

1. Market Analysis

There are millions of people in the United States that have listened to podcasts, and the number is growing exponentially.

NEW YORK – July 12, 2006 – Nielsen//NetRatings, a global leader in Internet media and market research, announced today that 6.6 percent of the U.S. adult online population, or 9.2 million Web users, have recently downloaded an audio podcast; 4.0 percent, or 5.6 million Web users, have recently downloaded a video podcast (see Table 1). These figures put the podcasting population on a par with those who publish blogs, 4.8 percent, and online daters, 3.9 percent.

“The portability of podcasts makes them especially appealing to young, on-the-go audiences,” said Michael Lanz, analyst, Nielsen//NetRatings. “We can expect to see podcasting become increasingly popular as portable content media players proliferate,” he continued.

Table 1: Market Size Estimation of Audio and Video Podcasters (U.S., Home and Work)*

Segment	Estimate of Number in Segment	Percent Composition of Online Population
Music/Audio - Download File for Portable Media (podcast) (computer - last 30 days) †	9,205,981	6.6
Video - Download File for Portable Media (podcast) (computer - last 30 days) †	5,563,867	4.0

Source: Nielsen//NetRatings @Plan Summer 2006 Release

**Data is based on US Adult active Online population (18+).*

† Profile point has been measured for less than four (4) survey waves.

Table 2: Composition Index according to Age Group among Audio and Video Podcasters (Home and Work)*

Demographic Group	Audio Podcast Composition Index	Video Podcast Composition Index
18-24	172	147
25-34	155	164
35-44	117	115
45-54	85	92
55-64	53	49
65+	29	31

Source: Nielsen//NetRatings @Plan Summer 2006 Release

**Data is based on US Adult active Online population (18+).*

Note: Average composition index is 100. Any index above 100 indicates the overrepresentation of a demographic group.

The “Pod” in Podcasting

Since the popularity of Apple’s iPod is largely responsible for the spread of podcasting, unsurprisingly, podcasters enjoy using Apple products and visiting Apple Web sites. For example, audio and video podcasters are over three times as likely as the average Web user to use Apple’s Safari as their primary Internet browser (see Table 3).

Table 3: Primary Internet Browsers among Audio and Video Podcasters (U.S., Home and Work)*

Primary Internet Browser	Audio Podcast Composition Index	Video Podcast Composition Index
Safari	320	336
Firefox	233	176
Internet Explorer	88	84
AOL	63	91
Netscape	57	68

Source: Nielsen//NetRatings @Plan Summer 2006 Release

**Data is based on US Adult active Online population (18+).*

Note: Average composition index is 100. Any index above 100 indicates the overrepresentation of a demographic group.

Among audio podcasters, Macworld is the number one most visited content site, with a composition index of 606 (see Table 4). Apple and iTunes are the number two and three e-commerce sites visited by audio podcasters, with composition indexes of 455 and 396, respectively. The Apple connection is not as clear for video podcasters, who flock to Startrek.com among content sites, with an index of 864. Live365.com and eMusic are the two most popular e-commerce sites for video podcasters, with indexes of 730 and 656, respectively.

“Competitors to the iPod are now in the marketplace, but Apple got a big head start,” said Lanz. “It will take time before other portable media players make significant in-roads with the early-adopters who are currently podcasting,” he continued.

Table 4: Top Content and E-Commerce Sites Visited by Podcasters (U.S., Home and Work)*

Audio Podcasters		Video Podcasters	
Content Sites	Composition Index	Content Sites	Composition Index
Macworld	606	StarTrek.com	864
Lycos Wired News	553	Live365.com	730
Slashdot	544	Fark.com	724
E-Commerce Sites	Composition Index	E-Commerce Sites	Composition Index
Niketown.com	474	Live365.com	730
Apple	455	eMusic	656
iTunes	396	Niketown.com	614

Source: Nielsen//NetRatings @Plan Summer 2006 Release

* Data is based on US Adult active Online population (18+).

Note: Average composition index is 100. Any index above 100 indicates the overrepresentation of a demographic group

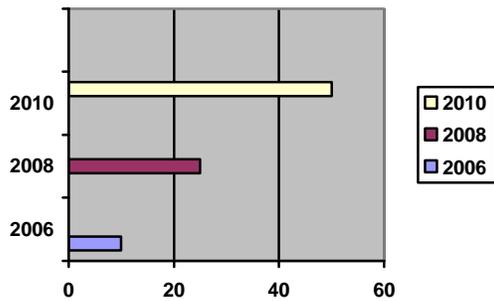
A Quick Look at Listeners

According to a recent survey published by Pew Internet and American Life, there were an estimated 800,000 plus listeners in 2004. In 2005, the number exploded to nearly 5 million listeners. According to a February 2006 report done by eMarketer, the number of podcast listeners is expected to hit close to 10 million this year. This means podcasts are a prime and powerful untapped marketing landscape.

Total US Podcast Audience,* 2006, 2008 & 2010 (in millions)

Note: *Individuals who have ever downloaded a podcast.

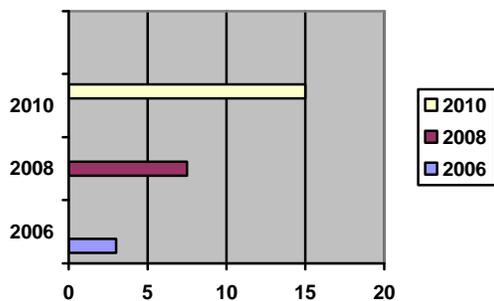
Source: eMarketer, Feb 2006?



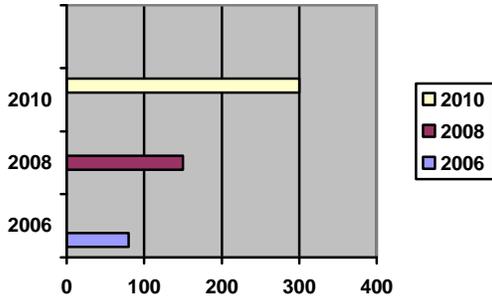
Active Podcast Audience,* 2006, 2008 & 2010 (in millions)

Note: *Individuals who download one or more podcast(s) per week.

Source: eMarketer, Feb 2006



US Podcast Advertising Spending,* 2006, 2008 & 2010 (in millions)



