

**MUSIC DOWNLOADS  
MUSIC VIDEOS  
MOVIES  
GAMES  
BOOKS  
TV  
RADIO  
MEMORABILIA  
SPORTS  
INSTRUMENTS  
UPLOADS  
TICKETS  
& MORE!**

**CONFIDENTIAL**



**TITAN GLOBAL ENTERTAINMENT, INC.**

**BUSINESS PLAN**



**Titan Global Entertainment, Inc.**  
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Suite 200  
Miami, Florida 33161  
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Fax (305) 893-0059  
[www.titan-entertainment.net](http://www.titan-entertainment.net)



**This document contains information about the company's strategic business focus which is extremely confidential and highly proprietary. In no event shall this document be copied or distributed without the prior written consent of Titan Global Entertainment, Inc.**

### *The Portal*



**Contact: Jim Pugh- CEO**

***Titan Global Entertainment, Inc.***

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***MUSIC/VIDEO DOWNLOADS  
MOVIES  
GAMES  
BOOKS  
TV – RADIO  
CELEBRITY MEMORABILIA  
SPORTS  
INSTRUMENTS  
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**TOTALLY COMPELLING CONTENT AVAILABLE FOR A CONTENT HUNGRY WORLD!**





## EXECUTIVE SUMMARY

### **TITAN GLOBAL ENTERTAINMENT, Inc.**

(OTC: PK "TGLE") founded in 2001, reversed into a Colorado public corporation on November 18, 2005 and is traded on the Pink Sheets. The company is based out of Miami, Florida.

Titan was originally developed as an artist management and music publishing company, it is comprised of 3 integrated divisions - Titan Universe - a network of digital (& physical product) entertainment portals syndicated through branded media websites - Pyramid Records - a recording company, and OMNI - distribution of new, state-of-the-art portable digital a/v devices via on-line and retail.

In 2004, the Company refocused its primary direction and business model to include digital and physical distribution of entertainment in virtually every form. Our goal is to become the largest aggregator & distributor of digitally available audio & video entertainment content and programming in the world.

Titan is specialized in ubiquitous audio & video digital distribution through a wide distribution network including strategic distribution partnerships with Radio Stations & Networks, TV Stations, ISP Portals, Cable MSO's and a wide variety retail and affinity websites PLUS its state of the art web portal – [www.titanuniverse.com](http://www.titanuniverse.com).

The Titan distribution provides virtually every worldwide consumer of content access to an aggregation of highly-demanded worldwide as well as, localized content PLUS access to state-of-the-art technology in interactive delivery of entertainment content. Titan Universe is an aggregating media center that provides the user with a one-stop-shop environment in for all their entertainment needs.

The Titan Universe provides the customer with the ability to obtain a wide selection of localized content as well as the ability to utilize the technology offered to members in supporting their full entertainment needs. Users select from the media center main menu the type of entertainment portal they wish to enter.

The Titan Universe will offer consumers a huge collection of the following....



**Music**



**Radio**



**Movies**



**Animation**



## ***TITAN CONTENT AGGREGATION MODEL***

All of the media and entertainment experts and pundits agree..."CONTENT IS KING! Titan's Content Aggregation model is multi-faceted, it includes: The Licensing of music from all of the major labels, from major movie studios and independent film companies and cable channels., TV shows from major & independent production houses plus the acquisition of amateur content from "community" portals, viral solicitation of content, acquisition of music, film,& animation lifestyle sites, contests. Add this to our unique technical ability to enable content creators to upload their music and films for sale on the Titan Universe network sites and you have a huge complement of compelling content.

## ***CONTENT OVERVIEW***

**3,000,000 Music Downloads**  
**Audio In every format imaginable...**  
**100,000 Video Downloads**  
**Music videos**  
**TV Shows**  
**Movies**  
**How-to's**  
**Instruments & Software**  
**20,000 Game Rentals for every system**  
 - delivered to your door  
**5,000+ Movie Rentals including every**  
 - major movie available on DVD  
**5000+Movies & Video to Burn**  
**600,000 Books & Books on CD**



## ***MARKETING ADVANTAGES***

**AGGREGATOR OF COMPLETE ENTERTAINMENT**  
**EXCLUSIVE CONTENT**  
**SINGLE PAGE DELIVERY PORTALS**  
**ONE-ON-ONE REAL TIME ADVERTISING INSERTION**  
**INDEPENDENT ARTIST CONTENT WITH BILLBOARD CHARTING**  
**FULL SCALE MERCHANDISING**  
**DRM ON CONTENT BASIS NOT LIBRARY**  
**DISTRIBUTION PROGRAMS**  
**ARTIST ROYALTY CARD PAYMENT PROGRAM**  
**HARDWARE AGNOSTIC**



**Concerts**



**VOD**



**Memorabilia**



## ***TITAN CONTENT AGGREGATION MODEL...CONTINUED***

Titan's strategic & tactical models for both aggregation and distribution are to form strategic partnerships based on revenue sharing for both content and distribution. To facilitate massive content aggregation in virtually every content category, Titan has entered into several long-term syndication and distribution agreements.

To secure an enormous library of downloadable music in virtually every music genre, Titan has entered into long-term license agreements with all of the major recording labels, including Sony, universal, Warner music, capital EMI, and a large number of independent labels In the U.S. In addition to approximately 3 million audio selections for download, Titan is currently working with recording labels in Europe and in Asia to secure licensing for content in virtually every nationality.

Besides recording labels, Titan has secured [on an exclusive basis], virtually every music video ever produced through its strategic partnership with Billboard. In addition to the 47,000 music videos licensed through a Billboard, Titan has an aggregated a vast collection of classic television shows, sports videos, how-to's, and movies. Add to that reports from the Hollywood Reporter's star power, and you have an extremely well-rounded content library.





## ***TITAN NETWORK DISTRIBUTION MODEL***

For the Titan Entertainment portal (and its network affiliates) to have the widest appeal & reach to motivate and sell consumers, it will include every possible digital form of downloadable entertainment possible plus the ability to purchase and rent Movie & Games, buy physical CD's & DVD's, books, celebrity memorabilia and merchandise, And in addition it will have upload capabilities for amateur content producers (garage bands & budding video producers) to distribute and market their very unique content.

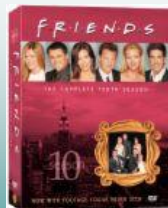


In addition to its' main portal Titan (in order to facilitate ubiquitous distribution) is currently consummating "co-branded" long-term distribution contracts for the inclusion of a Titan "microsite" (co-branded with the affiliate) to be "built into" network affiliate sites. We are projecting inclusion into upwards of 2000 plus network affiliates in the US and worldwide), Radio station groups (through Interrep Radio – CBS, Infinity, ABC, Cumulous Radio, etc.), TV – (Winstar Interactive & World Now), cable, satellite TV & Radio, ISP's, magazine and newspaper publishers and a vast number of retailer (audio/video entertainment & electronics) portals.



These media and retail affiliate partners are eager to expand their non-traditional revenue sources by offering their audiences and customers all of the content and programming only available in a "one-stop" shop with Titan. Additionally we are aggregating content from our network affiliates for inclusion in the Titan Universe. Our network affiliates will share in a portion the revenue derived from sale of music video and merchandise sold & rented on their sites. The formula for affiliate revenue-sharing is as follows - 50/50% after cost and 7% for processing.

**The Titan Universe will offer consumers a huge collection of the following....**



**TV Sitcoms**



**Games**



**Books**



**Streaming**





## ***TITAN NETWORK REVENUE SOURCES***

The Titan Universe portal (which will be integrated into the network affiliates web site) is designed to have a wide range of available entertainment products and services, all of which have multiple revenue sources. The goal of Titan Universe is to be an ultimate entertainment destination for virtually every form of audio & video entertainment.



