965	2,535	3,203
Deferred revenue	3,609	1,339	2,896
Deposits	2,835	--	--
Note payable	5,500	--	5,500
Convertible notes payable	12,087	--	--
Total current liabilities	28,536	4,313	12,497
Note payable - long term	--	5,500	--
Convertible notes payable - long term	--	4,319	10,958
Commitments (Note 13)			
Preferred stock			
Series A redeemable convertible preferred stock, $0.00001 par value; 3,000 shares authorized, issued and outstanding, at redemption value	30,000	30,000	30,000
Series B-1 convertible preferred stock, $0.00001 par value; 395 shares authorized, issued and outstanding, at liquidation value	3,966	3,966	3,966
Series B-2 convertible preferred stock, $0.00001 par value; 241 shares authorized, issued and outstanding, at liquidation value	4,724	4,724	4,724
Series C redeemable convertible preferred stock, $0.00001 par value; 1,213 shares authorized, issued and outstanding, at redemption value	16,917	15,717	16,785
Stockholders' deficit:			
Common stock, $0.00001 par value; 15,800 shares authorized; 6,196 shares issued and outstanding at December 31, 2001 and December 31, 2002	--	--	--
Additional paid-in capital	3,944	1,868	4,138
Deferred compensation	(631)	(985)	(754)
Notes receivable from stockholders	(458)	(475)	(463)
Accumulated deficit	(77,106)	(55,379)	(71,232)
Total stockholders' deficit	(74,251)	(54,971)	(68,311)
Total liabilities, preferred stock and stockholders' deficit	$ 9,892	$ 13,568	$ 10,619

See accompanying notes.

Logistics.com, Inc.

Consolidated Statements of Operations
(in thousands, except share and per share data)

	YEAR ENDED DECEMBER 31, 2002	SUCCESSOR PERIOD FROM AUGUST 25, 2001 TO DECEMBER 31, 2001	PREDECESSOR PERIOD FROM JANUARY 1, 2001 TO AUGUST 24, 2001	NINE MONTHS ENDED SEPTEMBER 30, 2002
				(unaudited)
Revenues:				
Product	$ 2,640	$ 558	$ 1,665	$ 1,687
Service	5,176	2,484	3,648	3,632
Total revenues	7,816	3,042	5,313	5,319
Cost of revenues	5,323	2,187	4,349	4,601
Gross profit	2,493	855	964	718
Operating expenses:				
Research and development	7,752	3,537	8,831	5,915
Sales and marketing	4,051	1,754	6,119	2,772
General and administrative	5,055	1,378	2,307	2,670
Stock-based compensation	284	100	365	223
Restructuring charge	320	1,267	336	320
Amortization of goodwill and other intangible assets	1,056	1,167	4,083	817
Impairment of goodwill	--	--	5,879	--
Total operating expenses	18,518	9,203	27,920	12,717
Loss from operations	(16,025)	(8,348)	(26,956)	(11,999)

Interest expense, net	(5,702)	(729)	(329)	(3,851)
Net loss	(21,727)	(9,077)	(27,285)	(15,850)
Accretion of Preferred Stock	(1,200)	(5,370)	(467)	(900)
Net loss attributable to common stockholders	$ (22,927)	$ (14,447)	$(27,752)	$ (16,750)
Basic and diluted loss per common share	$(3,700.29)	$(2,331.67)		$(2,699.66)
Basic and diluted weighted average common shares outstanding	6,196	6,196		6,196

See accompanying notes.

Logistics.com, Inc.

Consolidated Statements of Preferred Stock and Stockholders' Deficit
(in thousands, except share data)

	SERIES A REDEEMABLE PREFERRED STOCK		SERIES C REDEEMABLE PREFERRED STOCK		SERIES B-1 AND B-2 PREFERRED STOCK		COMMON STOCK	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Balance at January 1, 2001	3,000	$30,000	--	$ --	636	$ 6,186	6,696	$--
Issuance of Series C redeemable convertible preferred stock, net of issuance costs of $171	--	--	1,213	14,829	--	--	--	--
Exercise of common stock options	--	--	--	--	--	--	--	--
Accretion of redeemable convertible preferred stock dividends	--	--	--	467	--	--	--	--
Amortization of stock-based compensation	--	--	--	--	--	--	--	--
Repurchase of receivable from employee stockholder	--	--	--	--	--	--	(500)	--
Repayments of notes receivable from stockholders	--	--	--	--	--	--	--	--
Net loss	--	--	--	--	--	--	--	--
Balance at August 24, 2001, Predecessor period	3,000	30,000	1,213	15,296	636	6,186	6,196	--
Impact of step acquisition	--	$ --	--	$ --	--	$(2,445)	--	$--
Reversal of deferred stock-based compensation from cancellation of Logistics.com option plan	--	--	--	--	--	--	--	--
Deferred stock-based compensation related to restricted stock grants	--	--	--	--	--	--	--	--

	ADDITIONAL PAID-IN CAPITAL	DEFERRED COMPENSATION	NOTES RECEIVABLE FROM STOCKHOLDERS	ACCUMULATED DEFICIT	TOTAL
Balance at December 31, 2000	$ 13,527	$(2,788)	$(2,992)	$(26,453)	$(12,520)
Issuance of Series C redeemable convertible preferred stock, including issuance costs of $171	--	--	--	--	--
Exercise of common stock options	3	--	--	--	3
Accretion of redeemable convertible preferred stock dividends	(467)	--	--	--	(467)
Amortization of stock-based compensation	(16)	381	--	--	365
Repurchase of receivable from employee stockholder	(3,580)	1,080	2,500	--	--
Repayments of notes receivable from stockholders	--	--	11	--	11
Net loss	--	--	--	(27,285)	(27,285)
Balance at August 24, 2001, Predecessor period	9,467	(1,327)	(481)	(53,738)	(39,893)
Impact of step acquisition	$ (4,991)	$ --	$ --	$ 7,436	$ 2,445
Reversal of deferred stock-based compensation from cancellation of Logistics.com					

option plan	(1,287)	1,287	--	--	--
Deferred stock-based compensation related to restricted stock grants	1,137	(1,137)	--	--	--

See accompanying notes.

Logistics.com, Inc.