Note: *Includes advertising and marketing spending
 Source: eMarketer, Feb 2006

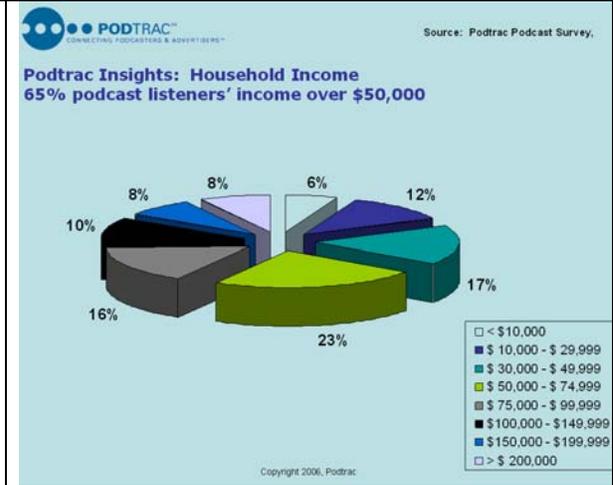
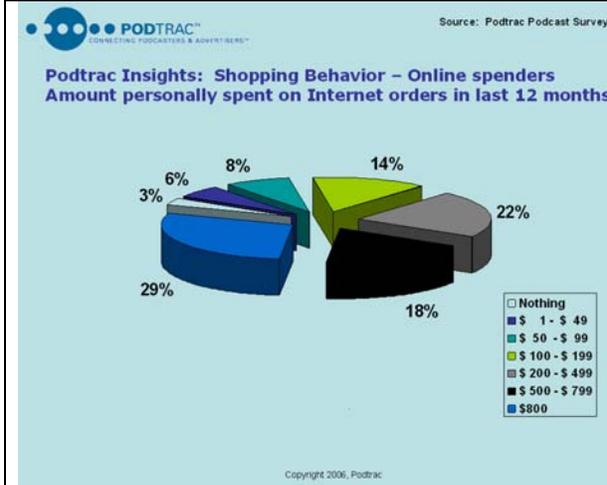
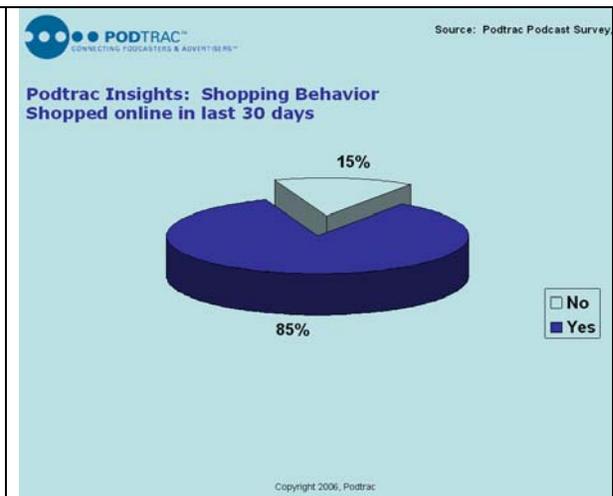
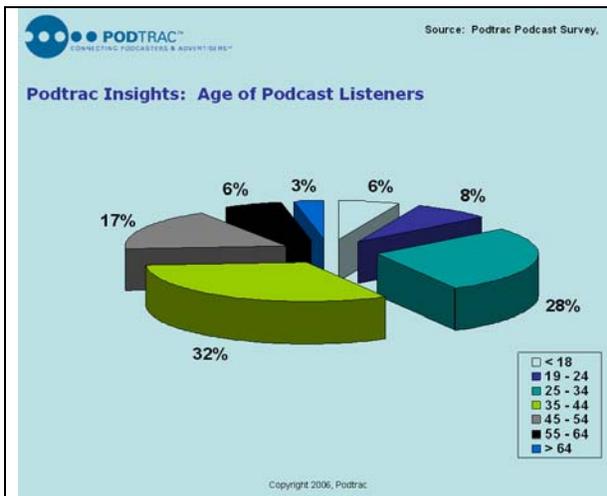
Nielsen//NetRatings AdRelevance Top 10 Advertisers, June 2006

Top advertisers, ranked by estimated spending, are based on data from AdRelevance, Nielsen//NetRatings' advertising research service. An impression is counted as the number of times an ad is rendered for viewing.

Top 10 Advertisers by Estimated Spending

Advertiser	Total Estimated Spending	Impressions (000)
1. GUS Plc	\$47,037,400	22,784,920
2. Vonage Holdings Corp	\$37,462,700	16,680,886
3. Verizon Communications, Inc.	\$18,723,100	5,678,718
4. NexTag, Inc.	\$18,034,400	9,741,922
5. United Online, Inc.	\$17,840,000	5,420,177
6. Netflix, Inc.	\$16,329,400	5,256,759
7. Skype Technologies S.A.	\$16,123,900	2,650,339
8. Time Warner Inc.	\$13,277,500	3,889,288
9. YourGiftCards.com	\$11,527,300	3,835,010
10. E*TRADE FINANCIAL Corp.	\$10,645,300	2,897,455

Estimated spending reflects CPM-based advertising online and excludes search-based advertising, paid fee services, performance-based campaigns, sponsorships, barter, partnership advertising, advertorials, promotions and email. Impressions reported exclude house ads, which are ads that run on an advertiser's own or related property and co-branding relationships. For example, an estimated 2.9 billion E*TRADE FINANCIAL Corp. ads were rendered for viewing at the cost of approximately \$10.6 million during the surfing period.



B2B Market Technology buyers go online first for a variety of tasks, researching everything from simple desktop utilities to the most complex enterprise applications. New research conducted by Knowledgestorm and Universal McCann of 3,900 B2B technology buyers, shows that technology buyers are not only interested in podcasting as a delivery channel, but they are using them to gather information and make decisions:

- 38% of technology buyers claimed to be “very familiar” with blogs, and 25% were “very familiar” with podcasts. Nearly half of the respondents stated they were “somewhat familiar” with blogs and podcasts.
- Blogs are accessed and “shared frequently” by 33% of these technology buyers, while podcasts are accessed frequently by 21% of respondents.
- 32% of survey respondents stated their usage of podcasts has “increased” or “significantly increased” in the last six months. 39% said their usage of blogs had “significantly increased” in the last six months.
- 27% of respondents said yes when asked if podcasts have influenced their purchase decisions.

The Trypod Network has a plan to be the producers of these B2B podcasts, offering everything from scripting to content and host services to hosting and distribution.

1.1 Environment

Radio is a mature market. U.S. radio advertising revenue is estimated at around \$20 billion, compared with \$12.9 billion in 2005 for online advertising, according to the advertising research firm eMarketer. Podcasting is an evolution of radio as well as being a technology enabled service that empowers people to podcast what they want and listeners to interact with it in a web 2.0 mass participation way. To compete with new technology, radio has been developing a digital signal that improves the quality and information being conveyed to the listener. HD Radio simultaneously transmits a digital version of the analog broadcast, and also provides a second digital channel, which can be used for alternate radio programming or data services such as song information, weather reports and car navigation updates. The downside is you have to pay for new receiver hardware running at least \$300-\$400, and the hardware does not guarantee you will be able to receive the signal in your local area or that the signal will be better than analogue.

The Trypod Network podcasts and music are already digital and are not reliant on broadcast regions to receive the mp3 files. The starting price for a 256 mb mp3 player is around \$40 and it is portable unlike the HD Radio players. There is also the ability to get breaking news from any Internet enabled device including mobile phone. In the US, you can download as much mp3 files as you want as part of your regular subscription package from your mobile phone provider. Also with the proliferation of WiFi networks and Microsoft mp3 players coming WiFi enabled as of November 2006, a person can download automatically through their RSS feed music, shows and breaking news for free.

1.2 Segmentation

The target markets for this listener base are those currently dissatisfied with available audio programming. This market consists of technology early adopters, open source software aficionados and the existing base of podcast listeners. Primarily listeners are married Caucasian men with children, that earn over \$50,000 and spend from \$100-\$800 a year online.

Commuters are probably the best market to target because of their habit of already listening to the radio or CDs.

WiFi capable mobile phones, which will most likely soar in popularity as their cost decreases, will also increase the potential listener base of podcasts. A key advantage of podcasts over traditional broadcast radio is the mobility, flexibility, and personal selectivity of podcasts. A larger population with mobile audio devices creates a larger population that could potentially benefit from podcasts. The below 18 and 18-25-year-old market is known to be the most tech savvy, and at the same time, they represent the greatest proportion of portable audio device sales. The tween, teen, and young adult populations also have a great deal of spending power that is specifically allocated for non-durable products. TrypodNetwork recognizes in the very near future, this will become a prime podcast listener target market; however, in the meantime, TrypodNetwork will focus on acquiring a following from the existing listener population.

*(Please be consistent in how you say "TrypodNetwork." You have it as The Trypod Network, TrypodNetwork, and Trypod Network. Whichever one is correct, please use it consistently throughout.)

1.3 Competition

Direct

The idea of creating a podcast network is certainly not an innovative science nor is it an original idea; however, there is currently only one competitor pursuing this business model. Podshow.com creates a network of podcasters, listeners and advertisers similar to TrypodNetwork. Podshow, however, hosts any and all podcasters; they attract listeners by promoting their network as the only game in town. Podshow has the advantage of being a first mover in the industry, and they also have thousands of listeners and podcasters with many choices in podcasts. This large customer base gives them significant leverage in approaching advertisers.

Podshow's weaknesses lie in their focus on quantity rather than quality. Low content quality contributes to negative trending of customers. Negative trending also results from prohibitive contractual restrictions on podcasters, inequitable income distribution, and podcaster dissatisfaction with network. All these factors encourage unenthusiastic listener attitudes towards Podshow. The Trypod Network can capitalize on the negative trending by creating exactly what the dissatisfied customer seek in a podcast network. TrypodNetwork is the quality network in an industry that has no quality players.

PodShowPRO is built on the PodShow+ platform and lets business users create and publish their own podcasts, create personalized directories of content, and deliver "channels" of podcasts.