Even though the main reason for consumers to come to Titan Universe is for the download of audio and video content, by having virtually every element of digital and physical entertainment available, there will be a compelling reason for the consumer to come back again, and again.

Titan will enjoy a substantial revenue sharing in the sale of physical DVD's and CDs, books, memorabilia, amateur content up loads, game and movie rentals, electronics, tickets, musical instruments and other general merchandise that will be incorporated into the portal through our strategic partnerships with other mass merchandisers.



As an integral part of each download, there will be an insertion of a five- second advertiser commercial message – potentially attached to the head and/or tail of each segment.

In addition to these aforementioned products and services will be the integration of advertising, sales promotion and contesting campaigns for major national advertisers. Each Microsite will also have advertising availabilities for video banners, skyscrapers and other ads. We will also market bulk downloads as promotional merchandising for major advertisers. Old game and movie rentals and direct marketing products that are sold and fulfilled will include couponing, sampling and merchandise offers.

Additional Titan Universe revenue sources include local contesting, database sales, remarketing, ring tones, local market promotions and market research.

Titan universe (and its network) will be promoted through its network affiliates and through on-line, TV, radio, contesting, PR, email campaigns and traditional means.







### ***TITAN/PYRAMID RECORDS***

Titan/Pyramid traces its genesis to 1989 with the founding of Pyramid Records Group when Tony Martel, Vice President of Sony, proposed to Allen Jacobi, its President, that he run an independent label distributed by Sony Music. Jacobi signed Joe Walsh of the Eagles for the company's first release. The title track from Walsh's album "Ordinary Average Guy" became a #1 single on the rock radio charts upon its release through Sony. The availability of an enhanced arrangement lead the company to sign a new distribution agreement with Rhino Records, a Warner owned and distributed company in 1993.

During the following 8 years, artists such as Earth, Wind and Fire, The Band, The Doobie Brothers, Robert Palmer and other superstar classic rock groups were signed and released by the company.

In 2004 a next generation Pyramid was launched with Jacobi at the helm through Universal distribution. Its first release under this arrangement was Bridge to Havana in July of that year. The album featured such renowned artists such as Gladys Knight, Bonnie Raitt, Mick Fleetwood, Peter Frampton, Dave Koz, Brenda Russell and many others combined with the top artists in Cuba, such as members of the Buena Vista Social Club, Carlos Varela and Los Van Van. The project consists of a studio album CD and a concert film DVD sold separately and in a combination box set. The album went to #3 on the Billboard World Album Chart and the concert video was televised nationwide on PBS. The album sold more than 30,000 in its first four months of sales. In September of that year, a studio album from urban songstress Lalah Hathaway was released. By December 50,000 units were sold and the single went to #1 on the Urban A/C radio charts. The Company will create not only audio product, but also live concert DVD's. This will give us exclusive content for the website as well as create another revenue stream within the fastest expanding segment of the music industry, the home DVD market.

#### **Pyramid Label Brand**

**Known as a "Classic" Group Record Label**

**20+ Artists under Distribution Contract**

**Approved for Third Party Distribution**

#### **Titan Label Brand**

**Grass Roots & Local Bands Digital Distribution**

**Joint Venture Private Label with Established Artists**

**Joint Venture with Other Labels on a Project Basis**





## TECHNOLOGY & OMNI ELECTRONICS

Titan has contracted through several long-term strategic partnerships with several highly noted software development companies for Titans technological infrastructure. Titan Global Entertainment has developed the technology and philosophy that the convergence of the music industry has arrived with the introduction of video to portable music devices.

Titan will launch the most exciting music internet portal designed and built by Wide Group Digital Motion, the company responsible for building web based solutions for Bank of America and AOL. In addition, Wide Group was the group that provided the animated website design for Shrek and Mission Impossible II among others.

Titan will also simultaneously launch the Titan Omni I, a portable go anywhere device that holds 80 hours of video, 740 hours of audio or 200,000 still photos (40 GB using the latest compression technology). TGE has entered into an agreement with Video Without Boundaries (OTCBB: VDWB), a public company located in Boca Raton, Florida, that has manufactured the Omni I for Titan. The Omni II Series will add the components of wireless internet connectivity, text messaging and cellular telephone.

The entire Titan model is built upon financial solutions provided by strategic partners who provide financial solutions for the International Banking Industry. Our financial platform provides instantaneous payment at the conclusion of each transaction directly to the providing label, publisher and artist, if so requested.



**Omni 60 - \$499**  
**Omni 100 - \$699**





## COMPANY MILESTONES

<b>In Legal Awaiting Funding</b>	
Sony US Content Licensing Agreement	In Legal
Universal Content Licensing Agreement	In Legal
Warner Brothers Content Licensing Agreement	In Legal
Syndicated Radio Distribution Agreement	In Legal
EMI Content Licensing Agreement	In Legal
Telemundo Private Label	In Legal
WinStar Marketing	In Legal
Burn2Own – Movie Content & Cross Marketing	In Legal
Net Zero	In Legal
Virgin Digital	In Legal
Television Made for Internet – Tom Holland	In Legal
SU Set Top Box Acquisition	In Legal
Go2Music Network Acquisition	In Legal
<b>Scheduled</b>	
Vision Media Television & Radio Marketing Campaign	Q1 2007
Hollywood Reporter's hit movie song collection release date	Q1 2007
LA singer/songwriter Heather Bradley solo CD "Kaleidoscope" release date.	Q1 2007
Platinm artist Public Enemy Autralian Live Tour on DVD	Nov 2006
Platinum artist Snoop Dogg's CD and Video "Drop It Hot" release date	Nov 2006
Joint Venture with platinum artist Ty Herndon release date.	Oct 2006
Billboards Video Hits featuring the top artists in each genre release date.	Oct 2006
The Answer, a renowned rock band Ireland, US release date.	Oct 2006
Kevin Samples CD "Screamin' For More" release date.	Oct 2006
Joe Patrick's CD "I'll Know When I Get There" release date.	Oct 2006
Skant Bone's CD "4 Seasonz" release date.	Oct 2006
<b>Historical</b>	
American Capital Venures – IR & Fund Raising	9/01/2006
ASP Media Holding – Germany Set Top Box Manf & Distributor	9/01/2006
Alliance Entertainment Corporation – Merchandising	8/31/2006
Netstamp, Inc. – IR Services	8/30/2006
Interep Digital Media Distribution Agreement – Radio Stations	8/22/2006
Wellstone Financial Placement Agreement	8/10/2006
NBS Media Agreement	8/01/2006
Insytcom, Inc. Hotel & Resort Distribution Agreement	7/26/2006
Pink Sheets Financial Reporting Service Agreement	7/25/2006
Equity Story AG – Germany IR/PR	7/19/2006
Ty Herndon Signed as Joint Venture Artist	7/10/2006
New Portal with Interactive Merchandising Launched	6/27/2006
Jumbo Tron Launch Advertising	6/25/2006
DSBN – NYC Jumbotron Advertisement	6/21/2006
Capital Growth Financial – Private Placement Fee Agreement	6/16/2006
AIM Capital Fund Raising Services	6/16/2006
VIP Call Center Service Agreement	6/12/2006
Universal Scheduled Release of Billboard DVD's	6/12/2006
VIP Creative Solutions – Independent Bands Distribution	6/12/2006
Fédération Internationale de Football Association- Girls From Hawaii	6/08/2006
Friedman, Cohen, Taubman & Company CPA Audit Firm	6/07/2006
Jackson Dance Music LLC – Artist Distribution Agreement	6/07/2006
NorStar Marketing Group Contracted	6/01/2006