Consolidated Statement of Preferred Stock and Stockholders' Deficit (continued)
(in thousands, except share data)

	SERIES A REDEEMABLE PREFERRED STOCK		SERIES C REDEEMABLE PREFERRED STOCK		SERIES B-1 AND B-2 PREFERRED STOCK		COMMON STOCK	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Accretion of Series B preferred stock to liquidation value	--	--	--	--	--	4,949	--	--
Accretion of Series C redeemable convertible preferred stock dividends	--	--	--	421	--	--	--	--
Amortization of stock-based compensation	--	--	--	--	--	--	--	--
Issuance of equity warrant issued in connection with convertible notes	--	--	--	--	--	--	--	--
Repayments of notes receivable from stockholders	--	--	--	--	--	--	--	--
Net loss	--	--	--	--	--	--	--	--
Balance at December 31, 2001	3,000	30,000	1,213	15,717	636	8,690	6,196	--
Accretion of redeemable convertible preferred stock dividends	--	--	--	1,200	--	--	--	--
Amortization of stock-based compensation	--	--	--	--	--	--	--	--
Issuance of equity warrant issued in connection with convertible notes	--	--	--	--	--	--	--	--
Repayments of notes receivable from stockholders	--	--	--	--	--	--	--	--
Net loss	--	--	--	--	--	--	--	--
Balance at December 31, 2002	3,000	$30,000	1,213	$16,917	636	$8,690	6,196	$--

	ADDITIONAL PAID-IN CAPITAL	DEFERRED COMPENSATION	NOTES RECEIVABLE FROM STOCKHOLDERS	ACCUMULATED DEFICIT	TOTAL
Accretion of Series B preferred stock to liquidation value	(4,949)	--	--	--	(4,949)
Accretion of Series C redeemable convertible preferred stock dividends	(421)	--	--	--	(421)
Amortization of stock-based compensation	(92)	192	--	--	100
Issuance of equity warrant issued in connection with convertible notes	3,004	--	--	--	3,004
Repayments of notes receivable from stockholders	--	--	6	--	6
Net loss	--	--	--	(9,077)	(9,077)
Balance at December 31, 2001	1,868	(985)	(475)	(55,379)	(54,971)
Accretion of redeemable convertible preferred stock dividends	(1,200)	--	--	--	(1,200)
Amortization of stock-based compensation	(70)	354	--	--	284
Issuance of equity warrant issued in connection with convertible notes	3,346	--	--	--	3,346
Repayments of notes receivable from stockholders	--	--	17	--	17
Net loss	--	--	--	(21,727)	(21,727)
Balance at December 31, 2002	$ 3,944	$(631)	$(458)	$(77,106)	$(74,251)

See accompanying notes.

Logistics.com, Inc.

Consolidated Statements of Cash Flows
(in thousands)

	YEAR ENDED DECEMBER 31, 2002	SUCCESSOR PERIOD FROM AUGUST 25, 2001 TO DECEMBER 31, 2001	PREDECESSOR PERIOD FROM JANUARY 1, 2001 TO AUGUST 24, 2001	NINE MONTHS ENDED SEPTEMBER 30, 2002
				(Unaudited)
OPERATING ACTIVITIES				
Net loss	$(21,727)	$(9,077)	$(27,285)	$(15,850)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	3,975	2,368	6,116	3,155
Stock-based compensation expense	284	100	365	223
Non-cash interest expense	3,343	345	--	2,212
Impairment of goodwill	--	--	5,879	
Changes in operating assets and liabilities:				
Accounts receivable	(823)	(710)	1,168	15
Other current assets	(210)	330	(445)	(199)
Accounts payable	101	(1,410)	(2,607)	459
Accrued expenses	1,431	346	(301)	668
Deferred revenue	2,270	946	(181)	1,556
Net cash used in operating activities	(11,356)	(6,762)	(17,291)	(7,761)
INVESTING ACTIVITIES				
Purchase of property and equipment	(1,029)	(38)	(2,394)	(604)
Cash paid for acquisition, net of cash received	--	--	433	--
Net cash used in investing activities	(1,029)	(38)	(1,961)	(604)
FINANCING ACTIVITIES				
Net proceeds from issuance of Preferred Stock	--	--	14,829	--
Proceeds from issuance of convertible notes payable	7,772	6,978	--	7,772
Deposit on business combination	2,835	--	--	--
Interest on notes receivable from stockholders	17	6	107	12
Proceeds from issuance of common stock	--	--	3	--
Net cash provided by financing activities	10,624	6,984	14,939	7,784
Net increase (decrease) in cash and cash equivalents	(1,761)	184	(4,313)	(581)
Cash and cash equivalents at beginning of period	2,058	1,874	6,187	2,058
Cash and cash equivalents at end of period	$ 297	$ 2,058	$ 1,874	$ 1,477

See accompanying notes

Logistics.com, Inc.

Consolidated Statement of Cash Flows (continued)

	YEAR ENDED DECEMBER 31, 2002	SUCCESSOR PERIOD FROM AUGUST 25, 2001 TO DECEMBER 31, 2001	PREDECESSOR PERIOD FROM JANUARY 1, 2001 TO AUGUST 24, 2001	NINE MONTHS ENDED SEPTEMBER 30, 2002
				(unaudited)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid during the period for:				
Interest	$ 329	$ 222	$218	$ 329
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Fair value of warrants issued in connection with the convertible notes payable and related beneficial conversion value	$ 3,346	$3,004	$ --	$3,346
Deferred compensation related to restricted stock	$ --	$1,137	$ --	$ --
Accretion of Series B-1 and B-2 Preferred Stock to				

liquidation value	$ --	$4,949	$ --	$ --
Accretion of Series C Preferred Stock dividends	$ 1,200	$ 421	$467	$ 900

See accompanying notes.

Logistics.com, Inc.

Notes to Consolidated Financial Statements

December 31, 2001

1. NATURE OF BUSINESS

Logistics.com, Inc. (Logistics.com, Logistics or the Company) was incorporated in Delaware on September 27, 1999. Logistics.com provides logistics solutions to shippers and transportation providers. Logistics.com's solutions assist in creating a seamless connection between shippers' and transportation providers' systems to automatically procure, book and manage transportation transactions.

On July 25, 2001, ICG Holdings, Inc. (ICG) and Logistics.com entered into an Exchange Offer Agreement under which ICG offered to exchange ICG common stock for certain outstanding capital stock of Logistics.com. As a result of the exchange offer, which was completed on August 24, 2001, ICG increased its ownership interest from approximately 38% to 96% of Logistics.com. Since the exchange was between ICG and certain Logistics.com stockholders, no consideration was received by Logistics.com in this transaction (see Note 5).

The accompanying consolidated financial statements and related notes were prepared in accordance with accounting principles generally accepted in the United States. The consolidated financial statements are presented for the year ended December 31, 2002 and the period from August 25, 2001 to December 31, 2001 (successor period) and for the period from January 1, 2001 to August 24, 2001 (predecessor period). The consolidated statements of operations for the year ended December 31, 2002 and the period from August 25, 2001 to December 31, 2001 are presented on a different cost basis than for the period from January 1, 2001 to August 24, 2001. In accordance with purchase accounting, a portion of the assets and liabilities of Logistics.com were adjusted proportionally to their estimated fair values as of the acquisition date based on the additional 58% interest.

The accompanying financial statements have been prepared assuming Logistics.com will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Logistics.com has incurred losses and negative cash flows from operations since inception. On December 31, 2002, Manhattan Associates, Inc. ("Manhattan Associates") purchased substantially all of the assets of Logistics.com (see Note 14).

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements reflect the operations of Logistics.com and its wholly-owned subsidiary, QuoteShip.com, Inc. prior to the acquisition by Manhattan Associates on December 31, 2002. All significant intercompany balances and transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying unaudited consolidated financial statements as of September 30, 2002 and for the nine month period then ended have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. Accordingly, they do not include all of the information and footnotes required for complete financial statements. In the opinion of the Company's management, these consolidated financial statements contain all adjustments considered necessary for a fair presentation of the financial position at September 30, 2002, the results of operations for the nine month period then ended and changes in cash flows for the nine month period then ended. The results for the nine month period ended September 30, 2002 are not necessarily indicative of the results to be expected for the full year.