Indirect

The *National Association of Broadcasters* (NAB) has launched the largest radio promotional campaign ever, marketing radio as "the primary source for news, music and compelling audio entertainment." Virtually every major radio group, including ABC, Clear Channel, Cox, Greater (pull next line up) Media, Infinity and Radio One, is planning on airing the advertisements aggressively. According to the NAB, the industry plans on spending \$28 million and using endorsements from major music artists.

Traditional radio broadcasters are recognizing the impending powers of podcasts on their market share are now offering their broadcasts in a podcast format. The brand name of the broadcasters gives immediate credibility to these podcasts over little known podcasters, and this could bear a slight impact on podcast growth. This effect is negligible and over time will prove to be wasted effort on behalf of the broadcasters since the greatest growth impetus for podcasting is dissatisfaction with what is currently offered by broadcast radio. Attempting to make broadcasts flexible and mobile is only addressing a symptom and not the overall problem.

Substitutes

There are a variety of substitutes for podcasting, but none are expected to seriously hinder any growth. Broadcast radio is the largest podcast substitute with millions of listeners and a large capital war chest. For podcasting to be successful, listeners need to be drawn from traditional radio. This does not seem to be difficult since listeners are transferring in droves. The typical complaints by radio listeners are focused on the lack of choice, content, and control. The advantage broadcast radio will always have over podcasting is immediacy. You will never find "breaking news" on a podcast merely because of its method of distribution. While broadcast radio has the upper-hand and is certainly a substitute to be reckoned with, it is the broadcasters that are running scared from podcasters. Broadcasters recently spent \$28 million on an ad-blitz meant to strengthen the public opinion of radio. Within a few short years, podcasting will be an equal contender for the top audio address.

Satellite radio does satisfy many needs of frustrated radio listeners. Satellite radio offers hundreds of programming choices, a lack of restrictions on content, and it is "commercial-free." Nonetheless, podcasting offers the same advantages, and podcasting offers tens of thousands of programming choices in sharp contrast to satellite radio's 150. And most importantly, satellite radio does not offer the "what you want; when you want it" time-shifted feature that is most attractive to podcasting.

Another distant but similar substitute is text based blogging. While both bloggers and podcasters compete for the same disenchanted-with-public-media customer base, it is more likely that blogging and podcasting will act as complements to each other. Since they are both new innovations, the future behavior of both industries acting in tandem cannot be accurately forecasted, and the possibility of substitution rather than complementation could occur.

COMPETITIVE ANALYSIS

Trypod Network stands above all existing and future podcast networks for several reasons. First and foremost, Trypod Network has already signed some of the finest podcasts available. We were able to do this because of our revenue distribution model, our contract that lends itself toward the podcaster's best interests, and the vision of the community of Trypod Network. We concentrate more on the listener experience than any of the competition. Everyone else is only paying attention to the podcast end of it, whereas we are making it more interactive for the listener. This can increase network loyalty.

The time is right to move podcasting beyond the early adopters of technology and take it into the mainstream. Trypod is poised to do exactly this. Trypod podcasts have a proven listener base, have been invited to be on the network because of their content and broad appeal, and have the podcasters' commitment to "office-friendly" material. The "office-friendly" aspect is very important to Trypod because we believe advertisers will want their message to be heard by the broadest audience available – no matter where the listener is – whether it is in the car or in the family kitchen. Podshow cannot make that promise. The podcasts on Trypod Network are all shows that have been around for some time and have an established listener base. We offer our podcasters the opportunity to move up to the next level while still maintaining complete control of their show. We understand that with a new medium such as podcasting, first impressions are crucial

Many of the shows prevalent on Podshow cannot make the same claim. They run the very real risk of losing listeners forever on their first try. On a different and broader level, the search engines that offer podcasts (iTunes, Yahoo!) run the same risk. Through marketing, we intend to create a "Trypod Network audience" as opposed to a Jawbone Radio audience, or an Extra Life audience, or any other individual podcast. This not only works to the advantage of the individual podcast because they will be receiving listeners they would not already have, but it also works to the advantage of the advertisers because they are multiplying their

exposure. Podshow does not have this. Odds are, the listener of Dawn & Drew (a shocking program) is not going to have the same audience as the Mommycast. Therefore, the listener is gone and so is the advertiser's message.

Trypod Network has entered into an exclusive strategic alliance with the second largest podcast search engine/portal/community, Podcast Pickle. Podshow owns Podcast Alley, the largest. Even in this area, however, Trypod has succeeded. While Podcast Alley may currently be the larger, this is bound to change. Podcast Alley has remained stagnant in design and function while Podcast Pickle is constantly updating, innovating, and increasing their community. The association between Trypod Network and Podcast Pickle is natural and will offer advertisers tremendous opportunities to facilitate the real estate on "The Pickle."

Trypod Network is going to employ a unique use of tagging to enhance the listener's experience, to broaden the audience for the podcaster, and increase exposure for the advertiser. A listener will be able to narrow his or her topic selection and download a specified amount of podcasts dealing with the tags he or she selected. No other network offers this technology, and it will prove to increase the Trypod community.

Podshow is a portal. Trypod Network is a community. There is more growth potential in a community (myspace; digg; flickr) than in a portal. And for the advertiser, the resulting return on investment is greater because the listener is more dedicated and more likely to pay attention to the message.

On the other side of the spectrum is Podtech (podtech.net). They recently raised \$5.5 million to create a "tech network" of podcasts. This has been done purely on speculation, and as opposed to having a collection of proven podcasts, Podtech plans to create podcasts specifically for the network. They have no established listener base. While, any tech podcast Trypod invites to be part of the network must already have an established audience.

Talk about Trypod is already everywhere in the podcasting community and once marketing begins, that talk will take it worldwide.

With the framework Trypod Network is creating, we will be attractive to large advertisers because we offer less of a hit-or-miss opportunity. Not only is the audience the kind of audience that is attractive to large advertisers, but the community is something not offered by any other network.

There will be future podcast networks. But because of Trypod's first-in positioning, we have the advantage that will be difficult to overcome.

Podshow has gained the reputation as "The Evil Empire." They have done this through their own missteps, their restrictive contract, and their arrogance towards both the podcasting community and its listeners. Trypod is in a perfect position to come in as the underdog. We have already been mentioned favorably on popular podcasts such as Podcast Brothers, Today in Podcasting, and Podcheck Review.

1.4 SWOT

Strengths:	Weaknesses:
<ul style="list-style-type: none">* Website is launched* 20 award winning podshows* 350,000 monthly downloads* Strategic partnership with major podcast aggregator.* Our CEO is a respected podcaster* Content quality* Basis for strong management team* Initial content can evolve into range of offerings* Very focused management/staff* Working with award winning marketing company that is giving us extra value services	<ul style="list-style-type: none">* No money* No community activity yet* No channels yet* No advertising/sponsors* No keyword search* No marketing* No internal hosting yet* Not enough podcasts* No alternative revenue stream (besides advertising...like hosting or podcast production for a fee)* Board of Directors is too narrow* Lack of awareness amongst prospective customers* Need office space* Overdependence on few key staff
Threats:	Opportunities:
<ul style="list-style-type: none">* Podshow* PodShowPRO* HD Radio* Podtech* Other Podshow Networks* Major player may enter targeted market segment* Market segment's growth could attract major competition	<ul style="list-style-type: none">* Market segment is poised for rapid growth* Distribution channels seeking new products* Scope to diversify into related market segments* Proliferation of MP3 players* WiFi* WiMax* Broadband* Major companies are advertising in podcasts

Strengths:

What advantages does your company have? Trypod Network stands above all existing and future podcast networks for several reasons. First and foremost, Trypod Network has already signed some of the finest podcasts available. We were able to do this because of our revenue distribution model, our contract that lends itself toward the podcaster's best interests, and the vision of the community of Trypod Network. We concentrate more on the listener experience than any of the competition. Everyone else is only paying attention to the podcast end of it, whereas we are also making it more interactive for the listener. This can increase network loyalty.

Branding will be our most efficient and powerful tool that will differentiate us from the rest. An aggressive marketing campaign that is already mapped out and ready to go, will make the Trypod Network the one-stop shop for any listener (and eventually, viewer). We are in the industry at an early stage. No one is focusing on quality at this point. We have signed contracts with popular podcasters who are motivated to promote themselves and the network.