Charly Films LLC – Exclusive US Artist Distribution Agreement	6/01/2006
Billboard Content Contract	5/23/2006
MUZE Extension Agreement	5/23/2006
Hollywood Reporter Top 100 Movie songs	5/23/2006
Interviewed by Wall Street	5/01/2006
Stephen Stills Spring Concert Tour	4/30/2006
Selected Omni product line and Receipt of Prototypes	4/30/2006
SAV Productions – Artist Distribution Contract	4/28/2006
Interviewed by Wallstreet.net	4/24/2006
Released Digital Distribution Program	4/24/2006
Acquired Hardware for Data Center	4/15/2006
Outlandish Artist Distribution Agreement	3/29/2006
5W PR Firm Hired	3/21/2006
Waterville Research Contract	3/13/2006
Listed on Frankfurt Stock Exchange	3/10/2006
Interviewed by Wall Street Reporter	3/21/2006
Released Portal	3/15/2006
Omni Launch	3/15/2006
Wide Group Source Code Hand Off Agreement	3/03/2006
Xirene Hosting Contract	2/17/2006
Billboard Exclusive Distribution Top 100 Video Bundle Package	2/17/2006
Video Without Boundaries – Inventory Depletion Contract	2/16/2006
Dr Harris / Galaxy Entertainment Distribution Agreement	2/15/2006
Joe R&B Spokesperson Contract	2/11/2006
Ira Miller Fund Raising	2/06/2006
Leonard Marshall Strategic Marketing Advisory Board Agreement	1/23/2006
iWatchNow Content License Agreement	1/19/2006
Incredible Discoveries TV Commercial Production & Marketing	1/16/2006
VC Intermediary, LLC – Fun Rasing	1/14/2006
Tyman Caruso Gross & Associates – Accounting Service	1/02/2006
Trinity Communications Cable LOU Agreement	12/19/2005
Bobby Axelrod engaged as Company SEC Attorney	12/19/2005
Akamai Streaming Contract	12/14/2006
Orchard Independent Song Content License Agreement	12/06/2005
Fredericks Entertainment Distribution Agreement	11/30/2005
U.M.G. Recording/Distribution Agreement	11/30/2005
Titan/Pyramid Merger	11/30/2005
Titan Reverses into Public Shell	11/18/2005
Char Tunes, Inc.	10/24/2005
RelationServe US Internet Marketing Contract	10/06/2005
Vision Entertainment Media Group	10/05/2005
Da-Labull, Inc. Distribution Agreement	9/16/2005
Wolfe & Goldstein Corporate Legal Counsel	8/19/2005
Muze Database License Agreement	8/03/2005
Wide Group Portal Modification Agreement	7/25/2005
Big East Records LLC/MCS Entertainment LTD	7/11/2005
Realm Music Group	6/28/2005
Cumming Entertainment Group	6/18/2005
Stephen Stills Talking Elephant Foreign Licensing Agreement	4/25/2005
Wide Group Modification of Agreement	4/4/2005
The Invisible Recording Agreement	3/29/2005
Titan / Pyramid Promo Only	3/21/2005
Paramount Media Marketing Group-Media Placement	3/14/2005





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China Shop Records	3/14/2005
Paramount Media Marketing Group-Direct Inquiry Sales	3/9/2005
Stephen Stills Three Party Agreement	3/3/2005
Jim Pugh BOD Member Agreement	3/1/2005
Universal Distribution Contract	3/1/2005
Southside Star Entertainment	2/23/2005
VMB Medial Player Manufacture and Purchase Agreement	2/23/2005
VMB Network Content Distribution Agreement	2/23/2005
iMethods Binding Interim Agreement	2/17/2005
ASCAP License Agreement	2/8/2005
BMI License Agreement	2/1/2005
The Barkays Recording Agreement	1/6/2005
iMethods Card Services Agreement	12/7/2004
Heather Bradley Recording Agreement	10/14/2004
Wide Group Web Portal Agreement	7/28/2004
Caliper Design Website Valuation Report	6/1/2004
Stephen Stills Recording Agreement	3/15/2004



## COMPANY BUSINESS STRUCTURE

### Board of Directors

James Devericks  
Jim Pugh  
Michael Manocchio

### Business Divisions

**Music Division**  
Managed by Michael Mancchio and Allen Jacobi. Division is an independent record label.

**Entertainment Distribution Division**  
Managed by Jim Pugh, Michael Mancchio and Allen Jacobi. This Division focuses on acquiring content.

**Handheld Mobile Division**  
Managed by Jim Pugh and Michael Mancchio. This Division focuses on the design, manufacturing and distribution of handheld mobile devices.

**Foundation**  
Managed by Jim Pugh and Michael Mancchio. Foundation supports marketing to Colleges and Universities.

### Advisory Boards

**Strategic Marketing**  
Laurence Norjean  
- CEO NorStar Entertainment Media  
  
Marc Guild  
- President Marketing Division, Interep, Inc.  
  
James P. Mazzarella  
- Chief Information Officer, Interep, Inc.  
  
Leonard Marshall  
- Consultant Sports Marketing

**Technology**  
Layne Polsin  
- CEO Blusun LLC  
  
David Rogers  
- CTO Blusun LLC



## DETAIL PRODUCT DESCRIPTIONS

### *Titan/Pyramid Records*

In October of 2005, Pyramid Media Corp., a 15 year label, merged with Titan Global Entertainment. The company was immediately successful in obtaining a distribution deal with Universal Music and Video. This distribution arrangement provides the Company with the ability to provide signed or unsigned artists with the ability to obtain retail distribution; a feature not offered to other labels. Through it, we will be able to work with grass roots artists in moving them from their local environment to mainstream distribution. Currently, we are implementing the following projects.



- Stephen Stills solo “Man Alive” CD. Stephen is the legendary artist from Crosby, Stills, Nash and Young. In retail stores now.
- The Band CD’s “Jericho and High on the Hog” were released in February 2006 and in retail stores now.
- Skant Bone’s CD “Welcome to My World” was released in March 2006 for digital distribution.
- June Rochelle’s CD “Changing Places” was released in April 2006 and in retail stores now.
- Sha Na Na’s CD “One More Saturday Night” was released June 2006 and retail stores now.
- Gisti’s CD “How About That” will be released in August 2006.
- Skant Bone’s CD “4 Seasonz” will be released in October 2006.
- Platinum artist Snoop Dogg’s CD and Video “Drop It Hot” will be released October 2006
- Joe Patrick’s CD “I’ll Know When I Get There” will be released in October 2006.
- Kevin Samples CD “Screamin’ For More” will be released in October 2006.
- The Answer, a renowned rock band Ireland, will be released in the United States in October 2006.
- Billboards Video Hits project featuring the top artists in each genre will be released in October 2006. This is an exclusive collection of hits distributed through Titan.
- Joint Venture with platinum artist Ty Herndon. This project is the first in a line of established artist JV’s creating their own label. Ty’s “Right About Now” CD will be released in October 2006.
- LA singer/songwriter Heather Bradley solo CD “Kaleidoscope”. To be released first quarter 2007.
- Hollywood Reporter’s hit movie song collection project featuring the top songs by the performing artists will be released at the end of 2006. This is an exclusive collection of hits distributed through Titan.

Titan has developed a unique distribution program for grass roots bands. The program was launched in June 2006 and provides every artist that meets the content requirements for distribution. Titan offers a guaranteed worldwide digital distribution contract. This program is the first that offers local bands the ability to compete head-to-head with main stream bands. Billboard will create an independent band chart that will chart the sales and airplay just like signed artists today. The charting system will reflect the top 100 independent bands on a local, regional, national and international basis. The top bands by genre will compete in contests sponsored by corporate sponsors with the winners receiving traditional recording contracts.