CASH AND CASH EQUIVALENTS

All highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents. Logistics.com invests its excess cash primarily in money market accounts of major financial institutions. Accordingly, these investments are subject to minimal credit and market risk. These investments are carried at cost which approximates fair market value.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially expose Logistics.com to concentrations of credit risk include cash, cash equivalents, accounts receivable and notes receivable from stockholders.

Logistics.com invests its cash and cash equivalents in high quality financial institutions. Logistics.com's customers generally represent large, credit-worthy customers in a variety of industries, including the transportation industry. Logistics.com does not require collateral from its customers. Notes receivable from employee stockholders are due from officers and senior executives and are collateralized by the stock and personal assets of the stockholders (see Note 8).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets or, where applicable, over the lease term. The cost of additions and improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or sale, the cost of the disposed assets and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is credited or charged to income.

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consist of goodwill, workforce-in-place, trade names and a below market lease arising from the acquisition of businesses. Intangible assets, including completed technology, are amortized using the straight-line method over one to six years based on their estimated useful lives. Goodwill and other long-lived assets are reviewed for impairment whenever events, such as technological obsolescence, lease termination or other significant changes in circumstances, indicate that the carrying amount of the asset may not be recoverable. When such events occur, Logistics.com compares the carrying amount of the assets to their undiscounted expected future cash flows. If this comparison indicates that there is impairment, the amount of the impairment is calculated using discounted expected cash flows using Logistics.com's weighted average cost of capital. Logistics.com recorded an impairment charge of $5,879,000 during the period from January 1, 2001 to August 24, 2001 based on the value of the Company as determined in the acquisition by ICG at August 24, 2001.

REVENUE RECOGNITION

Logistics.com generates revenues from licensing its software and providing professional services, hosting services, maintenance and customer support services. Logistics.com executes contracts that govern the terms and conditions of each software license and maintenance arrangement and each professional service arrangement. The software may be licensed on either a perpetual or a term basis. These contracts may be an element in a multiple-element arrangement. Revenues under multiple-element arrangements, which may include several different software products or services sold together, are allocated to each element using the residual method. Logistics.com uses the residual method when fair value does not exist for one of the delivered elements in an arrangement. Under the residual method, the fair value of the undelivered elements is deferred and subsequently recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Perpetual software licenses and related services revenue is recognized using either the percentage-of-completion method of accounting or recognized ratably over the hosting period when hosting services are provided as part of the license arrangement. Under the percentage-of completion method, revenue on contracts which include significant customization or modification of the software, is recognized as the work progresses in amounts estimated to equal the actual progress on the contract. In applying this method, Logistics.com measures each project's percentage-of-completion by the ratio of labor hours incurred to date to estimated total labor hours to complete the project. Changes in total estimated costs and anticipated losses, if any, are recognized in the period in which determined. Revenue related to term software licenses and maintenance agreements are recognized ratably over the contract period. Professional service revenue consists primarily of consulting services which are recognized when the services are provided. Transaction based fees are recognized as revenue is earned.

Deferred revenue relates primarily to amounts associated with maintenance contracts, professional services and software license fees billed or paid in advance of the related revenue recognition.

RESEARCH AND DEVELOPMENT AND SOFTWARE DEVELOPMENT COSTS

Costs incurred in the research and development of Logistics.com's products is expensed as incurred, except for certain software development costs. Costs associated with the development of computer software for sale to customers are expensed as incurred prior to the establishment of technological feasibility. Costs incurred subsequent to the establishment of technological feasibility and prior to the general release of the products are capitalized. Research and development costs associated with the application development stage for internally developed software is capitalized by Logistics.com. No software development costs were capitalized for any periods presented as no costs have met the criteria for capitalization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTING FOR STOCK-BASED COMPENSATION

Logistics.com accounts for stock-based awards to employees using the intrinsic value method. Accordingly, compensation expense is recorded for options issued to employees in fixed amounts and with fixed exercise prices to the extent that the fair market value of Logistics.com's common stock exceeds the exercise price of the award at the date of grant. Logistics.com uses the fair value method in accordance with Statement of Financial Accounting Standards (SFAS) No. 123, Accounting for Stock-Based Compensation, for disclosure purposes. All stock-based awards to nonemployees are accounted for at their fair value in accordance with SFAS No. 123 and Emerging Issues Task Force Issue No. 96-18.

Logistics has computed the pro forma disclosures required under SFAS No. 123 for stock options granted to employees using the Black-Scholes option pricing model prescribed by SFAS No. 123. There were no options granted in the period from August 25, 2001 to December 31, 2001 except for those options granted in connection with the Exchange Program (see Note 3). As the fair value of these options was included in ICG's purchase price, they are not included in this pro forma disclosure. The assumptions used for the option pricing model and the weighted average fair value of options granted are as follows:

	2002	JANUARY 1, 2001 TO AUGUST 24, 2001
Risk-free interest rate	4.49%	4.86%
Expected dividend yield	N/A	N/A
Expected lives	5 YEARS	5 years
Expected volatility	77%	60%
Weighted average fair value of options granted	$ 0.30	$ 0.98

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Had compensation expense from employee stock option grants been determined consistent with SFAS No. 123, net loss would have been as follows (in thousands):

	2002	JANUARY 1, 2001 TO AUGUST 24, 2001
Net loss:		
As reported	$ (21,727)	$ (9,077)
Pro forma	(21,734)	(9,350)
Net loss per share:		
As reported	$(3,700.29)	$(2,331.67)
Pro forma	(3,701.42)	(2,375,73)

The Black Scholes option pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option pricing models require the input of highly subjective assumptions, including expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options.

INCOME TAXES

Logistics.com accounts for income taxes using the asset and liability method whereby deferred taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Valuation allowances are provided if, based upon the weighted available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPREHENSIVE LOSS

Comprehensive loss includes net loss as well as other changes in stockholders' equity (deficit), except stockholders' investments and distributions and deferred stock-based consideration. Logistics' comprehensive loss was the same as its net loss for all periods presented.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Logistics.com's financial instruments consist primarily of cash, cash equivalents, accounts receivable and debt. The book values of these financial instruments approximated their respective fair values as of each balance sheet presented due to their relative short-term maturities.

SIGNIFICANT CUSTOMERS

No customer represented over 10% of total revenues for the year ended December 31, 2002. One customer represented approximately 13% of total revenues for the period from August 25, 2001 to December 31, 2001. No customer represented over 10% of total revenues for the period from January 1, 2001 to August 24, 2001. One and two customers represented approximately 11% and 25% of accounts receivable at December 31, 2002 and 2001, respectively.

NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing net loss available to common stockholders by the shares used in the calculation of basic net loss per share plus the dilutive effect of common stock equivalents, such as stock options, warrants and convertible preferred stock, using the treasury stock method. Common stock equivalents are excluded from the computation of dilutive net loss per share as their effect is anti-dilutive in all periods presented.