Strategic Partnerships. Trypod Network also has the exclusive partnership with the industry's greatest and most innovative podcast community/search engine/portal, Podcast Pickle, which enjoys two million page views per month and includes thousands of podcasts in its directory. This enables the Trypod Network to offer advertisers access to over 10 million unique impressions and audio endorsements per month.

Trypod Network has signed an agreement with Voice Indigo Sales to utilize their sales force to make sales of our advertising inventory for a revenue share of 25%.

What do you do better than anyone else? We have a vision for quality for the selective listener and content that is "office friendly" for the office worker. Trypod Network's business model is grounded in substantial growth transpiring in the podcasting industry. Even direct competition is insignificant when podcasting experiences explosive growth. In all likelihood, this growth will occur unimpeded since there is no substitute or indirect competition that has enough sway to retain market share in the face of the podcasting onslaught. Trypod Network will take advantage of the expanding market and provide the network that users seek.

What unique or lowest-cost resources do you have access to? The podcasters are self funded and doing this as a work of love. We have access to professionals in the field of Marketing, PR, graphic design, etc.

We are a web 2.0 mass participatory entertainment company that has a loyal listening base who is blogging about our content.

This is the perfect timing for us to offer our better business model that works with podcasters as talented partners and not hobbyists. There is the second annual podcasting convention in late September where we can really capitalize on this misjudgment. The convention is becoming a major event and companies like Nokia are going to be there, because people will download these podcasts to their cell phones. Additionally, because of their dominant position in the market, they are getting a lot of press coverage because this is a new, hot media and they are the branded player. This presents us with a golden opportunity to ride the wave of their success. When blogging about ourselves, we will include their name and thus when reporters are looking for material to write about them and the industry, we will get press exposure as well. A little money can go very far in this fertile environment.

What do people in your market see as your strengths? In contrast to other entertainment media, we podcasters have the ability to quickly and inexpensively create shows on any subject, and then adjust the show to the feedback of the active audience.

We are able to create a personality to this new medium that can be so overwhelming to a new user. Our personality is what will stand out to future advertisers, which is how we will grow revenue. We will try and do a job similar to what AOL accomplished when it made the Internet user friendly to new users.

The "office-friendly" aspect is also very important to Trypod because we believe advertisers will want their message to be heard by the broadest audience available.

Opportunities? There are many new opportunities opening up at this point in time, and our network fits in nicely with the penetration of broadband, WiFi and mp3 players.

Broadband

The number of Americans who have broadband at home jumped from 60 million in March 2005 to 84 million in March 2006, an increase of 40%. This is double the increase over last year of 20% from March 2004 to March 2005. At current growth rates, WSO projects that broadband penetration among all Americans should break 50% by January 2007 (see Figure 1).

Home Broadband Penetration Trend (US)

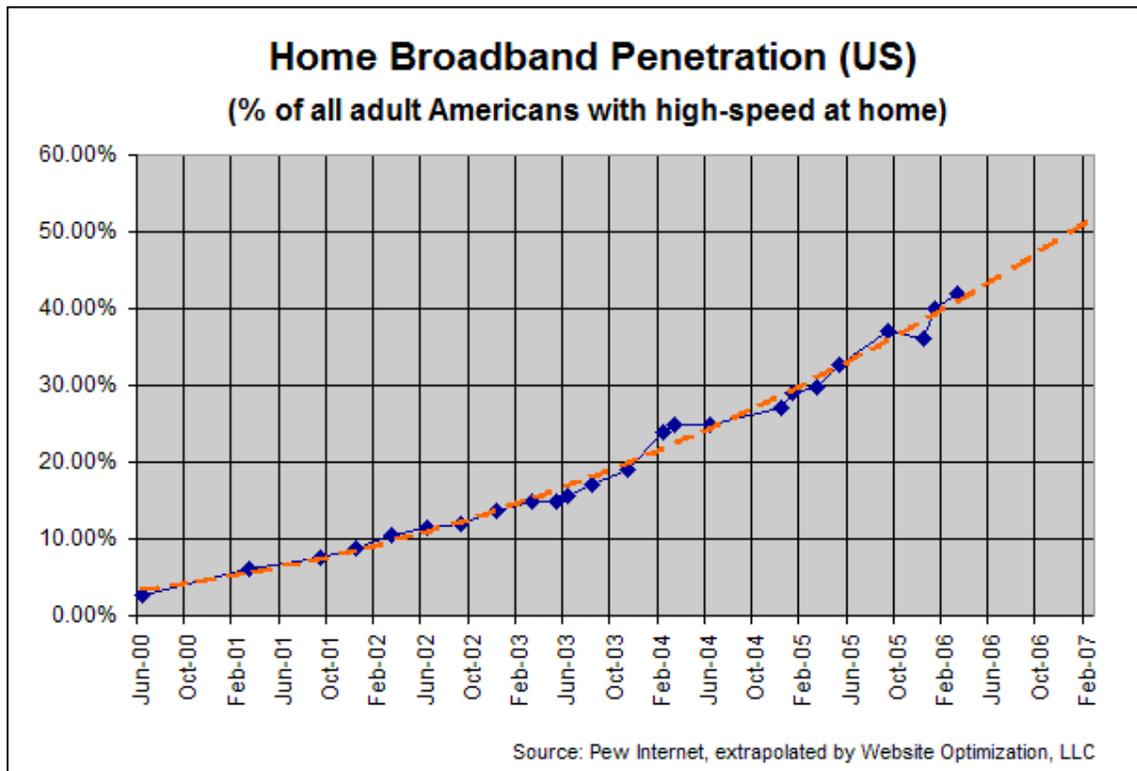


Figure 1: Home Broadband Penetration Trend (US)

Home Connectivity in the US

US broadband penetration among active Internet users grew to 71.76% in May 2006. Narrowband users connecting at 56Kbps or less now comprise 28.24% of active Internet users, down 1.32 percentage points from 29.56% in April (see Figure 3).

Web Connection Speed Trends - Home Users (US)

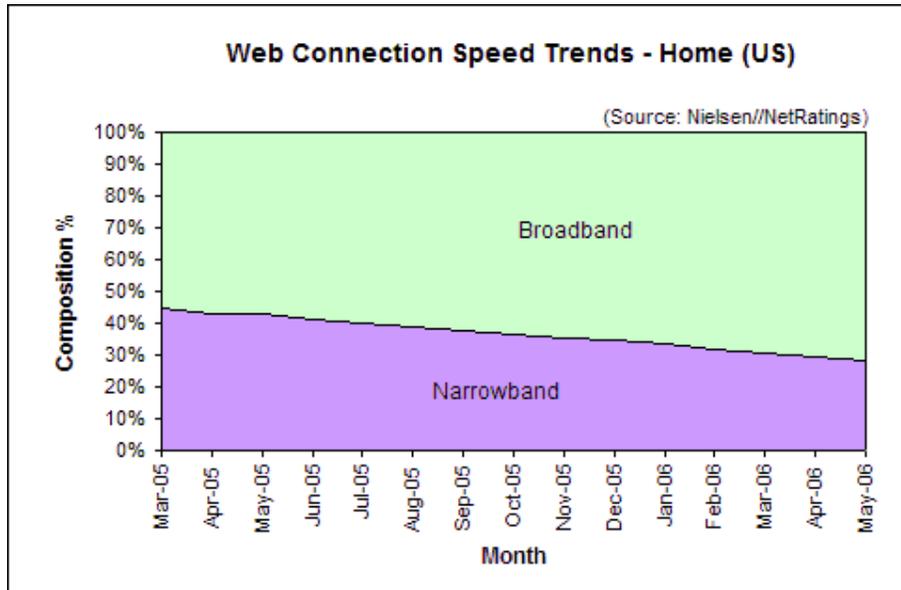


Figure 3: Web Connection Speed Trends - Home Users (US)

Broadband Growth Trends in the US

In May 2006, broadband penetration in US homes jumped 1.32 percentage points to 71.76% up from 70.44% in April. This increase of 1.32 points is above the average increase in broadband of 1.11 points per month over the last six months (see Figure 4). At current growth rates, US broadband should break 80% among active Internet users by December 2006.

