

Interactive Video Entertainment for the 21st Century.

#### The 18-34 "Joystick Nation" – coveted by Madison Avenue – expects control of their broadcast and broadband entertainment. For maximum ROI, content must be interactive, on-demand, and mobile:

### The VantEDGE System: Live 360° Interactive HD Video

Imagine the movie "The Matrix", but real - no special effects - and interactive.

VantEDGE is an advertising/content engine that will help producers & networks make more money from the same content.

Clients who said they would buy or lease a 360 HD system after having used 360's SD VantEDGE system or seen its video and/or reviewed the system's specifications:

- Vancouver Winter Olympic Games\*
- NBA\*\*
- NHL\*\*
- 2010 NFL Super Bowl\*\*
- Division I NCAA
- Hard Rock Casino
- 2011 Pan American Games

- FIFA 2010 World Cup\*\*
- MTV Canada
- UFC\*\*
- Televisa
- RSNs
- Local TV affiliate in #2 U.S. market
- \* Contract awarded \*\* Contract submitted
- VantEDGE is the first broadcast camera technology that can <u>simultaneously</u> capitalize upon the interactive potential of broadband:
  - 1. Its 1080p HD digital video output can be used to produce any TV, cable, satellite or broadband telecast, just like any other camera,

#### But because 360's pixels are smart,

2. Online and on-demand, fans can click on VantEDGE video to control their own point-of-view - in 360°.

Plus on tablets & smart phones – "Video at your fingertips": Where viewers control <u>live</u> 360° video on-screen, Redefining what it means to "engage" with content – and Commanding a premium from Advertisers.

- VantEDGE produces a live broadcast that delivers a 360° bird's-eye view of the action. Rock concerts are perfect for 360 – U2's most recent world tour was called *The U2 360° Tour*. Basketball and Ice hockey are naturals
- VantEDGE is a ring of cameras, mounted on PTZs, whose video is collected and rendered in real-time by proprietary software. It is not the number of cameras nor their configuration that drives the system – it is the software that:

**a.** Synchronizes each camera's movement, *and then* **b.** Renders the HD video in real-time.

The genius of the 360 camera system is that it can be sized to fit any venue. The number of cameras and their placement is independent from how the system works: Installed over a concert stage or boxing ring (mobile), or mounted around the circumference of an arena or stadium (fixed).

- The entire system all the cameras move in unison and are controlled by joystick. The video can be either broadcast on-air or online, or it can be stored in the Cloud.
- **Based upon feedback from NBA & NHL teams and arenas**, the VantEDGE 360 technology is positioned to generate revenue from sales, leasing, and a share of broadcast, broadband and mobile revenues.

360 seeks strategic/financial partners to help fund its system's upgrade from SD to HD: Upgrade includes cameras, computers and related hardware, & staff; and Two commercial systems deployed for maximum broadcast exposure of 360's interactive video content.

(see "Strategic Plan", page 7)

#### July 3, 2012 **The Wall Street Journal**

Sponsors now commission their own interactive content to engage a prized demo. Content produced by 360 is already interactive, which will save advertisers time, money, and increase their marketing ROI - and improve revenues for producers and networks at the same time.

B8 | Tuesday, July 3, 2012

THE WALL STREET JOURNAL.

## **MEDIA & MARKETING**

# **Olympics Sponsors Go for the Young**

Coke, Other Marketers at the Games Work to Draw in the Digital Generation as Brand Ambassadors

#### BY MIKE ESTERL

The Olympics are all about youth, except when it comes to the viewers.

While many deep-pocketed companies leap at the chance to become sponsors, the large television audience they will reach at this summer's Games in London starting July 27 skews older than the teens and 20-some things whom marketers usually seek out.

Longtime Olympics sponsor Coca-Cola Co. says the average viewer of summer Games television broadcasts is more than 45 years old in developed countries,



LONDON sult, TV ads increasingly are just parts of much more elaborate campaigns.

Sponsors are leaning heavily Facebook, Twitter and iPhones to not only reach more young people but turn them into brand messengers in the high-stakes game. Eleven top corporate sponsors, including Coke, have paid the International Olympic Committee a combined \$957 million in marketing rights for this summer's London Games and Vancouver's 2010 winter Game

Coke, an Olympics sponsor since 1928, is trying to lure the YouTube generation with tools to create music videos that combine a company-commissioned song with personal photos and sports sound effects. The customized music video-book-marked with images of Coke bottles-can be shared by posting it on Coke's Facebook page or com-pany website. Users also can post their song to their own Facebook page or tweet the link more broadly.