### *Entertainment Electronic Distribution*

Titan Universe is an aggregating media center that provides the user with a one-stop-shop environment in for all their entertainment needs. The Universe provides the customer with the ability to obtain a wide selection of localized content as well as the ability to utilize the technology offered to members in supporting their full entertainment needs. Users select from the media center main menu the type of entertainment portal they wish to enter. The following entertainment is supported by Titan Universe.

- Music & Music Videos – [www.titantunes.com](http://www.titantunes.com)





- Radio – [www.titantunes.com](http://www.titantunes.com)
- Syndicated Radio – [www.titantunes.com](http://www.titantunes.com)
- Movies
- Television Sitcoms
- Games
- Books
- Live and Delayed Television
- Concerts
- Video on Demand

The Universe provides its corporate sponsors and members with the following technology.

1. Global Entertainment Marketing Exchange – Allows for product upload and sales through the membership.
2. Provides users with localized, national and international content.
3. Allows users to customize their portal. This provides the user with a maximized experience.
4. Users can access all of their entertainment through a single page portal that eliminates the multiple page issues. Also keeps the user interest not losing 57% buyers due to multiple page processing.
5. Creates the ability to have full interactive entertainment experience. Combines content delivery with merchandising.
6. Provides advertisers the ability to obtain one-on-one advertisement placement.
7. Allows users to interact with their entertainment center providing by direction functionality (downloads and uploads). Users can have the Universe become their entertainment storage facility. Users can upload personalized content. They can share it with others.
8. Members purchased content is automatically stored in their personalized portal. This feature allows users to access their content anywhere an Internet connection exists. This opens the door to create a mobile distribution that does not have to store on a local drive but only to access the Internet.

### ***Titan Tunes***

#### ***Worldwide Download Audio & Video Internet Portal***

Titan Tunes' delivery portal is the cornerstone of Titan Global Entertainment's worldwide music presence. It was developed by Wide Group Digital Motions and owned by the Company. The website is designed and built to provide users with the ability to customize the look and feel creating a personalized design and a feeling of total control over the experience. Our single page navigation design concept and fixed viewing screens keeps all of the controls at user hand providing the simplest and most comfortable experience available in the marketplace. This will differentiate our online music store from all others. This general concept will reduce the amount of steps making the purchase process an easy, fast and secure one. Just like iTunes, this site will not only offer a vast selection of music and audio but will take the revolutionary next step and will also feature music video.



#### **Background:**

Most websites that provide the option for online purchase have a system involving a large amount of steps. This results in more than half of the consumers (57%) abandoning the shopping cart before finalizing the purchase. Titan Tunes' unique design has differentiated itself from the rest of online music stores reducing the amount of steps providing the user with a new online buying experience making the purchase process an easy, fast and secure one while never leaving the Titan Tunes page.

#### **Distinguishing Differences:**

Titan Tunes will not only sell music and video, but will also sell artist merchandise of all types from T-Shirts and hats to jackets and gifts. This merchandise will be provided from both Titan artists, independent artists and other licensed third party merchandisers approved by the company.





Titan has acquired music publishing licensing from the American Society of Composers, Authors and Publishers (ASCAP) and Broadcast Music Incorporated (BMI), for the rights to stream and sell music video and audio through the internet.

Our licensed financial solution is unlike any other music portal, the financial transactions will have bank level security and instantaneous revenue reporting and payment to the various copyright holders, i.e. record labels, artists, etc. This feature is particularly attractive to record companies and other property rights holders in that they will be able to go online at any time 24/7 and observe the transactions that have taken place and the amounts of money that have been deposited into their account. Other portals render monthly, and in some cases quarterly statements, and tender payment on the same basis. Titan Tunes offers the record labels the ability to sweep the account on a daily basis should they desire. This is the most secure internet financial transaction available. As a result of this patented technology, which instantly converts the sale price of any purchase to any currency, Titan Tunes will launch globally and will be able to accept payment from 88 countries around the world.

### Mobile Handheld Distribution

We offer a wide range of handheld multi-media devices for the various markets. While the Company is not positioning itself as a technology company, we understand and have embraced the market need in providing access in the ever growing mobile delivery marketplace. We will bring to market five different handheld units fulfilling the various market needs. A synopsis of the products follows:



- MP3 player with a 512K flash memory.
- MP3 player with a 2 Gig flash memory.
- Bi-directional audio & video player. 2.5 inch HD quality screen with WIFI.
- Bi-directional audio & video player. 4.3 inch HD quality screen with Bluetooth.
- High-end bi-directional audio, video and game player. 4.5 inch HD quality screen. Wireless, WIFI, Bluetooth.

Titan has partnered with Video Without Boundaries (VWB), a public company located in Ft. Lauderdale, Florida, to manufacture the Titan Omni product line. No other portal features music video and audio downloads in conjunction with a multi-media player.

Each Omni will be pre-loaded with between 20-25 audio selections and 2-3 video selections at no charge. These will come from the music division's catalog and will include music from diverse genres such as Hip Hop, Rock, Classic Rock, Jazz, Reggae and Country. The package will also include free downloads from the Titan Tunes website as well as discounts and special offers on accessories, etc. By prominently featuring the Titan Tunes website on and inside the packaging, the consumer will realize that the Titan Omni will have a pre-existing link to a world of entertainment. The iPod, with only single image picture viewing capabilities and a 40 GB hard drive sells for \$599, the Titan Omni with full video capabilities and other features beyond the iPod will sell for \$499. We will also be offering a full array of accessories. As a result of VWB's existing distribution system, the Omni will be available through retail outlets coast to coast from Circuit City to Best Buy and will also be featured online on the Titan Tunes website.

Future generations of the Omni will offer the additional features of wireless internet connectivity, video game playing capabilities and a cellular telephone. As a result of technology already developed, the next generation will be smaller, despite the additional features.

VWB manufactures and sells the Media Ready 4000; a media center that provides television viewing, web browsing and other features utilizing a wireless keyboard. This unit is now available in Best Buy, etc. and will soon be joined by the Media Ready 5000, which will include the added features of DVD and CD player/recorder. As part of the relationship between Titan and VWB, VWB has entered into a license agreement with Titan for its content and will revenue share from any downloads or any e-commerce that originates from other VWB products.