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2002, the Company adopted SFAS No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets" (collectively, the Statements). SFAS No. 142 prohibits the amortization of goodwill and intangibles with indefinite useful lives. SFAS No. 142 requires that these assets be reviewed by the Company for impairment at least annually and values reduced as appropriate. Intangible assets with finite lives will continue to be amortized over their estimated useful lives. The Company has completed the impairment test and, at December 31, 2002, there was no resulting impairment. Subsequent impairment losses, if any, will be reflected in operating results in the income statement of operations. Had the Company been accounting for its goodwill under SFAS No. 142 for all periods presented, the Company's net loss (in thousands) and loss per share would have been as follows:

	SUCCESSOR PERIOD FROM AUGUST 25, 2001 TO DECEMBER 31, 2001	PREDECESSOR PERIOD FROM JANUARY 1, 2001 TO AUGUST 24, 2001
Reported net loss	$ (9,077)	$(27,285)
Add back goodwill amortization	747	2,882
Adjusted net loss	$ (8,330)	$(24,403)
Basic and diluted loss per share:		
Reported net loss	$(2,331.67)	

Goodwill amortization	120.56
Adjusted net loss	$(2,211.11)

Amortization expense on intangible assets including goodwill was approximately $1,167,000 and $4,082,000 from the Successor Period from August 25, 2001 to December 31, 2001 and for the Predecessor Period from January 1, 2001 to August 24, 2001, respectively. Estimated amortization expense for each of the years ending December 31, is presented below (in 000's):

2003	$685
2004	490
2005	130
2006	34

In June 2002, the Financial Accounting Standards Board (FASB) issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. SFAS No. 146 addresses the accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). Logistics.com will be required to adopt SFAS No. 146 for any exit or disposal activities that are initiated after December 31, 2002. The adoption of SFAS No. 146 is not expected to have a material impact on the Company's financial position or results of operations.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (FIN No. 45). FIN No. 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and initial measurement provisions of the interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002 and the disclosure requirements in this interpretation are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of FIN No. 45 is not expected to have a material impact on Logistics' financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of SFAS Statement No. 123. SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value-based method of accounting for employee stock-based compensation. These alternative methods will have no impact as Logistics does not anticipate voluntarily changing to the fair value-based method of accounting for employee stock-based compensation. SFAS No. 148 also requires companies that account for employee stock-based compensation under the intrinsic value-based method to disclose additional footnote information in interim and annual financial statements, effective for fiscal years ending after December 15, 2002. The requisite disclosure is included in Note 2 to the accompanying consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities," (FIN No. 46) to clarify the conditions under which assets, liabilities and activities of another entity should be consolidated into the financial statements of a company. FIN No. 46 requires the consolidation of a variable interest entity by a company that bears the majority of the risk of loss from the variable interest entity's activities, is entitled to receive a majority of the variable interest entity's residual returns or both. The provisions of FIN No. 46 are required to be adopted in fiscal 2003. The adoption of FIN No. 46 is not expected to have a material impact on Logistics' overall financial position or results of operations.

3. RESTRUCTURING

In 2001 and 2002, in response to unfavorable business conditions primarily caused by significant declines in capital spending, Logistics implemented restructuring plans designed to reduce expenses and align its cost structure with its revised business outlook. The restructuring plans included a workforce reduction and consolidation of excess facilities.

Logistics' restructuring related activities during the Predecessor period from January 1, 2001 to August 24, 2001 are summarized as follows, in thousands:

	2001 PREDECESSOR PERIOD RESTRUCTURING CHARGES	CASH PAYMENTS	DECEMBER 31 2001 ACCRUAL BALANCE	CASH PAYMENTS	DECEMBER 31, 2002 ACCRUAL BALANCE
Workforce reduction	$141	$(141)	$ --	$ --	$ --
Consolidation of facilities	195	(49)	146	(70)	76
Total	$336	$(190)	$146	$ (70)	$ 76

3. RESTRUCTURING (CONTINUED)

At December 31, 2002, the remaining liability relating to Predecessor restructuring charges of $76,000 is expected to be paid through October 2003.

Logistics.com's restructuring related activities during the Successor Period are summarized as follows, in thousands:

	2001 SUCCESSOR PERIOD RESTRUCTURING CHARGES	CASH PAYMENTS	DECEMBER 31, 2001 ACCRUAL BALANCE	2002 RESTRUCTURING CHARGES	CASH PAYMENTS	DECEMBER 31, 2002 ACCRUAL BALANCE
Workforce reduction	$1,267	$(1,267)	$ --	$320	$(320)	$ --

4. DETAILS OF FINANCIAL STATEMENT COMPONENTS

ACCOUNTS RECEIVABLE

Accounts receivable consists of the following, in thousands:

	DECEMBER 31 2002	DECEMBER 31 2001
Billed accounts receivable	$ 2,675	$ 1,743
Unbilled accounts receivable	174	300
Less: allowance for doubtful accounts	(516)	(533)
	$ 2,333	$ 1,510

Unbilled accounts receivable represent amounts recorded as revenue on the percentage-of-completion method which are billable to the customer subsequent to performance under the terms of the contract, but generally no later than upon completion of the contract.

4. DETAILS OF FINANCIAL STATEMENT COMPONENTS (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment consist of the following, in thousands:

	ESTIMATED USEFUL LIVES (YEARS)	DECEMBER 31 2002	DECEMBER 31 2001
Computer software and equipment	2	$ 7,853	$ 6,824
Furniture and fixtures	5	410	410
Leasehold improvements	3	459	460
		8,722	7,694
Less: accumulated depreciation		(7,454)	(4,534)
Property and equipment, net		$ 1,268	$ 3,160

Depreciation expense for the year ended December 31, 2002 and the period from August 25, 2001 to December 31, 2001 was $2,920 and $1,201, respectively. Depreciation expense for the period from January 1, 2001 to August 24, 2001 was $2,034.

ACCRUED EXPENSES

Accrued expenses consist of the following, in thousands:

	DECEMBER 31 2002	DECEMBER 31 2001
Payroll and related	$ 340	$1,114
Sales taxes payable	264	239
Professional fees	396	162
Interest	2,107	229
Restructuring	76	146
Other	783	645
	$3,966	$2,535

5. BUSINESS COMBINATIONS

ICG HOLDINGS, INC.

On July 25, 2001, Logistics.com entered into an Exchange Offer Agreement with ICG (Exchange Offer) under which ICG agreed to exchange shares of ICG common stock for certain outstanding shares of the Company's Common Stock, Series B-1 Convertible Preferred Stock and Series B-2 Units (which represent Series B-2 Convertible Preferred Stock and a portion of a Warrant to purchase shares of Company Common Stock) at an exchange ratio per the Exchange Offer. On August 24, 2001, the Exchange Offer was completed resulting in the exchange of 6,155 shares of Company Common Stock, 276 shares of Series B-1 Convertible Preferred Stock, 55 shares of Series B-2 Convertible Preferred Stock and Warrants to purchase Logistics.com Common Stock for 2,661,823 shares of ICG common stock. Since the exchange was between ICG and certain Logistics.com Stockholders, no consideration was received by Logistics.com in this transaction. The shares of ICG common stock had a value of $2,263,000 at the time of the transaction for purchase accounting purposes. As a result of the completion of the Exchange Offer, ICG ownership of Logistics.com increased from 38% to approximately 96%. The purchase price includes the value of the ICG common stock of $2,263,000 and the fair value of employee stock options granted to Logistics employees in connection with the Exchange Offer of $1,193,000. This aggregate purchase price of $3,456,000 was allocated to the tangible and intangible assets and liabilities that ICG acquired based on the fair values at the transaction date. Because ICG acquired an additional 58% interest as a result of the Exchange Offer, purchase accounting is only applied to that percentage of assets that were acquired. Intangible assets include completed technology, customer relationships, trademarks and goodwill.