Broadband Adoption Growth Trend - Home Users (US)

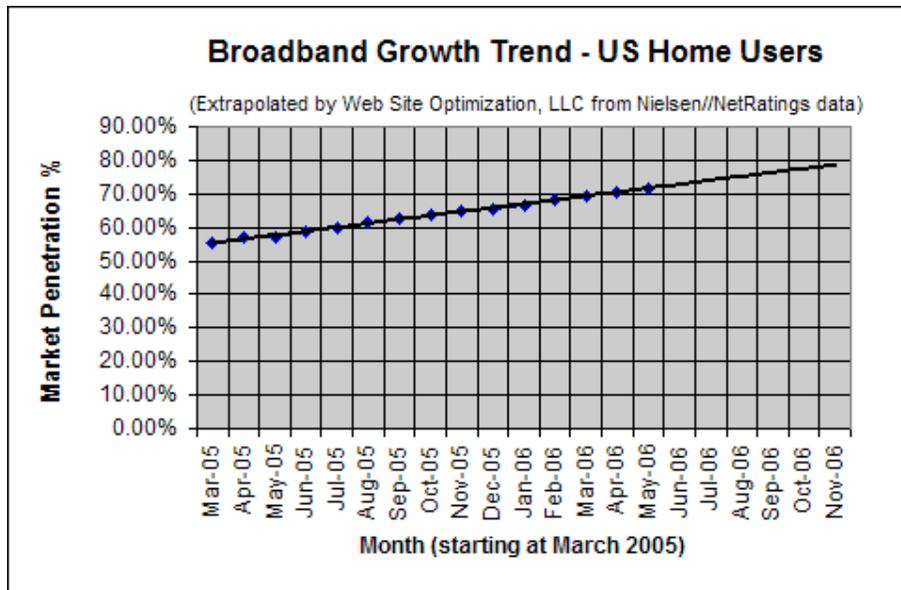


Figure 4: Broadband Adoption Growth Trend - Home Users (US)
Extrapolated from Nielsen//NetRatings data

Work Connectivity

As of May 2006, 89.52% of US workers use broadband, down 0.15 percentage points from the 89.67% share in April. At work, 10.48% connect at 56Kbps or less (see Figure 5).

Web Connection Speed Trends - Work Users (US)

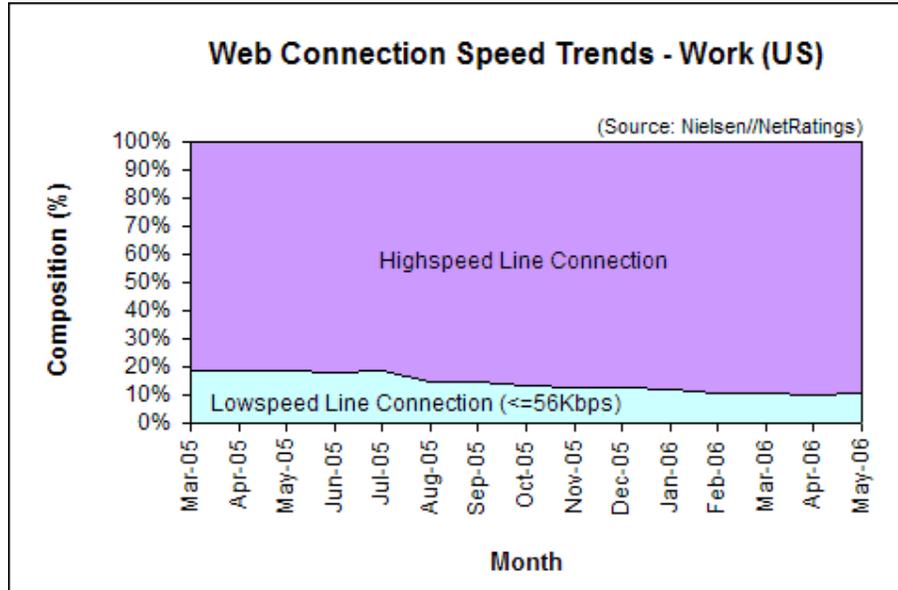


Figure 5: Web Connection Speed Trends - Work Users (US)

DSL Overtakes Cable in the US

In a dramatic reversal of fortunes, DSL has overtaken cable in US broadband share. As of March 2006, DSL connections made up half (50%) of all home broadband connections, while cable modems had a 41% shares (see Figure 2). This is in stark contrast to cable's 67% share in March 2003. This trend of higher DSL subscribers versus cable mirrors. Fixed wireless is coming on strong with 8% of home users WiFi onto broadband.

WiFi Penetration

"Wireless Growth"(delete this extra space)Modules for both wireless and wireline technologies will grow with a combined annualized growth of over 64% until 2011, including WPAN (wireless personal area network) devices. Excluding these, unit shipments are still expected to grow at an average rate of 32% per annum. Although overall enablement revenue (comprising modules and their associated costs) is expected to grow at an annualized rate of over 26%, network services and managed services as a part of total M2M-PI (machine-to-machine pervasive Internet) business revenue is expected to rise to over 74% of the total from 67% in the period, according to Harbor Research. In revenue terms, this represents an annualized growth rate of over 45%. Overall, M2M-PI service revenue in the energy venue is expected to grow at an annualized rate of 49% over the period, which Harbor Research notes is a significant increase in their forecast from two years before.

SOURCE: Harbor Research <<http://www.harborresearch.com/>>

With companies like Intel investing \$300 million worth of marketing and 14 million Centrino-based laptops sold this year with WiFi, Intel continues to play a pro-active role in areas such as seamless roaming, operator standards, etc. There has been deep penetration of access points in the enterprise and at home. An access point is deployed every four seconds and home and office use will drive a desire for out-of-home connectivity. There is a desire for more mobility and the need for connectivity: people who want access during their working day (70% of laptop users work at home, 50% in hotels, 40% at customers, and 30% during travel). The key is to get people used to frequent, short access sessions.

Home Broadband Composition Trend (US)

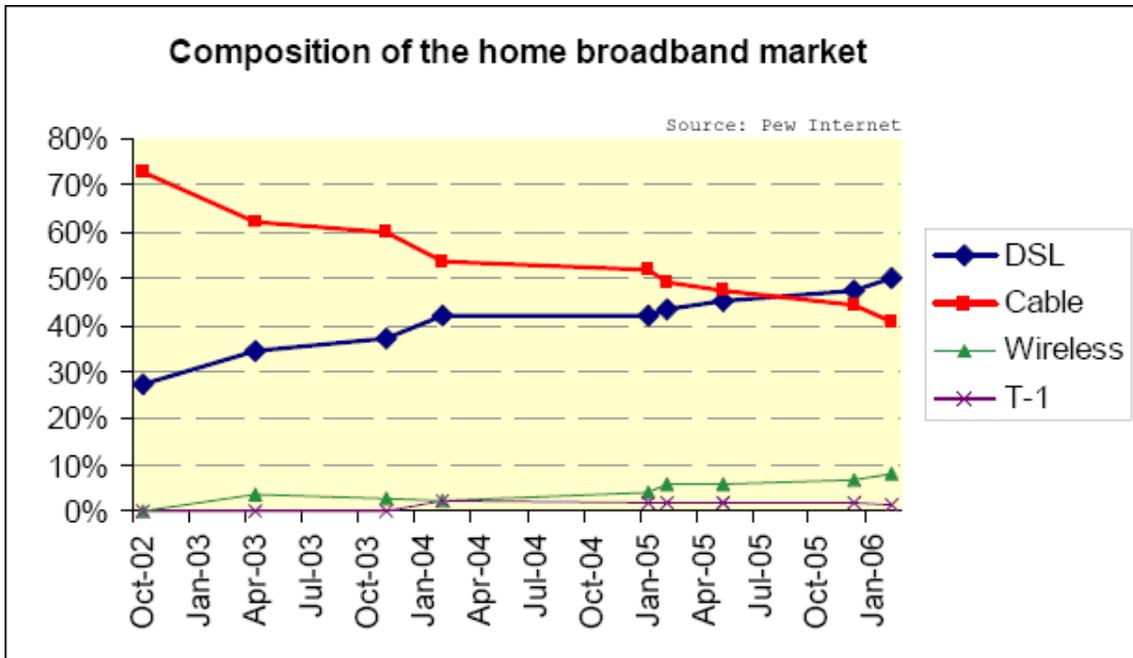


Figure 2: Home Broadband Composition Trend (US)

Source: "Home Broadband Adoption," May 28, 2006, used with permission

July 08, 2006 http://www.podcastingnews.com/archives/2006/07/podshow_updates_1.html

PodShow, which has come under heated criticism because the updated (because of the updated what?), has quickly updated their site to fix the problem.