## Omni Versus Ipod

Unit:	MiniSport	Ipod-Shuffle	MiniMax	Ipod-Nano	Omni30	Ipod- 30	Omni60	Ipod-60B	Omni100	Ipod-60B
<b>Price:</b>	<b>\$99</b>	<b>\$69</b>	<b>\$199</b>	<b>\$149</b>	<b>\$299</b>	<b>\$299</b>	<b>\$499</b>	<b>\$399</b>	<b>\$699</b>	<b>\$399</b>
<b>Storage Capacity:</b>	512 MB	512 MB	2 GB	1 GB	30 GB	30 GB	60 GB	60 GB	100 GB	60 GB
<b>Song Capacity :</b>	120	120	240	240	6,000	7,500	15,000	15,000	20,000	20,000
<b>Photo Capacity:</b>	7,500	N/A	15,000	15,000	25,000	25,000	50,000	50,000	80,000	50,000
<b>Vido Capacity:</b>	Over 5 hours	N/A	Over 10 hours	N/A	Over 75 hours	Over 75 hours	Over 200 hours	Over 150 hours	Over 200 hours	Over 150 hours
<b>Display:</b>	2.5"	N/A	2.5"	1.5"	3.5"	2.5"	3.5"	2.5"	3.5"	2.5"
<b>Remote Control:</b>	N/A	N/A	N/A	N/A	✓	N/A	✓	N/A	✓	N/A
<b>Digital Video Recorder (DVR)</b>	✓	N/A	✓	N/A	✓	N/A	✓	N/A	✓	N/A
<b>Video Playback:</b>	✓	N/A	✓	N/A	✓	✓	✓	✓	✓	✓
<b>Built-in Audio Recording:</b>	✓	NA	✓	NA	✓	NA	✓	NA	✓	NA
<b>Audio I/O Built-in stereo speakers &amp; microphone.:</b>	✓	NA	✓	NA	✓	NA	✓	NA	✓	NA
<b>Included Accessories:</b>										
Ear bud headphones,	✓	N/A	✓	N/A	✓	N/A	✓	N/A	✓	N/A
USB Power Adapter	✓	N/A	✓	N/A	✓	N/A	✓	N/A	✓	N/A
Carrying Case	✓	N/A	✓	N/A	✓	N/A	✓	N/A	✓	N/A
Car Adapter	✓	N/A	✓	N/A	✓	N/A	✓	N/A	✓	N/A
External Speakers					✓	N/A	✓	N/A	✓	N/A
A/V cables							✓	N/A	✓	N/A
<b>Supported Digital Audio Standards:</b>	MP3, WMA, WAV	AAC M4A, M4B, M4P, MP3 VBR, Audible WAV	MP3, WMA, WAV	AAC M4A, M4B, M4P, MP3 VBR, Audible WAV, AIFF	AAC, WMA, MP3 and Ogg	AAC M4A, M4B, M4P, MP3 VBR, Audible WAV, AIFF	AAC, WMA, MP3 and Ogg	AAC M4A, M4B, M4P, MP3 VBR, Audible WAV, AIFF	AAC, WMA, MP3 and Ogg	AAC M4A, M4B, M4P, MP3 VBR, Audible WAV, AIFF
<b>Ports/Connectors:</b>	USB 2.0, RCA 3-in-1 AV input, RCA 3-in-1 AV output, stereo headphone jack, USB 2.0, SD Slot	USB 1.1, 2.0	USB 2.0, RCA 3-in-1 AV input, RCA 3-in-1 AV output, stereo headphone jack, USB 2.0, SD Slot	USB 2.0 through dock connector	USB 2.0, RCA 3-in-1 AV input, RCA 3-in-1 AV output, stereo headphone jack, USB 2.0, SD Slot	USB 2.0 dock connector; headphone jack	USB 2.0, RCA 3-in-1 AV input, RCA 3-in-1 AV output, stereo headphone jack, USB 2.0, SD Slot	USB 2.0 dock connector; headphone jack	USB 2.0, RCA 3-in-1 AV input, RCA 3-in-1 AV output, stereo headphone jack, USB 2.0, SD Slot	USB 2.0 dock connector; headphone jack
<b>Battery:</b>	Rechargeable via USB cable AC/DC Adapter Rechargeable Lithium Battery 7.4V 1360mAh rechargeable Li-Ion	Charge through your computer's powered USB port or an optional USB Power Adapter	Built-in rechargeable lithium ion battery. Rechargeable via USB cable	Charge through your computer's powered USB port or an optional USB Power Adapter	Built-in rechargeable lithium ion battery. Rechargeable via USB cable	Charge through your computer's powered USB port or an optional USB Power Adapter	Built-in rechargeable lithium ion battery. Rechargeable via USB cable	Charge through your computer's powered USB port or an optional USB Power Adapter	Built-in rechargeable lithium ion battery. Rechargeable via USB cable	Charge through your computer's powered USB port or an optional USB Power Adapter



## **OMNI Accessories**

Actively merchandising new and exciting accessories will be done primarily through the TITAN TUNES Store. It will allow users a greater range and selection of customizable features that will enhance their OMNI experience. In Addition to the Items that are listed below we will offer 3<sup>rd</sup> party licenses of approved OMNI accessories. This will allow us to diversify the type of accessories that we will be able to offer.

**Camera Piece** **\$49**

- Record your own MPG4 Movies
- Light Weight & Removable

**Designer Earpiece** **\$69**

- A stylish way to enjoy your music privately

**Adjustable Neck Strap** **\$29**

- Display your Omni proudly with a functional and attractive nylon neck strap

**Work Out Holder** **\$79**

- Water resistant design keeps the earbuds out of your way and access to controls

**Leather Carrying Case** **\$69**

- Various Designer Colors & Styles

**Auto & Motor Cycle Dock** **\$99**

- Take your OMNI on the road for the best listening and viewing experience on the road

**Stereo Unit** **\$149**

- Enhance the already powerful speakers to make impact where ever you are

**Home Docking Station** **\$79**

- Allows you to connect multiple inputs through the

**OMNI's purchased online will generate on average  
a minimum of ~ \$ 150 in accessories.**

## **COLLEGE MENTORSHIP PROGRAM**

### **College Mentorship Program - 840,000 students on 28 Campuses**

The ability for students to find an effective way to truly break into the Music industry has opened up for many more likely artist and producers. The Prevalence of technology as a means of delivery and actual production makes music more attainable by event the most novice of users. With all the technical ability out in the world there is still no real way for students to get a real exposure of the business side of the new music industry. Connections and professionalism rise above all else in the music industry. The old quandary of "How do you get experience without having experience?" is about to get turned over on its ear.





### Program Overview

Titan Global Entertainment Inc. has designed a program based on The College Intern Programs that work in Most Major Labels today. However we have altered this program to involve the Interns in Promoting, Selling, and working in an A&R function, while being trained in various capacities of the Music Business, and having an opportunity to start their career in the Music Industry after completing College. These are steps and programs to be used by Titan Global Entertainment Inc.

Juniors or Seniors with prior course work in a specific area may undertake an independent study in order to explore a focused topic in depth. It is essential for them understand the relationship of their educational experience as well as their work experience.

For secondary education students we will offer them the ability to develop their business industry skills through our mentorship program.

### Objective

The program will give students hands on training in all areas that encompass the business side of the industry. This includes sales, press, retail marketing and merchandising, radio promotions, tour support for artist and A & R (artist development).

We will include a well rounded program that will further develop both the creative and business talents of the students. Students will be selected for the Mentorship Program from technical schools, colleges, and universities.

### Marketing

To expose students to all aspects of music, we will offer musical instruction and for students looking to further develop their skills and learn the business aspects through our mentorship program.

Tie in the website with a tour of all the top Downloads per campus.

#### East Coast Universities

1. Florida Atlantic University
2. American U- Washington, DC
3. Appalachian State U.- Boone, NC
4. Belmont U- Nashville, TN
5. City College of NY- NYC
6. Hampton U. Hampton, VA
7. Miami Dade JC- Miami, FL
8. McGill U- Montreal, CA
9. Middle Tennessee State U. - Murfreesboro, TN
10. NYU- NYC
11. Northeastern U- Boston, MA
12. Shenandoah U. Winchester, VA
13. U of Mass.- Lowell, MA
14. U of Memphis- M
15. U of Miami- Miami, FL
16. U of New Haven- New Haven, CT
17. U of NC at Asheville- Asheville, NC

#### Central Universities:

18. Butler U- Indianapolis, IN
19. Central Missouri State U.-Warrensburg, MO
20. Elmhurst College- Elmhurst, IL
21. DePaul U. -Chicago, IL
22. U of Texas- Austin, TX
23. U of Colorado- Denver CO





24. Baldwin- Wallace College-Berea, OH

West Coast Universities:

25. Cal. State U- Chico, CA  
26. UCLA- Los Angeles ,CA  
27. USC .- Los Angeles, CA  
28. U of California at Berkeley- Berkeley, CA

National Collegiate Network

**Commercial Music Schools**

Students and universities involved in the P2P system will have access to all the new music created all around the various schools in the US. The can collaborate on projects and learn from each other. This P2P platform will allow these student artist's to create, sample and enjoy all kinds of music that is original and innovative.