The following represents the allocation of the purchase price that has been pushed down to Logistics.com, in thousands:

Current assets	$ 1,955
Property, plant and equipment	2,540
Identified intangibles	1,876
Goodwill	2,449
Employee notes	282
Current liabilities	(2,415)

Long term debt	(3,231)

	$ 3,456

The following unaudited 2001 pro forma financial information presents the results of operations of Logistics.com as if the acquisition had occurred on January 1, 2001. The following unaudited pro forma financial information is not necessarily indicative of the actual results that would have been achieved had the acquisition actually been consummated as of January 1, 2001, nor is it necessarily indicative of future results of operations, in thousands:

Revenues	$ 8,355
Net Loss	$36,889
Net Loss attributable to common stockholders	$37,374

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

5. BUSINESS COMBINATIONS (continued)

SABRE, INC.

In January 2000, Logistics.com acquired certain assets and assumed certain obligations under customer contracts of the Logistics Group of Sabre, Inc. (Sabre Logistics Group) for approximately $4,000,000 in cash and the issuance of a note payable in the amount of $5,500,000 (Note 6). The value of the acquisition was $9,500,000 based on the fair value of consideration paid, plus direct acquisition costs. The acquisition has been accounted for using the purchase method. The purchase price was allocated among the identifiable tangible and intangible assets based on the fair value of those assets determined by an independent valuation. Tangible net assets acquired primarily include accounts receivable and fixed assets. Intangible assets include completed technology, workforce-in-place, tradenames, below market lease and goodwill.

QUOTESHIP.COM

In August 2000, Logistics.com acquired all of the outstanding stock of QuoteShip.com, Inc., a privately held developer of software solutions for shippers and transportation providers for a total purchase price of $14,124,000 representing the issuance of common and preferred stock, warrants and stock options valued at $13,921,000, based on the fair value of consideration paid, plus direct acquisition costs of $203,000. The acquisition was accounted for using the purchase method. The purchase price was allocated among the identifiable tangible and intangible assets based on the fair value of those assets determined by an independent valuation. Tangible net liabilities acquired include cash, fixed assets, prepaid expenses and other assets, accounts payable and accrued expenses. Intangible assets include completed technology, workforce-in-place and goodwill.

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

6. NOTES PAYABLE

In January 2000, Logistics.com issued a promissory note totaling $5,500,000 to Sabre, Inc. in conjunction with the acquisition of certain assets of the Sabre Logistics Group (see Note 5). Interest on the promissory note is payable quarterly at the rate of 8% per annum and the note matures in June 2003. Upon consummation of an initial public offering on Form S-1, or any equivalent general registration form, the remaining outstanding principal and accrued but unpaid interest is due immediately. The note is guaranteed by Logistics.com's principal investor and is collateralized by all of the assets of Logistics.com. This note was repaid in full with the proceeds from the sale of the Company to Manhattan Associates (See Note 14).

On August 24, 2001, Logistics.com entered into a Note and Warrant Purchase Agreement with ICG and Sands Brothers Capital (Sands Brothers). Under the terms of the Note and Warrant Purchase Agreement, Logistics.com agreed to sell and ICG and Sands Brothers agreed to purchase convertible promissory notes (the Convertible Notes) totaling approximately $10.0 million in a series of closings through January 2002. This agreement was later amended to allow for an additional $5.0 million in borrowings. As of December 31, 2002 and 2001, the Company received proceeds of $14,750,000 and $6,978,000 from convertible notes payable.

These Convertible Notes accrue interest at 15% per annum and, if not converted into equity, are due and payable on July 31, 2003. These Convertible Notes are convertible into either shares of Series C Preferred Stock at a conversion rate of $12,370.50 per share or the next series of stock issued in a preferred stock offering with aggregate gross proceeds of at least $5.0 million at a conversion rate equal to the per share offering price of the newly issued preferred stock.

In connection with the issuance of the Convertible Notes, Logistics.com issued warrants to the holders of the Convertible Notes. The warrants are exercisable into either shares of Series C Preferred Stock at a conversion rate of $12,370.50 per share or the next series of stock issued in a preferred stock offering with aggregate gross proceeds of at least $5.0 million at a conversion rate equal to 80% of the per share offering price of the newly issued preferred stock. The Company recorded the fair value of the warrants issued of $1,673,000 in 2002 and $1,502,000 in the period from August 25, 2001 to December 31, 2001 as a discount to the Convertible Notes.

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

6. NOTES PAYABLE (CONTINUED)

The discount resulted in a lower effective conversion price for the Convertible Notes. The lower effective conversion price resulted in a beneficial conversion discount to the Convertible Notes of $1,673,000 in 2002 and $1,502,000 in the period from August 25, 2001 to December 31, 2001. Logistics.com has recorded a charge to interest expense of $3,343,000 in 2002 and $345,000 in the period from August 25, 2001 to December 31, 2001 resulting from the amortization of the discounts over the maturity period of the Convertible Notes, in accordance with Emerging Issues Task Force (EITF) No. 27, Application of EITF Issue No. 98-5 to Certain Convertible Instruments. As of December 31, 2002, the unamortized warrant and beneficial conversion discount was $2,662,000.

7. CONVERTIBLE PREFERRED STOCK

At December 31, 2002, Logistics.com had outstanding Series A Redeemable Convertible Preferred Stock (Series A preferred stock), Series B-1 Convertible Preferred Stock (Series B-1 preferred stock), Series B-2 Convertible Preferred Stock (Series B-2 preferred stock) and Series C Convertible Preferred Stock (Series C preferred stock). The preferred stock have the following characteristics:

VOTING

Holders of Series A, Series B-1, Series B-2 and Series C preferred stock are entitled to the number of votes equal to the number of common shares into which the shares of preferred stock may be converted.

DIVIDENDS

Holders of the Series A, Series B-1, Series B-2 and Series C preferred stock are entitled to receive, out of funds legally available, cash dividends when and if declared by the Board of Directors. Series A preferred stockholders are entitled to receive dividends in the amount of $800.00 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares) per annum. Series B-1 and Series B-2 preferred stockholders are entitled to receive dividends at an annual rate of 8% of the respective original issue price of Series B-1 and Series B-2 preferred stock (as adjusted for stock dividends, combinations or splits with respect to such shares). The Series A, Series B-1 and Series B-2 dividends shall be noncumulative and payable in cash.

7. CONVERTIBLE PREFERRED STOCK (CONTINUED)

Series C preferred stockholders are entitled to receive dividends at an annual rate of 8% of the original issue price of the Series C preferred stock (as adjusted for stock dividends, combinations or splits with respect to such shares), plus the amount of any previously accrued but unpaid dividends. Such dividends shall be cumulative and accrue from the date of issuance. In the event of liquidation payments to holders of Series C preferred stock exceeding $37,100 per share as of the liquidation date, any accrued dividends shall not be paid.