Instead of linking to podcasters' original podcast feeds, PodShow was rewriting feeds, removing podcasters' copyright notices, and republishing them under PodShow URLs.

PodShow was quick to respond to the firestorm that erupted in response to the controversy. Yesterday, PodShow's Adam Curry noted that the company needed to fix some problems with the new version of the PodShow site, including the feed links. PodShow's feed links have been updated to point to podcasters' original podcast feeds.

"All xml icons on PodShow+ should now be hyperlinked to the original feed url," said Curry . "This also resolves the copyright re-writing issues."

"Silly mistake on our part," blogs . "Interesting presumptions from some folks." Some podcasters aren't laughing off the controversy, though.

"As expected, Podshow claimed it was a bug, and fixed it," said Geek News Central's, "but my opinion stands; if it was a bug, it was pretty big deliberate programming bug. You just don't strip and replace data without writing some lines of code to do that. But they did the right thing and made the change."

The republishing of podcast feeds under different URLs has been stopped because it can infringe on podcasters' copyrights, confuse listeners about the correct source for the podcast and make it impossible for podcasters to know how many people are subscribing to their podcast.

2. Marketing Conclusions

2.1 Achievable Marketing Objectives

We want to make a big impression on potential advertisers, strategic partners, sponsors, journalists, podcasters, and potential listeners at the podcast expo September 29-30, 2006.

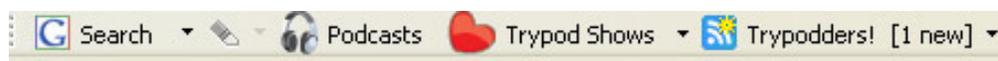
In August, we want to start a strategic partnership with a MP3(mp3 was what you used previously. If you want it to be MP3 instead, please change prior occurrences.) player manufacturer to:

- Bundle our podcasts on their products.
- Advertise on the Trypod Network podcasts.
- Do a collaborative promotional event at the podcast expo.

We can start distributing through third party vendors within the first three months of our funded launch to reach the cell phone service providers.

There are many periodicals, trade journals, and magazines that will distribute oururl and maybe even a CD filled with our podcasts to their readership as a service to them.

We have created a toolbar for our loyal listeners to easily find the content they want.



We are already in conversations with an airline about having the podcasts as part of the in-flight entertainment, as well as a car rental company about having a podcast CD inserted in all rental cars.

We have a goal of reaching 1 million downloads per month within the first six months after our funded launch. After obtaining this goal, we want to get a chain store sponsor such as gas stations and coffee cafes for distribution at their WiFi zones as a promotional activity for them. We can provide a unique URL for each sponsor campaign so as to run multiple campaigns simultaneously across the world. In this way, the content is produced once, and then the unique branding is done as a new skin for each campaign sponsor.

With the implementation of WiFi hotspots at these establishments, and a WiFi enabled device, people can automatically download the sponsored content.

Trypod Network plans on concentrating on the B2C and B2B podcast market, providing complete production and hosting distribution services.

2.2 Positioning

To younger, dissatisfied radio listeners who are technology savvy, Trypod is the podcast community that gives them the fresh listening content they are impatiently waiting for.

2.3 Financial Forecast

We currently have the ability to sell over 8 million ad spaces throughout our network and partnership with the Podcast Pickle. We currently have the ability to sell 2 million spaces, including the host talking about the product or sponsor, in the podcast show.

After our first round of financing, we can build our network's infrastructure to handle the capacity we need when we start our marketing campaign to increase traffic to the site. After three months of working on the infrastructure, corporate identity, marketing message, and strategic partnerships, we then can offer advertisers more reach that will be a sound investment on their part and not just experimentation in a trendy, new medium.

3. Marketing Strategies/Action Plan

Create strategic partnerships with gas stations, coffee places, and other WiFi high commuter traffic zones, to reach the commuter market. With the implementation of WiFi hotspots at these establishments, and a WiFi enabled device, people can automatically download the sponsored content. Also, to supply airlines with onboard/in flight content and rental car agencies with CD's of podcasts for listening and "gift".

Key Strategies

The following critical strategies will be pursued by the Trypod Network Inc:

- Build an infrastructure that can host 1000 podshows capable of massive traffic
- Hire the marketing company Brokaw to start working on corporate identity, media & PR campaign.
- Hire technicians
- Hire Shlomo Lax as CFO
- Search engine optimization
- Search engine marketing campaign
- Appoint advisers for intellectual property
- Seek new market segments such as commuters.
- In September 2006 we want to start a strategic partnership with a MP3 player manufacturer to: bundle our podcasts on their products. To advertise on the Trypod Network podcasts. Do a collaborative promotional event at the podcast expo.
- Locate offices in Israel and United States
- We want to make a big impression on potential advertisers, strategic partners, sponsors, journalists, podcasters and potential listeners at the podcast expo September 29-30, 2006.
- We can start distributing through third party vendors within the first 3 months of our funded launch to reach the cell phone service providers.
- There are many periodicals, trade journals and magazines that will distribute our URL and maybe even a CD filled with our podcasts to their readership as a service to them.
- Commission assessments of key markets
- Start participating in trade shows and expos
- Develop worldwide market entry plans
- Pursue strategic alliances with complementary players
- Strengthen web presence
- We are already in conversations with an airline about having the podcasts as part of the in flight entertainment.
- We are already in conversations with a car rental company about having a podcast cd inserted in all rental cars.
- We have created a newsletter and need to build up subscribers
- We need to do more cross promotion activities between shows and have a recommendation saying "if you like this show than you should find this other show enjoyable as well" in strategic locations.
- We have created a toolbar for our loyal listeners to easily find the content they want.

There is an incredible opportunity that just opened up. The only dominate player in this industry has just made a major mistake in hijacking podcasters content feeds and making them their own without their consent. Everyone is angry. This is the perfect timing for us to offer our better business model that works with podcasters as talented partners and not hobbyists. There is the second annual podcasting convention in late September where we can really capitalize on this misjudgment. The convention is really becoming a major event and companies like Nokia are going to be there, because people will download these podcasts to their cell phones. Also, because of their dominant position in the market, they are getting a lot of press coverage because this is a new hot media and they are the branded player. This presents us with a golden opportunity to ride the wave of their success. When blogging about ourselves we will include their name and thus when reporters are looking for material to write about them and the industry, we will get press exposure as well. A little money can go very far in this fertile environment.

Major Goals

The following key targets will be achieved by Trypod Network, Inc. over the next 3-4 years:

- Achieve sales of \$60 million by 2010
- Report annualized profits of \$18 million in 2010
- Secure 20% of the active listening segment by 2010
- Undertake an IPO by 2012
- Employ 84 people including 75% technically qualified by 2010
- Have sales offices or agents in 3 key markets before 2010 (US; Europe; Israel)

Strategic Action Programs

The following strategic action programs will be implemented:

1. CEO:

- Prepare comprehensive business plan and develop contacts to raise VC within 6-9 months.
- Publicity appearances and media contacts
- Recruit podcasts
- Work with Marketing/Advertising to obtain advertising revenue
- Seek new revenue/product alignments
- Oversee day to day operations

2. CFO: Recruit HR Director within 3-4 months.

3. CTO: Review R and D resources and scope for technical alliances - expand with arrival of VC.

4. Marketing Director: Coordinate all marketing campaigns and manage all vendors. Find advertisers.

5.. Board: Expand Board to include further independent financial, technical and industrial expertise prior.

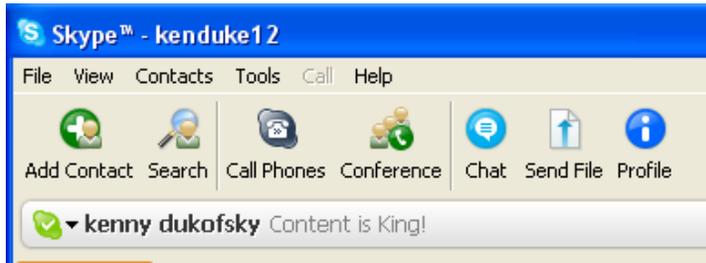
6.. All: Develop and implement accelerated market entry and development plans.