Coke started by commissioning a song, "Anywhere in the World," by Grammy Award-winning producer Mark Ronson and U.K. singer Katy B that incorporates rhythms and sounds ath-letes make, whether in table tennis or volleyball or other movements of five Olympic



Coke's 'Move to the Beat' app, above, lets smartphone users remix its commissioned Olympics song, 'Anywhere in the World,' which is sung by Katy B and uses rhythms from athletes. At right. London gets ready for the Games.

hopefuls including U.S. hurdler David Oliver and Singaporean ar-cher Dayyan Jaffar. It also produced a video of the song being performed with the athletes at a London concert, having invited thousands of young people to attend through Twitter. The song and video—which

also include images of fans holding Cokes and a half-full bottle beside a table-tennis net—were unveiled in February. Free software lets desktop users remix musical beats and Olympic sports sound effects to create new versions of the music video, also weaving in users personal photos from their Facebook pages. Smartphone users can download a mobile application allowing them to remix the song even more, includ-ing software that captures the sounds of them moving their phones in different directions

and turns them into beats. More than 3 million such music videos have been posted already as part of Coke's "Move to the Beat" Olympic marketing campaign. The videos can be



Coke also is building a two-story, 70-foot diameter "Beat Box" in London that visitors can walk through and create a new remix of "Anywhere in the World" by touching different panels. The hope is that the re-mixes will be downloaded into martphones and forwarded to friends.

"If it's just about us, that's not going to be the secret for-mula for long-term success," said Joe Tripodi, Coke's chief marketing officer.

Another Olympics sponsor, Visa Inc., has a "Go World" campaign that urges fans to post video "cheers" on the company's Facebook page and YouTube channel. Some of those cheers will appear in TV commercials during the Games.

The International Olympic Committee has launched a

"Hub" website that helps fans find Olympians' social-media postings, including their tweets. Facebook and Twitter recently coached U.S. Olympians on how to use social media at the invitation of the U.S.

Olympic Committee. Since the 2008 Games, the number of Facebook users has soared from about 100 million to more than 900 million. Fans on Coke's Facebook page have surged above 43 million, roughly a 40-fold increase in four years. The number of Twitter users has jumped to about 140 million from roughly 1 million over the same period. Coke, which wasn't tweeting in 2008, now has more than half a million Twitter followers.

Consumers also are using their cellphones to do more. Global mobile broadband subscriptions jumped 60% in the past year to reach 1.1 billion industrywide, according to communications company Ericsson AB. Nearly one in two Americans has a smartphone, compared with one in 10 in 2008, estimates Forrester Research

Coke says more than 50 million of its customers have signed up to receive marketing emails or text messages; it hopes to recruit millions more by offering mobile Olympic updates

Not every campaign has gone according to plan, including Samsung Electronics Co.'s Ge-nome Project, which maps connections between Facebook us-ers and Olympians. Eighteen former and current Olympians including Mark Spitz and Jackie Joyner-Kersee, sued Samsung in April, alleging the company used their names and images without their consent. An attorney for the plaintiffs said the athletes are in settlement talks.

Samsung, declined to comment.

And technology still has lim-its. Ramadan, the Islamic month of fasting, begins a week before the London Games get under way July 27.

Coke says it won't be activating its Olympic marketing campaign in the Middle East, defer-ring to religious tradition.



April 30, 2012 The Wall Street Journal

"Content Control v360"

Latest TVs designed for 360-style interactive content.

## **Portable 360 Video System: Theater Configuration**

# Permanent 360 Video System: Arena/Stadium Configurations



# 360's Business Model

- **A.** Similar to IMAX, a company that also markets a proprietary video camera technology that generates revenue from:
  - Hardware sales/leasing
  - Software licensing and related fees
  - Royalties/Commissions/Revenue sharing
- B. Better than IMAX, since 360's:
  - 1. Hardware is off-the-shelf, less expensive, and not proprietary;
  - 2. Venues already exist no expensive building/theater design required; and
  - 3. <u>Content</u> is distributed electronically over the airwaves, live and on-demand.

	IMAX	360
Hardware sales/leasing	0	Ο
Software licensing fees	0	Ο
Royalties/commissions	0	0
Growth potential: Audience	Limited. Content exhibited at unique locations at specific times. Box office & concession revenues are limited to no. of theaters + tickets sold/theater.	Unlimited. Content dist'd electronically to any screen at any time, maximizing potential ad royalties & commissions.