No dividends or other distributions shall be made with respect to common stock, until all declared dividends on the Series A, Series B-1, Series B-2 and Series C preferred stock have been paid. Through December 31, 2002, no dividends have been declared or paid by Logistics.com.

LIQUIDATION PREFERENCE

In the event of any liquidation, dissolution or winding-up of the affairs of Logistics.com, including a merger or sale of substantially all of the assets of

Logistics.com, the holders of Series A, Series B-1, Series B-2 and Series C preferred stock are entitled to receive, prior to and in preference to holders of common stock, an amount equal to $10,000, $10,500 and $19,600 and $12,370.50 per share, respectively, plus any declared but unpaid dividends. After the payment of all liquidation preferences to holders of all series of preferred stock, the holders of Series A and Series C preferred stock are entitled to participate with the holders of common stock in the distribution of any remaining assets. If the remaining assets of Logistics.com are insufficient to pay the full amounts entitled, the holders of Series A, Series B-1, Series B-2 and Series C preferred stock will share ratably in the distribution of the remaining assets.

Upon the effective date of the ICG Exchange Offer Agreement, ICG became the majority holder of Series B-1 and Series B-2 preferred stock. As a result of ICG's ownership interest, they are able to cause a liquidation event in the form of a merger or sale of the Company. Consequently, Logistics recorded an accretion adjustment of $2,619,000 for Series B-1 and $2,330,000 for Series B-2 preferred stock to reflect the preferred stock at its liquidation value and classify it outside of stockholders' equity in the accompanying consolidated balance sheet for all periods after August 24, 2001.

7. CONVERTIBLE PREFERRED STOCK (CONTINUED)

CONVERSION

Each Series A, Series B-1, Series B-2 and Series C preferred stock may be converted into common stock at any time, at the option of the stockholder. The ratio at which the preferred stock converts into common stock is determined by dividing the original issuance price for the applicable series of preferred stock by the preferred conversion price in effect at the time of the conversion. The conversion price as of December 31, 2002 is $10,000 in the case of Series A preferred stock, $10,050 in the case of Series B-1 preferred stock, $19,600 in the case of Series B-2 preferred stock and $12,370.50 in the case of Series C preferred stock. The Series A, Series B and Series C preferred-stock conversion ratios are subject to varying antidilution adjustments, as defined in the applicable agreements.

Series A preferred stock is automatically converted into common stock upon (i) the closing of an initial public offering with net proceeds of at least $40 million and with a price per common share of at least $50,000; or (ii) the conversion of 66.67% or more of the outstanding Series A preferred stock. Series B-1 and Series B-2 preferred stock is automatically converted into common stock upon the closing of an initial public offering with net proceeds of at least $15 million and with a price per common share of at least $39,200.

Series C preferred stock will be automatically converted into common stock upon (i) the closing of an initial public offering with net proceeds of at least $40 million and with a price per common share of at least $43,297; and (ii) the conversion of 66.67% or more of the outstanding Series A and Series C preferred stock.

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

7. CONVERTIBLE PREFERRED STOCK (CONTINUED)

REDEMPTION

Commencing at any time on or after five years from the original issue date and upon written receipt by Logistics.com of not less than 66.67% of the outstanding shares of Series A and Series C preferred stock, any or all of the Series A and Series C preferred stock may be redeemed by the holders. 33.3% of the outstanding Series A and Series C preferred stock may be redeemed no later than sixty days after receipt of the written request, an additional 33.3% upon the first anniversary of the first redemption date, and the remaining outstanding Series A and Series C preferred stock upon the second anniversary of the first redemption date. The redemption amount for Series A and Series C preferred stock is $10,000 and $12,370.50 per share, respectively (as adjusted for any stock dividends, combinations or splits with respect to such shares) plus all accrued but unpaid dividends on Series A and Series C preferred stock. The carrying value of the Series A and Series C preferred stock includes the accretion of accrued but unpaid dividends, if any, so that the preferred stock is being reported at its redemption value.

8. COMMON STOCK

As of December 31, 2002, Logistics.com has authorized 15,800 shares of common stock and 6,600 shares of preferred stock with a $.00001 par value per share. Each share of common stock entitles the holder to one vote on all matters submitted to a vote of Logistics.com's stockholders. Common stockholders are entitled to receive dividends, if any, as may be declared by the Board of Directors, subject to the preferential dividend rights of the Series A, Series B-1, Series B-2 and Series C preferred stockholders.

On May 23, 2002, Logistics effected a 1 for 5000 reverse stock split for all classes of capital stock. The effects of the reverse split have been retroactively reflected in the consolidated financial statements for all periods presented.

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

8. COMMON STOCK (CONTINUED)

NOTES RECEIVABLE FROM STOCKHOLDERS

Under the terms of certain stock option agreements, the option holders have the right to exercise options prior to vesting subject to a repurchase right by Logistics.com which lapses as the stock options vest. During the year ended December 31, 2000, stock options for 500 shares of common stock were exercised at $5,000 per share in exchange for four promissory notes totaling $2,500,000. The notes accrued interest at rates of 6.22 - 6.8% per annum and all principal and interest is due on the fifth anniversary of the promissory note date. The notes and accrued interest were collateralized by the stock and the personal assets of the stockholders. The notes were subject to variable accounting and, as such during the period from January 1, 2001 to August 24, 2001, Logistics.com recorded $127,000 in deferred compensation associated with the notes.

On April 27, 2001, the Series A and Series C preferred stockholders approved a resolution to cancel the promissory notes outstanding to certain stockholders of Logistics.com by repurchasing the restricted common stock for the stated amount of the notes, plus accrued interest. As of the date of cancellation, no amount of principal or accrued interest had been paid.

In addition, during the year ended December 31, 2000, Logistics.com issued a note to an officer of Logistics.com in the amount of $500,000. This note is a non interest-bearing note and is payable in equal monthly installments through March 2030, provided that the officer remains an employee of Logistics.com through that time. In the case of voluntary termination of employment, the loan will be due and payable at the earlier of (i)12 months following termination or (ii) 90 days following acceptance of full-time employment elsewhere. In the case of involuntary termination, the loan will be due and payable 90 days following such termination.

RESTRICTED STOCK

On August 25, 2001, certain employees of Logistics.com were granted an aggregate of 1,295,000 restricted shares of ICG common stock. These shares vest over a four-year period. On the date of grant, the shares had an aggregate value of $1,139,600 which was recorded as deferred compensation and will be expensed over the four year vesting period. During the period from August 25, 2001 to December 31, 2001 and the year ended December 31, 2002, Logistics recorded $90,000 and $257,000 of stock based compensation expense, respectively.