**Colleges & Universities**

The ability for students to participate in the collaborative aspect of the P2P system is limited to schools with a commercial music program. Still any institution that wishes to license the service can. They will have access to most of the same music files that the commercial programs have, but they are limited to listening only.

**Profit Sharing**

University's that participate in the program will receive a portion of the royalties in the form of technology and security advancements.

Technology

*Upload / Download Service*

Our exclusive technologies will allow our student interns to upload a potential artist EPK (electronic Press Kit) for review and critique. Song clips, artist bios, pictures and album artwork will all be available to review and critique.

*Media Player*

All students that participate at the highest level will receive a digital music player that allows the students to capture and share music over a secure system.

*Encryption*

As an added precaution for the students all the data and Meta data is encrypted with a time delay sequence that will render any illegal copying ineffective



## MARKETING ANALYSIS

### Survey Online Video Viewing

In a recent published survey by “Online Publishers Association” called From Early Adoption to Common Practice: A Primer On Online Video Viewing analyzed the viewing habits of 1,241 Internet users between the ages of 12 to 64 they determined the following:

- Watching video online is becoming routine; at least one in four viewing at least weekly.
  - 5% Daily users = millions of desirable customers
- News and entertainment are among the most frequently watched online.
- Viewers go to multiple destinations for videos then surf for more.
- Online video viewers have attractive demographics.
- Online video viewers are cross-media consumers.
- Viewers are receptive to video ads and driven to act.
- Consumers are willing to pay for online videos to get freedom of access.

### TOP 20 COUNTRIES WITH HIGHEST NUMBER OF INTERNET USERS

#	Country or Region	Internet Users, Latest Data	Population ( 2006 Est. )	Internet Penetration	Source and Date of Latest Data	% Users of World
1	United States	205,326,680	299,093,237	68.6 %	Nielsen//NR Jan/06	20.1 %
2	China	111,000,000	1,306,724,067	8.5 %	CNNIC Dec/05	10.9 %
3	Japan	86,300,000	128,389,000	67.2 %	eTForecasts Dec/05	8.4 %
4	India	50,600,000	1,112,225,812	4.5 %	C.I.Almanac Mar/05	5.0 %
5	Germany	48,721,997	82,515,988	59.0 %	Nielsen//NR Jan/06	4.8 %
6	United Kingdom	37,800,000	60,139,274	62.9 %	ITU Oct/05	3.7 %
7	Korea (South)	33,900,000	50,633,265	67.0 %	eTForecast Dec/05	3.3 %
8	Italy	28,870,000	59,115,261	48.8 %	ITU Sept./05	2.8 %
9	France	26,214,173	61,004,840	43.0 %	Nielsen//NR Jan/06	2.6 %
10	Brazil	25,900,000	184,284,898	14.1 %	eTForecasts Dec/05	2.5 %
11	Russia	23,700,000	143,682,757	16.5 %	eTForecasts Dec/05	2.3 %
12	Canada	21,900,000	32,251,238	67.9 %	eTForecasts Dec/05	2.2 %
13	Indonesia	18,000,000	221,900,701	8.1 %	eTForecasts Dec/05	1.8 %
14	Spain	17,142,198	44,351,186	38.7 %	Nielsen//NR Jan/06	1.7 %
15	Mexico	16,995,400	105,149,952	16.2 %	AMIPCI Nov/05	1.7 %
16	Australia	14,189,557	20,750,052	68.4 %	Nielsen//NR Jan/06	1.4 %
17	Taiwan	13,800,000	22,896,488	60.3 %	C.I.Almanac Mar/05	1.4 %
18	Netherlands	10,806,328	16,386,216	65.9 %	Nielsen//NR June/04	1.1 %
19	Poland	10,600,000	38,115,814	27.8 %	C.I.Almanac Mar./05	1.0 %
20	Turkey	10,220,000	74,709,412	13.7 %	ITU Sept./05	1.0 %
TOP 20 Countries		811,986,333	4,064,319,458	20.0 %	IWS - Mar.31/06	79.4 %
Rest of the World		210,876,974	2,435,377,602	8.7 %	IWS - Mar.31/06	20.6 %
Total World – Users		1,022,863,307	6,499,697,060	15.7 %	IWS - Dec.31/05	100.0 %



NOTES: (1) World Internet User Statistics were updated as of March 31, 2006. (2) Data for users in individual countries and regions may be found by clicking each country name. (3) Population numbers are based on data contained in the world-gazetteer page. (4) The most recent user information comes from data published by Nielsen//NetRatings, ITU, and other trustworthy research sources. (6) Data from this site may be cited, giving due credit and establishing an active link back to InternetWorldStats.com. (6) For definitions and navigation help, see the Site Surfing Guide. ©Copyright 2001-2006, Miniwatts Marketing Group. All rights reserved.

## **Mobile Television Coming To A Cell Phone Near You** **Robin Good and Kevin C. Borgia -**

### **TV on mobile phones**

If you haven't yet noticed mobile television is rapidly becoming a reality encompassing the Internet, traditional TV and the new grassroots revolution taking place across all media.

**Colonized in its early stages** by the large funding provided by traditional telcos or by partnerships with traditional media houses, the first mobile television services are already counting some millions subscribers when you add to the US, the fast growing adoption rate of mobile TV services in Asian countries like Korea, Japan and even China.



The disruptive marketing potential of accessing video through mobile devices can be largely underestimated for lack of previous historical or cultural parallels.

### **Not only.**

The emerging grassroots production and distribution of highly personalized, niche content will likely deliver some quite tangible blow to traditional TV networks dominance as the most popular media source watched on video.

**Mobile television is now available** on mobile phones in the US and test marketing is being conducted on the viability of the technology worldwide.

So while still in its infancy, TV could indeed soon become an integral part of your mobile phone experience.

**Service providers are currently testing** various content-delivery styles (broadcast or on-demand), and there are many start-ups already working around new ideas on how leveraging grassroots originated or aggregated content to carry some commercial value for all parties involved.

As Java, Flash and other multimedia mobile operating platforms are now well established, and as 3G and 4G mobile networks make their inroads into Europe, Asia and the US, using your mobile to watch live events, news information or old-time home recordings uploaded to your online infinite personal storage space, are more than likely to happen.

According to an article on TechnologyReview.com, Clay Owen, a spokesperson for Cingular, an American cellular service provider already offering TV in select markets, said *"TV on the cell phone is OK now, but it's going to get dramatically better later this year when the networks are upgraded."*

**There are also many technical and "political" challenges** being faced by those companies most interested in making mobile television a reality.

One of the issues slowing down the rapid evolution of this new emerging marketplace are the multiple alternative technology platforms and standards fighting for becoming the preferred choice of mobile phone makers as well as the industry standard.

**Currently, it's a battle of acronyms**, with DVB-H, T-DMB, and MediaFLO plus a few others dipping their feet into the unexplored waters of video streaming and real-time delivery over mobile telephone networks.



**DVB-H, or digital video broadcast-handset**, works by simultaneously sending a signal to multiple users with a digital TV receiver attached to their cell phone. Users find programs via an on-screen guide, select the program to watch and view it when it is broadcast by the provider.

