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Volume of investments required – \$ 10 million

Summary

1. **Production** – “DorogaTV” service for mobile phones. The service is intended to providing convenient orientation and moving across a city by means of mobile phone and Internet, and includes: information on traffic jams, position and arrival time of public transport, different useful information and possibility for users to communicate with each other.
2. **Trade marks** – DorogaTV.
3. **Sales 2007** – none.

Company profile

Date of establishment – October, 2006. The Company was created after private investment obtained for the project of monitoring traffic circulation on a city roads and allocation of this information to users through a mobile phone.

Description and value of capital assets – \$50 ths – video and server equipment, intellectual property.

Previous rounds of investments: 1st round – \$50 ths; 2nd round – \$200 ths; 1M attracted.

Signs of public recognition – the company on the competitive basis entered into the Nizhegorodsky innovation business incubator.

Number of employees – 20 persons.

Structure of ownership

Legal entity: LLC LBS Group	20.2%
Natural persons (5)	79.8% (30%; 30%; 8.9%; 8.9%; 2%)
Aggregate share of government property	0%

Team

Umnov Alexey L. – CEO, 44 y.o. PhD, experience in science (as developer and manager) – since 1991. Works in innovative business since 2005. Co-founder and CEO of several venture companies (LLC LWN, LLC “LBS Group”) which received investments and successfully developed in the market. Alexey has a long-term scientific and business experience in collaboration with international corporations (Intel, Microsoft, Nokia, LG, Samsung).

Makarov Evgeni V. – Co-founder, 25 y.o. Graduated from Nizhny Novgorod State University in 2006 as a MD in Radiophysics and Electronics. Experience in scientific work – since 2002. Works in innovative business since 2005. Works in the company from the moment of its foundation as a COO. Participated in implementation of several innovative projects in group of the companies, on posts of the CEO (in the sphere of wireless communication systems).

Shishkin Timofey N. – Operating Partner, 29 y.o. More than 5 years of successful entrepreneurship in several types of businesses.

Osokin Maxim A. – Operating Partner, 29 y.o. More than 5 years of successful entrepreneurship in IT business.

Vdovin Alexey – Software Development Director, 35 y.o. Experience in software development is more than 10 years. Participated in Motorola software development projects.

Production

Mobile service DorogaTV can simplify to a person the solution of problems which he faces in a city every day. With the help of this service a user can operatively receive the information on traffic jams, learn the position and arrival time of a public transport, find various objects in a city, and also always have access to news and entertaining resources.

- Information on traffic jams is available in the form of pictures from video cameras, of text messages; the user can estimate the speed of vehicles, using a city-map on which the average driving speed is represented by colored lines.
- Bus position is displayed by symbols on conditional schemes of paths.
- Searching of objects in a city can be executed on demand of the address, the title of the object and in other way. The position of the founded object is possible to display directly on a city-map.
- Service allows to read the latest news, fresh jokes, to look slide-show with beautiful views, to download a desktop wallpaper, a new game, etc.

The application usage on a mobile phone is payable (the pay is taken from users account).

Current state

Applications for mobile phone, pocket PC and car on-board computer are developed. The web-site, which allows the user to get access to all tools is also developed. The server part of the application is developed and realized.

Now the project is being realized in Nizhny Novgorod (it is launched in August, 2007). It is installed more than 70 traffic cameras.

From the moment of the service launch the application was installed on more than 50 thousand mobile phones. A monthly auditory of the website is ~20 thousand persons (almost none of advertising technologies were used).

Negotiations with partners on service launch in other cities (some cities of Russia, Ukraine, England) are being carried on.

Development strategy

Use of funds

1. R&D	15%
2. Acquisition of fixed assets	20%
3. Marketing	45%
4. Acquisition of current assets	20%

Prospective outcome of investment

Investments are needed for quick enter into new markets (Moscow, St. Petersburg, London). By the end of the 2nd year of project realization the service should become the leader among services of positioning in the city and communication with the help of a mobile phone.

Marketing & Markets

Now there are no other similar systems with the same functions in Russia.

The information on road situation (traffic jams, police officers location, car crashes, etc.) gives radi in a heading «National traffic jams». This heading is on the air every 15th and 45th minute of each hour from 8 a.m. till 8 p.m. daily, and bases on the SMS messages sent by drivers. The auditory of radio – people of 25–40 years old, the men – 70%, the women – 30%. The volume of monthly auditory (on results of a public opinion poll) – 9.2% from the whole population older than 18 years.

Comparative analysis of competitors

	Urgency	Objectivity	Accessibility	Price	Completeness	Ease
Radio	-	-	-	+	=	+
Subject sites and applications with maps	-	-	=	=	=	=
Experience	?	-	+	+	?	+
“Friend call”	=	-	=	+	-	+

The main difference from existing Russian services for traffic jams monitoring is visual online display of information about road situation by means of video cameras, and it is not targeted only on drivers: the service is oriented for those who is on a trip:

- driver can look where the traffic jams are, lay out another path, find a necessary object on a map of the city;
- non-driver can also look where an object interesting to him is on the map, to learn where at this moment is the nearest bus, to book ticket to a cinema, to learn the phone number of any organization, to read the press, to go on a site which is not available for him on a workplace (separate tabs with the adapted interface for a mobile phone).

The main promotional channel for entering into the market is BTL, because of capability of direct contact with potential customers. Popularization of the brand is based on partnership with mass-media.

Two-way distribution process:

- Self-installation
- Through a dealer network.

Mobile content market value

	2005	2006	2008	2012
World (Source: iSuppli Corp)	\$ 13,4 B	\$ 16,4 B	\$ 20 B	\$ 40 B
Russia (Source: SMS Media Solutions)	\$ 2,01B	\$ 2,46 B	\$3 B	\$ 6 B

Doroga TV market share

	2009	2010	2011
Russia	2%	5%	20%

Interaction with investor

30–40%; \$ 100–150 mln on exit.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales	-	-	-	30	2000	6000	30 000	80 000
Operating income	-	-	-	0	1400	4900	21 000	56 000