9. STOCK OPTION PLAN

In 2000, Logistics.com adopted the 2000 Stock Option Plan (the Logistics Plan). The Logistics Plan provided for the grant of incentive stock options and nonqualified stock options for the purchase of up to 1,750 shares of Logistics.com's common stock by officers, employees, consultants and directors of Logistics.com. The Board of Directors or the Chief Executive Officer, as appropriate, determines the term of each option, the option exercise price, the number of shares for which each option is granted and the rate at which each option is exercisable. Nonqualified stock options may be granted to any officer, employee, consultant or director. During 2001, the Logistics Plan and its outstanding options were cancelled in connection with the Exchange Agreement with ICG. All outstanding options under the Logistics Plan were also cancelled.

In connection with the acquisition of QuoteShip.com, Logistics.com assumed the outstanding incentive and nonqualified stock options granted under the existing 1999 Stock Option and Stock Issuance Plan (the QuoteShip Plan). The stock options under the QuoteShip Plan have a term not to exceed ten years and generally vest over three years, subject to certain acceleration clauses upon a change of control (including Logistics.com's acquisition of QuoteShip) for certain employees, directors and advisors. Options held by certain employees who were former employees of QuoteShip are subject to acceleration of vesting upon a change of control (including Logistics.com's acquisition of QuoteShip) coupled with a change in employment status. The QuoteShip Plan was not terminated in connection with the Exchange Agreement and options issued under this Plan remained outstanding until they expired during 2002.

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

9. STOCK OPTION PLAN (CONTINUED)

Activity under the Logistics and Quoteship Plans was as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding--January 1, 2001	1,302	$4,850 - 15,450
Granted	100	8,750
Exercised	(5)	5,000
Cancelled	(47)	5,000 - 15,450
Outstanding--August 24, 2001	1,350	4,850 - 15,450
Cancelled	(924)	5,000 - 8,750
Outstanding--December 31, 2001	426	4,850 - 15,450
Expired	(426)	4,850 - 15,450
Outstanding and Exercisable--December 31, 2002	--	$ --

Subsequent to the acquisition of Logistics.com by ICG on August 24, 2001, employees of Logistics participated in ICG's 1999 Equity Compensation Plan (the ICG Plan). The ICG Plan provides for the grant of incentive stock options and nonqualified stock options for the purchase of up to 60.0 million shares of ICG's common stock by officers, employees, consultants and directors of ICG. The ICG Plan shall be administered by a committee as designated by the ICG Board of Directors. This committee determines the term of each option, the option exercise price, the number of shares for which each option is granted and the rate at which each option is exercisable.

Activity under the ICG Plan was as follows (Option amounts are for the purchase of ICG common stock):

Outstanding--August 25, 2001	--	$ --
Granted	2,806,500	0.65
Cancelled	(247,000)	0.65
Outstanding--December 31, 2001	2,559,500	0.65
Granted	193,500	0.30-0.86
Exercised		
Cancelled	(862,000)	0.30-0.65
Outstanding--December 31, 2002	1,891,000	$0.30-0.86
Exercisable at December 31, 2002	--	--

9. STOCK OPTION PLAN (Continued)

The following table summarizes information about stock options outstanding at December 31, 2002 for the purchase of ICG common stock:

	OPTIONS OUTSTANDING	
RANGE OF EXERCISE PRICE	NUMBER OUTSTANDING	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE (IN YEARS)
$0.30	95,000	9.4
0.65	1,758,500	8.6
0.86	37,500	9.2
	1,891,000	

10. 401(K) SAVINGS PLAN

In January 2000, Logistics.com established the Logistics.com, Inc. 401(k) plan (the 401(k) Plan), a retirement savings plan under Section 401(k) of the Internal Revenue Code. The 401(k) Plan covers substantially all employees of Logistics.com and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the 401(k) Plan may be made at the discretion of the Board of Directors. Logistics.com has not made any contributions to the 401(k) Plan through December 31, 2002.

11. RELATED PARTY TRANSACTIONS

Subsequent to the Exchange Offer, Logistics has paid certain operating expenses to ICG including personnel and related costs. Logistics recorded general and administrative expenses related to these related party transactions of $798,000 for the year ended December 31, 2002. No amounts were recorded for the period from August 25, 2001 to December 31, 2001.

Logistics.com, Inc.

Notes to Consolidated Financial Statements (continued)

12. INCOME TAXES

Logistics.com had no tax expense for any periods presented due to the operating loss incurred. As of December 31, 2002, Logistics.com had net operating loss carryforwards for federal income tax purposes of approximately $32.9 million, which will expire between 2018 and 2022. Logistics.com also had research and development tax credit carryforwards of approximately $508,000, which will expire between 2021 and 2022.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Deferred tax assets consisted of the following:

	DECEMBER 31 2002	DECEMBER 31 2001
Net operating loss carryforwards	12,491	7,533
Tax credit carryforwards	508	252
Accrued expense and deferred revenue	1,636	1,202
Depreciation	874	1,633
Allowance for doubtful accounts	202	196
Valuation allowance	(15,711)	(10,222)
	--	--

Logistics.com has recorded a full valuation allowance against its deferred tax assets due to the uncertainty surrounding the realization of these assets as a result of the losses incurred since inception.

Ownership changes resulting from Logistics.com's issuance of capital stock may limit the amount of net operating loss carryforwards that can be utilized annually to offset future taxable income. The amount of annual limitation is determined based upon Logistics.com's value immediately prior to an ownership change. Subsequent significant changes in ownership could further affect the limitations in the future.

13. COMMITMENTS

Logistics.com leases its facility and certain office equipment under noncancelable operating leases in excess of one year. Future minimum lease payments due under noncancelable operating leases are $482,000 in 2003 and $321,000 in 2004. Rent expense was $582,000 in 2002 and $167,000 for the period from August 25, 2001 to December 31, 2001. Rent expense was $574,000 for the period from January 1, 2001 to August 24, 2001.

14. SUBSEQUENT EVENT

On December 31, 2002, Logistics.com sold substantially all of its assets to Manhattan Associates, Inc. (Manhattan) for approximately $20.7 million in cash. In connection with this transaction, Manhattan advanced a $2.8 million deposit against the purchase price in December 2002, which is reflected on the accompanying consolidated balance sheets at December 31, 2002 as deposits. The effects of the closing of the acquisition are not included in the accompanying operating results or statement of position at December 31, 2002.

MANHATTAN ASSOCIATES, INC.
PRO FORMA FINANCIAL INFORMATION
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

On December 13, 2002, Manhattan Associates, Inc. (the "Company") entered into an Asset Purchase Agreement (the "Agreement") with Logistics.com, Inc. ("Logistics") to acquire substantially all of the assets of Logistics for a cash purchase price of $20.7 million, effective December 31, 2002. The purchase also includes the assumption of certain liabilities of Logistics.

The following unaudited pro forma combined financial statements give effect to Manhattan's acquisition of Logistics' assets accounted for under the purchase method of accounting. This information is based on valuations of the fair market value of assets and liabilities acquired and the estimated useful lives of intangible assets acquired in the respective transaction.

The accompanying unaudited pro forma combined balance sheet has been prepared as if the acquisition had been consummated as of September 30, 2002. The unaudited pro forma combined statements of operations for the year ended December 31, 2001 and for the nine months ended September 30, 2002 have been prepared as if the proposed acquisition had occurred on January 1, 2001, and combines Manhattan's and Logistics' statements of operations.

