



AUGUST 2009 NEWSLETTER

INVESTMENT NEWS

Metaversum's online start-up **Twinity** received a **€4.5m round of financing** to further develop its virtual 3D cities. The funding will be used for refining its hugely successful virtual Berlin beta project and for launching Twinity's virtual cities of Singapore and London as well. Twinity's new venture is being backed by existing investors Grazia Equity and Balderton Capital, who have been joined by the BFB BeteiligungsFonds, BC Brandenburg Capital and KfW, who manage public funding authorized by the "Investitionsbank des Landes Brandenburg".

The recently launched German online gaming platform **gimigames** has attracted an undisclosed **six figure** amount of **first round funding** from **DuMont Ventures**. The gimigames platform run by its creator Christian Weiß will combine skill-, social- and multiplayer gaming with a transparently bankable strategy.

Last month Spain-based start-up **eRepublik** scooped up **€2 million in Series A** funding from **AGF Private Equity** for a **MOSS** (massive online social strategy game). In the past, the company had received around **€750,000 in seed** funding from the venture capital firm AGF and a group of business angel investors.

The **Spain-based** collaborative **online travel guide iwannagothere.com** has raised start-up funding from three user-centered digital design agencies this year. The **unconventional** investors are **Manifest Digital** from Chicago, **InUse** from Malmö and Madrid-based company **The Cocktail**. The new start-up rolled out its first beta version this year, targeting the English speaking market. The funding is being used for aggressive content and functional expansion. The unique site is a BLOG, social network, file sharing platform and route planner at once.

The online DVD rental company **Lovefilm** is still **debating on an IPO launch**. According to Reuters, Lovefilm has received serious buy-out offers from private equity firms like **Silver Lake Partners** and **Kohlberg Kravis Roberts & Co**. Lovefilm, **partially owned by Amazon** and valued at approx. €230m, is the largest **online DVD rental** company in Europe operating in the UK, Germany, Denmark, Sweden and Norway.

MARKET NEWS

This year's DISCOP EAST 09 closed on a positive note

The **DISCOP EAST international content market** that took place in **Budapest at the Sofitel Hotel** between June 16th and 19th brought positive results for a brighter future. A steady total of 1542 people attended the market. The number of participants was only slightly down by about 180 heads compared to 2008. Over 580 companies were represented. DISCOP East's managing director Patrick Jucaud was pleased with the results. Enough multiplatform media content professionals from Central, Eastern Europe, and Eurasia attended the one day **DISCOPRO** conference and did business during the three day market. German seller **Bavaria Media** sold substantial programming to Romanian broadcaster TVR. Ricus Jansegers, SVP of International Programming and Scheduling at ProSiebenSat 1, said that the status quo called for "feel good" formats. Top Hungarian production houses like **Interaktiv Brand Factory** offered the innovative branding solutions needed to make solid content fly. It seemed like trendsetting buyers and investors resolutely closed quality deals in valiant defiance of the global economic downswing.

The **DISCOP EAST 09** general program offered private screenings of recently produced and **innovative television content** targeting the **markets of Central, Eastern Europe, and Eurasia**. DISCOPRO offered an **HBO Central Europe** sponsored platform for pitching sessions in the co-production forum. Speed networking events were organized for buyers and sellers of finished programs, bankable formats and packaged TV deals. A popular feature of **DISCOP** was the **online platform** accessible by all market participants. Besides having access to a classic market phone book, the attendees had online access to **interactive meeting planers** and could browse through a databank of registered participants with their offerings explained in detail. A one year subscription to **DISCOP LINK** gives everyone the chance to **follow up** on each other.

CASE STUDY

Twinity's virtual models make the brick and mortar world more tangible

Twinity gives itself a unique edge by following a simple path that differs completely from those taken by online worlds like Second Life. Instead of merely giving away its 3D online platform for pure fantasy and make-believe worlds, Twinity virtually re-creates the real world, making brick and mortar life even more tangible. Its technology will increasingly lend the user the ability to defy geographical limitations by instantly teleporting their realistic avatars to carbon copies of restaurants, clubs, stores and real estate developments, giving people a better idea of what they can expect of a location and its offering before they actually physically see the place of interest.

Twinity Partnership Structure

Partners can open their own business or franchise in Twinity. Whether it is a cash business or a real estate professional interested in trading, investing or exhibiting real estate developments existent or non-existent in the brick and mortar world. Twinity offers commercial partnerships, strategic partnerships and developer partnerships for the more involved commercial partner.

Commercial members may own up to 50 real estate units which may be apartments, shops, restaurants or night clubs. They may open shops and sell virtual products through Twinity's shop function. A shop license is acquired for each additional shop. Commercial members are listed in Twinity's yellow pages and can advertize in the Twinity Event Calendar. Commercial real estate unit owners using their property's real world commercial address receive a 50 % discount on the monthly membership fee.

There are currently no monthly commercial membership fees during the beta phase. There will also be a transaction fee on all virtual sales.

Developers make active and frequent contributions to the commercial development of Twinity's early web presence on a larger scale. Twinity developer membership is free, but members must be a commercial member to join the developer program. All Twinity developers receive access to all of the needed info and tools to get started as well as a listing in the Twinity Developer Directory.

Online community networks working in cooperation with Twinity are forged through Twinity's **strategic partnerships** with institutions, municipalities, and important players in the sectors of marketing, distribution, media content and entertainment.

Why is there a market for Twinity?

- Creating an online model of the world is a sustainable and ongoing lifetime venture. The market is expanding as online users will increasingly use 3D platforms like Twinity to virtually preview locations before physically entering them.
- Virtual online worlds will grow proportionately with everyday advances in broadband, 3D and online technology.
- Marketing opportunities with low entry costs; exploitation potential for businesses in recreating real locations in realistic virtual cities
- Attractive partnership deals

What is attractive to investors about the Twinity business model?

- A vast revenue market through branded content, advertising and product placement.
- Revenue through licensing and online transaction fees on all virtual sales
- Immense resale value of equity for investors who get involved early
- Expanding market with ongoing international expansion as the Twinity portfolio of international cities grows