## – Strategic Plan





Venue/content revenue illustration — Staples Center: Revenues from Hardware Sales/Leasing • Software Licensing • Ad Royalties/Commissions



- On-air: Increased Sponsorship value 360° POV captures more in-venue signage that regular cameras can't.
- In-venue: Enhanced Ticket value Every seat is now the best seat in the house.

Teams' Revenues > \$500MM/yr

 Social/Twitter: Drives audience to the living room

> **Mobile** Smartphones/Tablets: "New TV"

Broadcast New/Add'l ad units to Improve/Protect revs

Drives 360 TV creates ratings "Wow" factor

> 360° video creates a virtuous cycle with increasing value:

lgnites social nets Interactive 360 VOD fans interest

18-34 "Joystick Nation" expects control of their entertainment, anytime & anywhere

<u>"Engagement" Premium:</u> 360 adds value to digital ads / broadband subscriptions / apps

### Today's digital audiences expect 21st C. technology: 360 improves/protects TV ad revenue

#### Media Revenue > \$200MM/yr

\$MMs	NAT'L	LOCAL/RSN
Lakers	<b>31</b> <sup>1</sup>	<b>200</b> <sup>1</sup>
Clippers	<b>31</b> <sup>1</sup>	<b>25</b> <sup>2</sup>
Kings	<b>6</b> <sup>3</sup>	<b>21</b> <sup>4</sup>

Total home games >350 hrs/season

• Video broadcasts "in 360" can be streamed "in 360" as well. AND, that

 Same video live/on-demand gives viewers control of their own POV

### Broadband

Empowers fans to control POV

The 360 *VantEDGE system* is the first <u>broadcast</u> technology that can *simultaneously* capitalize upon the full potential of <u>broadband & mobile</u>: 360's potential revenue, Staples Center: \$5MM-\$10MM per year = at least \$14K /hr.

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## The 360 Team

<u>THE 360 TEAM</u> is comprised of veteran Technology and Media & Entertainment executives with broad and deep domain experience in building profitable and innovative enterprises:

ROLE/Responsibilities	CREDENTIALS
<ul> <li>PRESIDENT and CHIEF TECHNOLOGY OFFICER</li> <li>Michael Brown</li> <li>Technical &amp; product development</li> <li>Operations management</li> </ul>	Company founder & Inventor of patent-pending VantEDGE 360° camera technology. 15+ years of technology R&D experience. Sold profitable managed hosting company to fund development of 360 technology. Former VP/Operations of 3D interactive online gaming company with 6MM players: Managed programming ops/development teams for all properties, and business development in all technical fields. Forté is software engineering and architecture.
CHIEF EXECUTIVE OFFICER Glenn Norman • Strategic planning • Business development	Former CEO of pioneering digital media production & distribution company that launched the first broadband sports net in 2000, with nat'l and int'l Olympic & Pan Am sports competitions for global multimedia distribution. Extensive experience in int'l sports mkt'g and broadcast production & operations. • Centennial Olympic Games: Marketing Director responsible for sales & management of Games' telecom portfolio today valued at \$300MM: 100% value-in-kind, these assets had direct impact on Games operations. Developer of \$250MM Athletes Village during Atlanta's Olympic bid campaign, incl'g overall project management, budgets, operations & HR planning. BA, Emory University; MSM, Georgia Tech.
<ul> <li>CHIEF FINANCIAL OFFICER</li> <li>Bill Schink</li> <li>Financial operations, controls, and reporting; budgeting and forecasting; capital raising; and investor relations.</li> <li>Commercial contracts</li> </ul>	Senior financial executive with broad-based financial and strategic experience working with a wide variety of companies across the spectrum of media, communications, and entertainment; total deal value/portfolio > \$3BB. Responsibilities have included new business development; budget development, forecasting, and monitoring operating results; negotiating contracts and financial documents; raising growth capital; and developing and maintaining relationships with private investors and investment partnerships. BA, Yale University; MBA, Tuck (Dartmouth College).
CHIEF MARKETING & COMMUNICATIONS OFFICER Jim Badonsky • Marketing communications & sales strategy; Tactics & execution. • Design & direct production of B2B/B2C	Award-winning advertising executive with campaigns created and managed for many high-tech companies including IBM, Siemens, Cox Communications, AT&T, ADP, and Scientific Atlanta, and Olympic sponsor Coca-Cola. BFA, University of Akron.



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