The unaudited pro forma financial statements are presented for illustrative purposes only and are not necessarily indicative of the combined financial position or results of operations of future periods or the results that actually would have been realized had the acquired assets been operated as a single entity during the period presented. The pro forma adjustments are preliminary and are based on management's estimates, available information and various assumptions and may be revised as additional information becomes available. The unaudited pro forma combined financial statements as of and for the year ended December 31, 2002 should be read in conjunction with the other financial statements and notes thereto included elsewhere in this current report.

The Company estimates that it will incur approximately $550,000 in direct expenses in connection with its acquisition of Logistics, which will be capitalized as part of the purchase price in such transaction. The transaction costs consist of fees for attorneys, accountants, financial printing costs and other related expenses. The Company cannot assure you that it will not incur additional expenses in subsequent quarters to reflect costs associated to complete the acquisition.

MANHATTAN AND LOGISTICS
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2002
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	MANHATTAN	LOGISTICS	PRO FORMA ADJUSTMENTS	NOTE REF.	COMBINED MANHATTAN

ASSETS					
Current assets:					
Cash and cash equivalents	$ 87,555	$ 1,477	$(20,653)	a	$ 68,379
Short-term investments	42,441	--	--		42,441
Accounts receivable, net	31,094	1,495	--		32,589
Deferred income taxes	2,071	--	--		2,071
Prepaid expenses and other current assets	3,942	525	--		4,467
Total current assets	167,103	3,497	(20,653)		149,947
Property and equipment, net	11,271	1,427			12,698
Intangible and other assets, net	29,344	5,695	16,112	b	51,151
Total assets	$ 207,718	$ 10,619	$ (4,541)		$213,796
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Current liabilities:					
Accounts payable and accrued liabilities .	$ 19,353	$ 4,101	$ 551	c	$ 24,005
Current portion of note payable and capital lease obligations	164	5,500	(5,500)	d	164
Deferred revenue	15,246	2,896	--		18,142
Total current liabilities	34,763	12,497	(4,949)		42,311
Long-term portion of note payable and capital lease obligations	295	--	--		295
Convertible Notes Payable	--	10,958	(10,958)	d	--
Shareholders' equity (deficit)					
Preferred stock	--	55,475	(55,475)	e	--
Common stock	287	--	--		287
Additional paid in capital	117,720	4,138	(4,138)	e	117,720
Retained earnings (accumulated deficit)	54,324	(71,232)	69,762	e	52,854
Note receivable from officer	--	(463)	463	e	--
Accumulated other comprehensive loss	386	--	--		386
Deferred compensation	(57)	(754)	754	e	(57)
Total shareholders' equity (deficit)	172,660	(12,836)	11,366		171,190
Total liabilities and shareholders' equity (deficit)	$ 207,718	$ 10,619	$ (4,541)		$213,796

MANHATTAN AND LOGISTICS
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	MANHATTAN	LOGISTICS	PRO FORMA ADJUSTMENTS	NOTE REF.	COMBINED MANHATTAN
Revenue	$130,119	$ 5,319	--		$135,438
Cost and expenses:					
Cost of revenue	51,089	4,601			55,690
Research and development	15,715	5,915	--		21,630
Sales and marketing	19,649	2,772	--		22,421
General and administrative	15,550	3,211	--		18,761
Amortization of acquisition-related intangibles	1,602	819	(146)	f	2,275
Total operating expenses	103,605	17,318	(146)		120,777
Operating income (loss)	26,514	(11,999)	146		14,661
Other income (expense), net	1,866	(3,851)	3,438	g	1,453
Income (loss) before income taxes	28,380	(15,850)	3,584		16,114
Income tax provision (benefit)	10,552	--	(4,538)	h	6,014
Net income (loss)	$ 17,828	$(15,850)	$ 8,122		$ 10,100
Basic net income per share	$ 0.62				$ 0.35
Diluted net income per share	$ 0.58				$ 0.33
Weighted average shares outstanding:					
Basic shares	28,578				28,578
Fully diluted shares	30,483				30,483

MANHATTAN AND LOGISTICS
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	MANHATTAN	LOGISTICS	PRO FORMA ADJUSTMENTS	NOTE REF.	COMBINED MANHATTAN
Revenue	$156,378	$ 8,355	--		$164,733
Cost and expenses:					
Cost of revenue	66,919	6,536			73,455
Research and development	19,413	12,368	--		31,781
Sales and marketing	22,334	7,873	--		30,207
General and administrative	18,822	5,753	--		24,575
Amortization of acquisition-related intangibles	5,240	5,250	(4,353)	f	6,137
Impairment of goodwill	--	5,879	--		5,879
Total operating expenses	132,728	43,659	(4,353)		172,034
Operating income (loss)	23,650	(35,304)	4,353		(7,301)
Other income (expense), net	2,059	(1,058)	645	g	1,646
Income (loss) before income taxes	25,709	(36,362)	4,998		(5,655)
Income tax provision (benefit)	9,522	--	(11,605)	h	(2,083)
Net income (loss)	$ 16,187	$(36,362)	$ 16,603		$ (3,572)
Basic net income per share	$ 0.60				$ (0.13)
Diluted net income per share	$ 0.53				$ (0.12)
Weighted average shares outstanding:					
Basic shares	27,077				27,077
Fully diluted shares	30,742				30,742

MANHATTAN AND LOGISTICS
NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000
(IN THOUSANDS)

The unaudited pro forma combined condensed financial information is based upon the following:

(a) Adjustment to reflect the cash portion of the consideration paid for the acquisition of $20,653.

(b) The total purchase price of Logistics includes cash payments of $20,653 and other direct acquisition expenses of $551. The total estimated acquisition costs to be allocated are $21,204. The purchase price of Logistics has been allocated to acquired assets based on estimates of their fair value. The purchase price has been assigned to the assets acquired as follows (in thousands):

Tangible net liabilities assumed	(2,073)
Goodwill	15,117
In-process research and development	1,470
Acquired developed technology	1,530
Identifiable intangible assets	5,160
	21,204

Subsequent changes to the net liability position from the pro forma dates presented will have an impact on the goodwill. The intangible assets are expected to include the values for a customer base, contracts and trade names. The acquired developed technology is expected to have an estimated life of 5 years and the customer base and contracts are expected to have an estimated life of 7 years and 2 years, respectively. The trade names have an indefinite life and will not be amortized.

(c) Amount represents the accrual of estimated direct acquisition costs related to professional and other fees.

(d) Adjustments reflect the removal of the current portion of notes payable and convertible notes payable, which were not assumed as part of the transaction.

(e) Adjustment reflects the removal of existing shareholders' equity balances, less $1,470,000 for the non-recurring charge for in-process research and development.

(f) Adjustments reflect (1) the amortization of estimated acquired developed technology, assuming an estimated life of 5 years and (2) the amortization of other intangibles assuming estimated lives of 2 years and 7 years.

(g) Adjustments reflect (1) a reduction in interest income at a 2% interest rate due to the reduction in cash as a result of the acquisition and (2) the elimination of interest expense associated with the Logistics current portion of notes payable and convertible notes payable.

(h) Adjustment reflects the tax benefit equal to 37% of Logistics' net losses and the pro forma adjustments.