

Summary

1. **Volume of investments required – \$ 10 million.**
2. **Production** – video service and video advertising at the Internet, trade in a video content at the Internet.
3. **Trade marks** – intv.ru.

Company profile

Date of establishment – January 2005 – when the command engaged in the development of software for clients since 2001, passed to the development of its own project.

Signs of public recognition – none.

Number of employees – 7 persons.

Team

Kuznetsov Vladimir – Initiator of the Project, 31 y.o. He was the author of the idea and top manager, in the business since 2000. He began with an advertising agency – the outdoor advertising (a network of boards), then successful exit in 2004, and in 2001 the company INFOBOX was created. Today it's one of the largest hosting companies (a hosting means the placing of sites in the Internet) in Russia.

Bahtiarov Alexey – Director General of the INFOBOX company, 37 y.o. Professional manager-administrator: general management, system management.

Group of programmers – 5 persons, there are a lot of client products as well as internal products of the company on their account.

Products characteristics

Our product is the web-site www.intv.ru where users watch the favourite films, news, sports and all other broadcasts. They buy an interesting video content, sell their video content, and place the advertising, look through advertising of other advertisers.

The basic technology of video display is the "adobe-flash". The internal technologies change constantly, therefore the protection with the help of the patents and copyrights has no big sense in this area. Many companies try to make nowadays the similar sites with the more or less success. Our advantage is the opened business model; users know at the beginning that the site is intended for income gaining and that the site is capable to give the income for them as well. Thanks to it many users become our authors and not only place video on the web-site, but also advance it without an additional payment (the web-site pays to users only the income percent from the user's video).

Our project is already one of the most popular not only in Russia but also in the world, among similar Russian-speaking services. For the last 2 months the web-site was included into the list of 100 most popular sites of Russia and occupies 76th place (at the moment of writing of the text), for 3 months there were registered 90 000 persons on the web-site.

Current state

Nowadays the project works and increases its' share in the market, sells the content but it places not enough advertising on the resources yet.

Development strategy

Use of funds

- | | |
|--|-----|
| 1. R&D | 15% |
| 2. Acquisition of fixed assets (copyrights to a content) | 30% |
| 3. (The equipment on which all the video takes places) | 40% |
| 4. Marketing | 5% |
| 5. Acquisition of current assets | 10% |

Prospective outcome of investment

Modern media are mass media with the geography of influence in all Russian-speaking audience of the Internet. (not only Russian-speaking but global in the future).

Marketing & Markets

The research company eMarketer has published a report about the condition and prospects of the online video advertising market in the USA. According to the forecast, expenses on video advertising in the Internet in 2007 will increase by 89% and will make \$ 775 mln.

At the end of the last year the forecasts of eMarketer were more modest: according to the preliminary estimates the market turnover in 2007 should make \$ 640 mln, and up to 2010 – \$ 1.5 bln (by now they speak in the company about \$ 3 bln in 4 years). Already at that time the analysts had similar occasions: service Google Video was tested, and AOL has just bought IPTV-provider Brightcove.

Interaction with investor

26% – the time of recovery of outlay are 2 years – guaranteed exit – at the expense of prospect of growth of the market at least as early as 5 years. We trust that for 5 years capitalization of project INTV.RU will make more than \$ 1 bln – the investor's share is not less than \$ 250 mln accordingly.