Its main competitor may be Qualcomm's MediaFLO technology, which could deliver content more cost-effectively, using multicasting technology to broadcast to many users over the bandwidth required for a single UHF TV channel. Another potential technology is the DMB (Digital Media Broadcasting), which has had some success in Asia. Also known as DMB-T, Digital Media Broadcasting - Terrestrial, is the youngest major broadcast standard and provides the best reception quality for the power required. It evolved from the European Digital Audio Broadcasting (DAB) standard, which was widely supported by Korean chip makers.

Initial trials in Helsinki, Finland showed already 41% of all users testing the DVB-H technology would pay for the service, while in the US several companies are already having success beaming TV signals to mobile phones through the Sprint, Verizon and Cingular mobile phone networks.

Just last week, MobiTV, the first company to work in cellular TV in the US, **received an Emmy Award** for "*Outstanding Achievement in Engineering Development*." The award came to MobiTV after just two years of providing their service, which now reaches over **500,000 mobile TV phone subscribers** who are able to watch ABC News Now, MSNBC, The Discovery Channel, The Learning Channel, ESPN and more of the traditional media mix over their mobile phones. If half a million people are already willing to subscribe to a service whose technology and overall content offering is still maturing, one can only imagine what success it may reach once the technology gets widely adopted.

**Success like that** is pretty indicative of where and how solidly the future of mobile television is going to be. So if you haven't started to pay attention to this new media universe, and to the opportunities it opens up, it's about time you do. Add wi-fi, or basic phone-based capabilities to the new video iPod and there you have the perfect killer media device for some time to come.

### **Mobile Music Download Market Explodes**

**Mike Slocombe**

**29 Mar 2006**

**Global revenue from music downloaded onto mobile phones went through the roof last year, with pundits predicting that the only way is up for the next five years.**

ABI Research's "Mobile Music Services" surveyed world markets for downloads of full music tracks, ringtones and ringback tones and revealed that the market for full track music downloads to mobile devices had ballooned by 2,000% in the twelve months to the end of 2005.

Compared to sales of \$12.4 million in 2004, last year saw an explosive growth in the market, with handset owners shelling out a thumping great \$251 million on music downloads - and that figure is expected to reach \$9.3 billion by 2011.

The report notes that the high penetration of home PCs in North America has limited over-the-air downloads compared to overseas markets like Asia where mobile phones enjoy greater popularity than PCs.

Similarly, the absence of a Japanese iTunes store until Q4 of 2005 also helped telecom operator KDDI shift 30 million mobile tracks in Japan last year.

### **How to make a mint from mobile music**

If you fancy chancing your arm in the music download market, Arthur Daley's of the world will appreciate the list of 'prerequisites for future success in the music-download business' dished out in the report.





These include a 3G network capable of supporting the product, agreements between carriers and record labels and a distribution system that checks that handsets can accept the content and, crucially, ensures that punters fork out for the product.

Moreover, there must be robust copyright-protection software in place which allows mobile phone users to shunt tracks between devices with no bother.

Finally, the handsets themselves must come with enough memory to store an ample selection of banging tunes and be capable of supporting music downloads and transfers.

And with that, we're off to launch the Digital Lifestyle Music Download service from our lock-up under the arches.

**May 9, 2006**

**IPTV a \$44B Market by 2009**

**By Roy Mark**

IPTV equipment and service revenue is expected to hit \$44 billion over the next three years, according to a new report by Infonetics Research.

The research firm said worldwide IPTV subscribers will climb to 53 million by 2009. To meet that demand, service providers are rapidly increasing their investments in infrastructure, transport and content.

Europe, the Middle East and Asia is the leading region for IPTV service revenue. Subscribers in the Asia-Pacific region, where faster forms of DSL such as VDSL2 are stimulating subscriber growth, almost doubled from 2004 to 2005.

The report further states that IPTV subscribers in North America will increase four-fold between 2005 and 2009.

By 2009, Infonetics expects IPTV equipment revenue will be \$6 billion and service revenue will climb to \$38 billion. Worldwide IPTV equipment revenue topped \$400 million in 2005.

"Service providers expect huge returns from IPTV, and they are investing heavily in IPTV infrastructure to ensure those returns," Jeff Heynen, an Infonetics analyst, said in a statement.

Currently, broadband providers with DSL and Fiber-to-the-Home (FTTH) services account for the majority of service revenue.

"Right now they're focused on transport infrastructure, upgrading their access networks with higher-bandwidth ADSL2+, VDSL2 and FTTH platforms, and adding IP edge routers and Ethernet routers and switches to handle the expected traffic demands of the escalating numbers of IPTV subscribers," Heynen said.

According to the report, IP set top box (STB) revenue currently accounts for 42 percent of IPTV equipment revenue as providers purchase MPEG-2 STBs. Infonetics predicts IP STB sales will nearly double every year for the next three years. Infonetics also expects cable broadband providers to migrate to all IP-based services in the next few years.

**April 21, 2006**

**Internet Ads up 30%**

**By Nicholas Carlson**

Internet advertising revenues grew 30 percent, earning \$12.5 billion in 2005, according to numbers released today by Interactive Advertising Bureau and PricewaterhouseCoopers.

That growth and shifts within the sector reflect how advertisers are rethinking their approach to marketing.



Leaping gains in Referrals/Lead Generation and E-mail ads combined with yet more spending on keyword advertising particularly drove revenues higher.

Keyword search advertising alone brought in \$5.132 billion in 2005, helping to explain Google's strong first quarter results. Google's keyword product AdSense is its primary revenue stream, and yesterday the company soundly beat Wall Street estimates.

Display advertising also saw an overall revenue increase in 2005 from \$1.8 billion to \$2.5 billion.

But the method nevertheless lost market share, slipping from 20 percent to 19 percent of all Internet ad revenue. The subtle move perhaps presages a much-predicted shift in the industry toward interactive and viral marketing.

### **NBC rolls the dice on new media**

**May 22, 2006 10:32 AM**

**Beyond The Headlines e-newsletter**

It was at the 1939 New York World's Fair that NBC's David Sarnoff introduced television to the American public. Last week, another NBC executive told Madison Avenue that the Peacock network is now looking beyond television for its future.

Stuck at fourth place in the ratings for viewers most sought by advertisers — those aged 18 to 49 — NBC is counting on digital media as much as television for a comeback in the 2006-2007 season, the *New York Times* reported.

“No longer is content just for the television screen,” said Jeff Zucker, chief executive at the NBC Universal Television Group, at last week's upfront presentation for advertisers in New York City.

If NBC's new strategy is successful, it would draw advertising dollars away from traditional television broadcasting to new ventures on the Web and a variety of mobile platforms.

In fact, the network made it clear it's ready to sell commercial time on programming for a variety of new media outlets. “We have more than 100 ideas ready to go,” Zucker said.

Among the new NBC initiatives are a broadband comedy channel, offering computer users archives of shows such as “Leave It to Beaver;” a chance for viewers to create their own content to podcasts, and an animated digital comic book based on characters and plot lines from “Heroes,” a drama series being scheduled for Monday night next fall.

### **One billion now have net access**

**Jun 2, 2006 8:00 AM**

**Strategic Content Management e-newsletter**

More than 1 billion people in the world have access to the Internet, with a quarter of them with broadband, or high-speed connections, according to a new survey.

The milestone of 1 billion was reached in late 2005, eMarketer found in its survey. Nearly 250 million households, the company found, have broadband connections. Of these people, 845 million use the Internet regularly.

The United States is still number one in terms of numbers of Internet users with 175 million, and broadband households, 43.7 million. In terms of regions, however, Asia-Pacific has the largest number (315 million) and is the largest broadband center containing nearly 40 percent of the world's broadband households.

