



Мир Кибер
НОВОСИБИРСК

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Volume of investments required – \$ 5 million.

Summary

1. **Production** – three-dimensional models of cities and areas; the task-specific software on their basis designed for city management and commercial use; 3D presentations (trailers, visual representation).
2. **Trade marks** – Mir Kiber.
3. **Sales 2007** – not substantial, the project is currently under development.

Company profile

Date of establishment – September 2006. The Mir Kiber project has been elaborated since the company's launch. It represents an interactive photorealistic 3D map of Novosibirsk with the reference guide to the city's enterprises. In November 2007 the market saw the first CD release of the software. A unique 3D editor with no equivalents throughout the world which allows creating 3D models of cities and areas was introduced in November 2007.

Description and value of capital assets – \$100 ths (computing machinery, furniture).

Previous rounds of investments – financial investments at the total amount of \$1 mln have been made since 2006.

Signs of public recognition –

1. Two awards of the Second Siberian Venture Fair including “The Sympathies of the Russian Private Equity and Venture Capital Association” as well as the invitation to the Russian Venture Fair granted (June, 2008).
2. Mir Kiber project was introduced to the Siberian cities' mayors at the trans-regional conference “Innovations in the Siberian Cities” organized at the instigation of the Plenipotentiary of the President in the Siberian Federal District. The administration of Gorno-Altai city signed an agreement on cooperation under the framework of the conference. According to the arrangement, a three-dimensional model of the city was agreed to be developed (June, 2008).
3. Mir Kiber was presented in the Novosibirsk Mayor Office and was approved by the Science and Production Development Standing Committee under the Novosibirsk city Council of Deputies which recommended it for use in structural departments of the Mayor Office, Directorate of Internal Affairs, and State Traffic Safety Inspectorate (December, 2007).

Number of employees – 50 persons.

Structure of ownership

100% owned by one natural person.

Team

Zaskulnikov Vadim Mikhailovich – Director General, 52 y.o. Since 2002, he has been the founder and chief of the IT-company working at the sphere of developing and implementing business automation on the basis of the 1C:Enterprise 8.0 platform. Among the company's essential clients there are major Siberian enterprises and institutions. Since launching the Mir Kiber project in 2006, he has also been its manager.

Lenkov Semyon Petrovich – Head of the cartography unit, 59 y.o. 30 years of work experience at IT as well as in geodesy and cartography, digital modeling of areas, mapping for cellular networks, and navigation projects.

Production

Mir Kiber Russia project, offered for venture capital investment, represents the expansion of the Mir Kiber Novosibirsk project to other cities of Russia. The first stage of the project consists in creating 3D models of 5 Russian cities with the features similar to those of Novosibirsk.

A unique technology used to develop interactive maps of informational and analytical character, almost unlimited in size and representing landscapes of any complexity lays in the core of the project. The 3D shell program is combined with the reference databases, which allows providing the users with powerful tools for the local search.

Comparative analysis with existing alternatives:

Characteristics	Mir Kiber	Analogue 1	Analogue2
Binding objects to geographical values	Yes	Yes	Yes
3D representations of objects	Yes	Yes	Pseudo-3D
Resolution rate of city objects	Very High	High	Low
Depictions of the premises' interiors	Yes	No	No
Interactive communication between users	Yes	No	No
Raster/Vector orientation	Vector	Raster	Raster
Mapping of terrain	Yes	Yes	No

Three-dimensional model of cities and the add-ons made on its basis have a wide range of uses:

1. For wide audience: a vivid spotting of objects in the city, navigation, various databases bound to particular areas, the option of exchanging information between users and communicating in new ways.
2. For government and municipal office: architecture engineering and construction design, visualizing communications and keeping their record, cadastral account and land use planning, traffic and navigation control, modeling emergencies and working out the ways of their resolving, etc.
3. For commercial entities: reference books, communication, transportation, tourism, teaching, advertising, etc.

Current state

At present, a 3D digital model of Novosibirsk city (the Mir Kiber Novosibirsk project, www.mircyber.ru) is being successfully implemented. More than 200 outlets sell CD's with the program. The projects of developing software for governmental and commercial organizations (the Novosibirsk Mayor Office, design-builders, real estate companies, etc) are being carried on. The sales of 3D trailers and interactive presentations on the basis of the model are dominating in the sales pattern.

Development strategy

Use of funds

- | | |
|----------------------------------|-----|
| 1. R&D | 10% |
| 2. Acquisition of fixed assets | 20% |
| 3. Marketing | 15% |
| 4. Acquisition of current assets | 55% |

Prospective outcome of investment

Creating the 3D models of 5 million-plus cities, refining the technology, widening the functional capabilities of the product, establishing the perpetual basis for modeling cities; increasing the company's assets value, promoting the Mir Kiber brand name, preparing the project for a further expansion to the CIS and far-abroad countries.

Marketing & Markets

Markets	Volume of the existing market in one city, \$thousand a year	Expected market volume in six cities, \$thousand a year	Expected share	Sales Channels
Advertising in the interactive geographic information systems' sector	5000	32 000	50%	Advertising agencies, direct sales
Modeling and placing the real estate units	The market is not formed	15 000	50%	Direct sales
Interactive 3D presentations and video trailers of real estate units and technologies	2000	12 000	20%	Direct sales
Electronic 2D and 3D maps	800	4800	25%	Direct sales
The CD «3D-map of the city + the reference guide to its enterprises»	The market is not formed	1000	95%	Multimedia products shops

Penetration of the advertising market requires the maximum spread of Mir Kiber: it must be installed on every computer. The methods which can make it possible include free delivery to offices, distribution on the Internet and in Intranet networks, selling CDs in retail outlets, making PR-actions, publishing advertisements in print and online media. The major strategy of promoting interactive presentations and video trailers, modeling real estate units is direct supplies to potential clients.

Interaction with investor

The share proposed to the venture capital investor is 25-30%. For WACC = 15% with the settlement period of 5 years the business cost evaluation on the basis of Net Cash Flow (NCF) amounts to \$19,167 ths. IRR = 119%, PBP = 28 months.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required*			
	2006	2007	2008	2009	2010	2011	2012	2013
Sales	-	-	300	2 100	12 400	21 900	25 700	29 000
Operating income	-100	-700	-200	-4 300	1 600	9 000	11 800	14 400

* Investing stage of Mir Kiber project is assumed to finish in 2008, while the development of the models of 5 million-plus cities is to begin in January 2009, one in three months.