3.1 Main cooperative bodies

Retail chain stores such as gas stations and coffee shops and other WiFi high commuter traffic zones are great sponsors as well as strategic partners to distribute our content.

3.2 Product Development

We are going to try and develop a Trypod Network podcasting link on Skype during the first round of financing. They just announced availability of the Skype API, which will let developers build new applications and functionality on top of the platform.



An update on Skype's P2P voice over IP service, courtesy of Jeff Clavier:

- 13M+ users registered
- 1M+ simultaneous users reached for the first time a couple of weeks ago.
- 2,384,686,217 minutes served, as I type this - i.e. almost 2.4 billion minutes. Just to put things in perspective: Vonage has 170,000 customers and passed the billion minutes mark sometime in 2004.
- 295,000 users have signed for SkypeOut (Skype has a goal of 5% conversion from the free service to SkypeOut)

<http://www.wi-fi.org/news/mediaadvisory-071106-wifimostdesirable/en/>

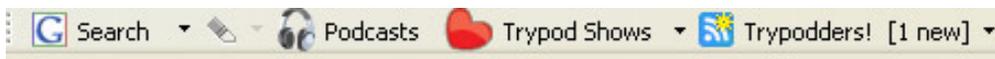
3.3 Marketing Activities

3.3.2 Distribution

The Trypod Network will distribute its content through its Web site and RSS feeds. It will also distribute through sponsors such as gas station, coffee and restaurant chains through WiFi. The url address of our podcasts can be put on printed disposable paper goods such as bags, cups, and napkins that are already being given out to customers of these establishments. The url can be unique to each chain, so that all advertisements are from that specific chain, for as long as they want to be a sponsor.

We can also form strategic partnerships with MP3 manufacturers to come bundled on their devices. We can distribute through radio and TV as well as "TiVo" type devices and set top boxes. Cell phones are going to be a popular way of obtaining podcasts— we can distribute through third party vendors to reach the cell phone service providers. There are many periodicals, trade journals, and magazines that will distribute our url and maybe even a CD filled with our podcasts to their readership as a service to them.

We have created a toolbar for our loyal listeners to easily find the content they want.



We are already in conversations with an airline about having the podcasts as part of the in-flight entertainment, as well as a car rental company about having a podcast CD inserted in all rental cars.

3.3.3 Pricing

We are advertisement and sponsorship supported and will charge current market rates. We will also offer a service of producing and distributing podcasts for commercially.

We are advertisement and sponsorship supported and will charge current market rates. We will also offer a service of producing and distributing podcasts for commercially.

3.3.4 Marketing Communications

We will create a whole marketing communications plan specifically for the Podcasting expo September 29-30, 2006.

Media Launch

To build the maximum amount of buzz and trial early, our media strategy for launching the Trypod Network involves a strong six-month blitz. The blitz will be targeted to multiple segments, including urban commuters and those demographic subsets who line up against Trypod's podcast content, i.e. parents. To achieve the maximum reach at the most efficient cost, we have focused on second-tier cities.

A total of \$9.5MM has been allocated to launch the brand into the general market. The plan includes national print vehicles, Out Of Home in key metro markets and Non-Traditional advertising. Out of Home provides broad reach to all A12+, while print generates product line frequency along demographic subsets. Non-Traditional aligns with those young, on the go adults most likely to be iPod or mp3 player owners and existing podcast users.

National Print - \$4,742,205

For the purposes of our media launch, we have divided the Trypod programming into three demographic subsets based on content.

W25-54 – Manic Mommies, The SG Show

M18-34 – I'm Right You're Wrong, Hometown Tales, Bitjobs for the Masses, Shelly's Podcast, The Podcast Pickle, The Instance, Extralite Radio

A18-34 – Hometown Tales, Isrealisms, Mostly Trivial, Comedy 4 Cast, Absolute Science, The Redboy Podcast, Me and the Bean, Jawbone Radio, The Big Show, For What It's Worth

Using these subsets, publications were selected based on content applicable to various podcasts. Busy Moms are apt to read *Working Mother* magazine. *Sports Illustrated*, *ESPN The Magazine* and *Playboy* appeal to the younger male interested in the music and sports featured within Bitjobs for the Masses or I'm Right You're Wrong. General Entertainment books such as *Entertainment Weekly* and *Us Weekly* provide blanket coverage across all adults 18-34.

Insertions have been staggered across the six month flight to maintain a consistent voice. Please note that all attempts will be made to marry editorial and advertising, therefore timing is not final.

Out of Home, Non-Traditional and PR - \$4,496,705

Ten mid-markets have been selected as Out Of Home markets. Markets were chosen based on population estimates, availability of inventory and the relative ease of adjustment. For example with minor tweaks, Dallas can be substituted for Houston; Cincinnati for Cleveland; Columbus for Madison, WI.

Each market's base plan element is a six month #25 Bulletin. Bulletins are traditional billboards typically seen at major intersections and city centers. #25 denotes a minimum of a 25% reach of A18+ within market.

To boost awareness in the first month of the Launch, additional non-traditional elements have been selected to reach both commuter and pedestrian traffic in urban centers.

Bus Kings – large panels attached to the sides of public busses

Interior Rail Cards – posters inside of subway or light rail cars

Bus Shelters - messaging attached to the inside of the glass, visible to both drivers and pedestrians

Truckside – delivery trucks outfitted with bulletin-sized advertisements driving and parking in highly congested areas

Please note that these non-traditional elements are just a sampling of available space. Other avenues include, but are hardly limited to: restroom advertising, coasters, floor panels, pushcarts, Segways, airports (terminals and in-flight), kiosks, malls and sporting venues. We may opt to swap out existing elements based on the availability and cost of these other non-traditional vehicles.

Also note that all costs are at this point rough and not negotiated. When we negotiate the buys, we will negotiate added value promotions, events and sponsorships that will provide a great opportunity to create buzz on a market-by-market basis.

3.4 Timetable

<u>Initiative</u>	<u>Cost</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>LAUNCH MONTH</u> <u>Month 4</u>
<u>Brand Definition</u>	\$56,000				
a. Analysis profile development of key users and target prioritization Podcasters Listeners/Non-Listeners Potential advertisers/sponsors					
b. Identification of early adopter profile to aid in targeting technology pioneers with media and messaging.					
c. Focus groups/One-on-Ones with targets outlined above to determine how the Trypod Network can address key issues					
d. Brand Brief, a guide for communication that spells out the situation or market landscape relative to Trypod, establishes what Trypod is doing to make a difference within that landscape and summarizes in a single sentence the role Trypod plays in the lives of the target.					
e. Identity Package to create a communications foundation and establish a look/feel for the Trypod Network brand. Brand Essence Video Identity Materials					

<u>Initiative</u>	<u>Cost</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>	<u>Month 5</u>	<u>Month 6</u>	<u>Month 7</u>
<u>Marketing Planning</u>	\$63,000							
a. Investor communications/solicitation program to help potential investors see the opportunities presented by the Trypod Network and motivate them to consider investing.								
b. Podcaster acquisition program to encourage potential podcasters to join the network.								
c. Advertiser/sponsor acquisition program to help potential advertisers and sponsors see the Trypod Network as an advertising opportunity they can't afford to miss.								
d. New listener acquisition program to attract new listeners.								
e. Listener retention program to make sure new listeners remain loyal listeners.								
f. Ideas for integrating alliance profiles – i.e., TiVo								

<u>Initiative</u>	<u>Cost</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>
High-Profile Launch Event/Program	\$44,000				
a. Isolation of relevant events for keynote speaker opportunity to announce the launch.					
b. Penetration and facilitation of speaking engagements at media seminars for agencies on the integrity and reach of buying the TryPod network for clients.					
c. Development and implementation of road shows to further expose awareness of the TryPod brand to appropriate client targets and media outlets.					
d. Definition title sponsorship programs and matching with relevant TryPod podcasts.					
e. Creation and distribution of viral vehicles to create awareness, i.e. entertaining .mp3 distributed through peer to peer email and the web.					
f. Identification of targeted media opportunities to create awareness.					

<u>Initiative</u>	<u>Cost</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>	<u>Month 5</u>	<u>Month 6</u>
<u>ONGOING MARKETING COMMUNICATIONS</u>	\$125,000						
Media Planning and buying							
a. Development of initial media plan targeting key users, using the profiles established above.		[Purple bar]					
b. Transition and refine plan as business grows (maintenance) to make sure the plan is continuously effective.			[Purple bar]				
c. Buy all agreed-upon media, negotiating value-added opportunities to increase the effectiveness of the plan.					[Purple bar]		
PR/Promotions							
a. Events/promotions to stir grass-roots, street level awareness of the Trypod Network.		[Dark blue bar]			[Dark blue bar]		
b. Media Tour to expose the media to the Trypod Network story and condition them to view Trypod's PR efforts favorably.				[Dark blue bar]			
c. Press Releases to alert the media to news and noteworthy developments in the growth of Trypod.		[Dark blue bar]		[Dark blue bar]			[Dark blue bar]
d. Sponsorships/partnerships to align Trypod's marketing efforts with other brands/marketers who are a good fit from both a brand personality perspective and a shared target audience perspective.		[Dark blue bar]					

Initiative

ONGOING MARKETING COMMUNICATIONS

Media Planning and buying

- a. Development of initial media plan targeting key users, using the profiles established above.
- b. Transition and refine plan as business grows (maintenance) to make sure the plan is continuously effective.
- c. Buy all agreed-upon media, negotiating value-added opportunities to increase the effectiveness of the plan.



PR/Promotions

- a. Events/promotions to stir grass-roots, street level awareness of the Trypod Network.
- b. Media Tour to expose the media to the Trypod Network story and condition them to view Trypod's PR efforts favorably.
- c. Press Releases to alert the media to news and noteworthy developments in the growth of Trypod.
- d. Sponsorships/partnerships to align Trypod's marketing efforts with other brands/marketers who are a good fit from both a brand personality perspective and a shared target audience perspective.



<u>Initiative</u>	<u>Cost</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>	<u>Month 5</u>	<u>Month 6</u>
<u>ONGOING MARKETING COMMUNICATIONS (cont.)</u>							
Execution							
a. Advertising, which may include traditional vehicles such as print and broadcast and non-traditional vehicles such as viral, online, guerrilla and web-based, to inspire and excite potential listeners as well as potential advertisers/sponsors.							
b. Collateral/Sales literature to support Trypod Network's sales team with professional materials that tell the Trypod story in a compelling way.							
c. Sales Training to make sure that Trypod's sales force is presenting tripod in a manner that is consistent with the brand's voice and personality.							
<u>TOTAL COSTS:</u>	<u>\$288,000</u>						

<u>Initiative</u>	<u>Cost</u>	<u>Month 7</u>	<u>Month 8</u>	<u>Month 9</u>	<u>Month 10</u>	<u>Month 11</u>	<u>Month 12</u>
<u>ONGOING MARKETING COMMUNICATIONS (cont.)</u>							
Execution							
a. Advertising, which may include traditional vehicles such as print and broadcast and non-traditional vehicles such as viral, online, guerrilla and web-based, to inspire and excite potential listeners as well as potential advertisers/sponsors.							
b. Collateral/Sales literature to support Trypod Network's sales team with professional materials that tell the Trypod story in a compelling way.							
c. Sales Training to make sure that Trypod's sales force is presenting tripod in a manner that is consistent with the brand's voice and personality.							
<u>TOTAL COSTS:</u>	<u>\$288,000</u>						

First Half 2007 Marketing Plan

Broadcast Week (Mon-Sun)	JANUARY							FEBRUARY							MARCH							APRIL							MAY							JUNE							Total Net Cost																		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11		12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Manic Mommies, The SG Show (W25-34)																																																													
I'm Right You're Wrong, Comedy 4 Cast, Hometown Tales, Bitjobs for the Masses (M18-34)																																																													
Shelly's Podcast, The Podcast Pickle, The Instance, Extralite Radio (M18-34)																																																													
The Redboy Podcast, Me and the Bean, Jawbone, The Big Show, For What It's Worth (A18-34)																																																													
Hometown Tales, Isrealisms, Mostly Trivial, Comedy 4 Cast (A18-34)																																																													
P4CB)																																																													
Working Mother Magazine (Circ - 825,000)																																																\$ 175,800													
Parents Magazine (Circ - 2,200,000)																																																\$ 411,000													
Child Magazine (Circ - 1,020,000)																																																\$ 195,150													
Blender Magazine (Circ - 630,000)																																																\$ 213,450													
Rolling Stone (Circ - 1,300,000)																																																\$ 414,780													
ESPN The Magazine (Circ - 1,850,000)																																																\$ 525,000													
Sports Illustrated (Circ - 3,150,000)																																																\$ 435,840													
Playboy (Circ - 3,100,000)																																																\$ 440,580													
Wired Magazine (Circ - 575,000)																																																\$ 173,295													
Business Week (Circ - 970,000)																																																\$ 298,500													
Fast Company (Circ - 725,000)																																																\$ 199,470													
Entertainment Weekly (Circ - 1,700,000)																																																\$ 831,060													
US Weekly (Circ - 1,400,000)																																																\$ 843,060													
People Magazine (Circ - 3,400,000)																																																\$ 1,369,650													
173.7 A18+)																																																													
#50 30-Sheets																																																\$ 420,000													
#25 Bulletins																																																\$ 390,000													
3,361.7 A18+)																																																													
#50 30-Sheets																																																\$ 450,000													
#25 Bulletins																																																\$ 420,000													
684.3 A18+)																																																													
#50 30-Sheets																																																\$ 300,000													
#25 Bulletins																																																\$ 282,000													
798.3 A18+)																																																													
#50 30-Sheets																																																\$ 210,000													
#25 Bulletins																																																\$ 270,000													
lis (2,538.9 A18+)																																																													
#50 30-Sheets																																																\$ 228,000													
#25 Bulletins																																																\$ 270,000													
(2,823.7 A18+)																																																													
#50 30-Sheets																																																\$ 300,000													
#25 Bulletins																																																\$ 240,000													
158.4 A18+)																																																													
#50 30-Sheets																																																\$ 360,000													
#25 Bulletins																																																\$ 300,000													
,322.4 A18+)																																																													
#50 30-Sheets																																																\$ 240,000													
#25 Bulletins																																																\$ 210,000													
(1,987.8 A18+)																																																													
#50 30-Sheets																																																\$ 450,000													
#25 Bulletins																																																\$ 480,000													
(2,054.4 A18+)																																																													
#50 30-Sheets																																																\$ 246,000													
#25 Bulletins																																																\$ 228,000													
Subtotal																																																	\$ 13,792,635												
Production																																																	\$ 215,000												
Grand Total																																																	\$ 14,007,635												
Budget																																																	\$ 9,500,000												
Difference																																																	\$ 4,507,635												

3.5 Yearly Budget

\$60,000 for yearly conventions

\$35,600 for Google ads ppc

\$288,000 for a two year comprehensive marketing plan by an award winning marketing agency.

\$9.5 million for print and outdoor and non conventional advertising

4. Marketing Management

4.1 The Managerial team

Creative Director – Len Peralta is the owner and operator of Nobbynees Ltd, a marketing-design company he founded in 2002. In the 15 years previous, Len worked as an advertising copywriter, an associate creative director, and as a professional cartoonist/illustrator. Len also hosts ‘Jawbone Radio,’ another one of Trypod Network’s top podcasts.

Director of Marketing and Sales – Kenneth Dukofsky, MA Communication Arts, is a creative marketing manager with 15 years experience. He was the product marketing manager for Zone4play and was influential in driving the stock 150%. He has management experience in media companies such as Nielson NRG, NDS, Zone4play, IDT, Doublefusion, and Pyramedia.

4.2 Milestones

- 2 months after funding have all existing podcasts on our servers.
- Begin work on listener experience.
- 3 months after funding, secure first major advertiser.
- 6 months after funding, have enough podcasts to separate into channels
- Receive multiple sponsors for different packages
- 8 months after funding explore different revenue options (production, universities, etc)
- 1 year after funding, have 1,000 podcasts

4.3 Success Criteria

- Hitting milestones
- Marketing campaign gets Trypod in all major media
- Successful listener community. Create a “Trypod listener”
- In-flight entertainment choice for major airlines
- Universities' choice for podcasting lectures
- Become the standard for quality podcasts