Latin America was the fastest growing broadband region worldwide, achieving 70 percent subscriber growth, the survey found. But it had just 70 million people online.



Europe had 233 million people online and 55.2 million broadband households. China had 111 million users and 34.1 million households with fast connections.

The eMarketer report was based on a number of industry surveys and data from the International Telecommunication Union and Organization of Economic Cooperation and Development.

### **Entertainment Industry Integration**

The entertainment industries in the United States, from record to television to film, have always been fiercely independent. Even when owned by the same parent corporation, companies have failed to integrate their activities so as to support one another. A good example is that a Warner television show will use soundtrack music acquired from Sony and RCA, A Sony motion picture will have a soundtrack album on Warner's. Unlike the major entertainment companies in America today, Titan understands the value of integrating its various companies so as to support the others.

The Titan Universe brings together the first single point aggregation delivery system on the Internet. Each media area will provide localized content allowing the users to customize the Entertainment Distribution Center. The by-directional interactive processing allows users to upload their personalized content for viewing and sharing with others through an Internet connection. Titan has launched the Titan Tunes media portal first which is to be followed in August with all the remaining media areas.

The Titan Tunes website will consistently feature audio and video products as well as online radio and syndicated radio shows. Independent bands will provide unique content. According to the Recording Industry Association of America, CD's make up more than 85% of all music sales in the 12 Billion-Dollar domestic music industry. Each CD and DVD will have an entire page in the accompanying booklet promoting the Titan Tunes website and offering the CD buyer a free additional song or scene not available on the CD or DVD. This will encourage CD and DVD buyers to go to the website for additional material and downloads on artists they have already purchased at retail. As the RIAA reveals, CD sales in 2004 were strong in two areas, Hip Hop and even greater, adult oriented music. Fifty-Eight percent of all record sales are made to people over 30 and half of those sales to people over 45, it is for that reason that the record label will lean heavily toward artists who appeal to these demographics.

The Titan Omni will be sold with pre-loaded music and video in it, which will come from the music division's catalog, thereby promoting that music to the Omni buyers. Every division that Titan adds will be added with a view of how it can support and foster the other division as well as how it can earn maximum revenue.

### **Distinguishing Differences**

"Titan Tunes" is Titan Global Entertainment's newest project which focuses on the sale of music and video online as its main objective. The Titan Tunes site is characterized by the offering of a completely tailored service, with a quicker and more efficient purchase process. We make the consumer comfortable and relaxed during the purchase process by making it simple to complete his or her purchase.

*The total business solution will provide multiple usage levels of the technology.*

1. Individuals would be able to download to their connectivity device music and video products, etc. Devices consist of workstation, laptop, handhelds, and televisions. Downloads consist of existing recordings and new releases that may be counted towards record sales levels such as, Gold, Platinum and Multi-Platinum awards.
2. Companies may link through the affiliation process and enjoy the ability to include Titan's product offering as part of their total product offering. Sales made through these affiliated sites will be tracked and commissions paid through iMethods electronic payment systems.
3. Traditional Brick and Mortar music stores will use the system to purchase products to be delivered to their retail locations for resale.



4. For all downloads, Artists receive a royalty from the sale. The systems will track the sales, calculate the royalty payment and electronically pay each artist in their home country's currency.
5. Schools, institutions, individuals, and groups will upload recordings through our proprietary system into an electronic studio environment to allow for low cost production of music. This process is a check-in/check-out process so that the uploading can be made over and over again tracking the revisions of each.
6. Artists, Musicians, and entertainers from around the world will be able to upload their EPK's (Electronic Press Kits) directly to us, via our corporate website (Own Environment) for review and consideration for a fee. This upload service will also mirror as an A&R service for all the major labels seeking new material.
7. Artist merchandise sales will be supported through both the main Titan site and TITAN TUNES site. This allows individuals to purchase artist products through the artist storefront image supported by the combined back office solution.
8. Television shows programming and infomercial deployment with dynamic portal real-time support to allow for interactive purchasing of merchandise during the television show.
9. A private label handheld iPod like device developed by Samsung or other manufacturer named Titan Omni is now available from Titan. This will allow downloads to a user file on the database so they can access them through the device. Shopping will also be made available from wireless links to the Internet.
10. Electronic payment will be made to artists through our strategic partner iMethods using their Card solution.
11. Individuals can order personal cards at three levels.
  - a. For memorabilia only (adaptable usage).
  - b. For use as a discount card at Titan sites and events.
  - c. For full bankcard and ATM usage.
  - d. Retail Stores
12. Streaming of concerts and television shows will be made available as exclusive pay-per-view events.
13. Charitable donations from revenues and individual donations. The specific charitable focus will be that of fostering entertainment development and education. Donations will be placed in the individual purses to receive immediate tax deduction with the individual self-directing the actual donation per charitable cause. This opens the door for schools, etc. to register their need and the charity fulfills their request. In addition, through the profile management of iMethods a specific charity cause can be emailed to those individuals based upon data tags so we become an additional fund raising source for the school, charity, etc.
14. The entire site is designed to allow for on-going corporate sponsorships and main stream corporate advertising.



## MARKETING ADVANTAGES

The Titan Universe portal (which will be integrated into the network affiliates web site) is designed to have a wide range of available entertainment products and services, all of which have multiple revenue sources. The goal of Titan Universe is to be an ultimate entertainment destination for virtually every form of audio & video entertainment.

Even though the main reason for consumers to come to Titan Universe is for the download of audio and video content, by having virtually every element of digital and physical entertainment available, there will be a compelling reason for the consumer to come back again, and again.

Titan will enjoy a substantial revenue sharing in the sale of physical DVD's and CDs, books, memorabilia, amateur content up loads, game and movie rentals, electronics, tickets, musical instruments and other general merchandise that will be incorporated into the portal through our strategic partnerships with other mass merchandisers.

As an integral part of each download, there will be an insertion of a five- second advertiser commercial message – potentially attached to the head and/or tail of each segment.

In addition to these aforementioned products and services will be the integration of advertising, sales promotion and contesting campaigns for major national advertisers. Each Microsite will also have advertising availabilities for video banners, skyscrapers and other ads. We will also market bulk downloads as promotional merchandising for major advertisers. Old game and movie rentals and direct marketing products that are sold and fulfilled will include couponing, sampling and merchandise offers.

Additional Titan Universe revenue sources include local contesting, database sales, remarketing, ring tones, local market promotions and market research.

Titan universe (and its network) will be promoted through its network affiliates and through on-line, TV, radio, contesting, PR, email campaigns and traditional means.

### ***Not a “Me To” Download Portal – Aggregator of Complete Entertainment***

“Titan Universe” will encompass a totally different approach to content delivery. When you think of delivery one typically thinks of iTunes, Rhapsody and Yahoo. These are typical of websites that deliver content. Whether its movies.com, books.com, music.com, etc., they all have specific content and provide a service to their customers. Some, like iTunes, are integrated with specific hardware requiring the customer to own the hardware device to gain access to downloadable content. Others provide content to a wide arrange of clientele allowing content to be downloaded to the local computer and in some cases allow its content to be ported to mobile devices. What you cannot find is a single content distribution website that provides an aggregated platform for all localized media content. Titan’s Universe is the only website that provides its customers with an international library of content. Individuals can access localized content in their local language and international content which can be distributed internationally. Content includes the following:

- **Music** (SONY, Universal, Warner, EMI, Orchard – Over 3,000,000 individual selections in the US and sub-licensing for each country in localized language). Orchard licensing agreement is active with SONY, Universal, Warner and EMI waiting on funding.
- **Music Videos** (Over 50,000 music videos in the US) Through Promo Only we have access to over 47,000 music videos that are older generation videos which have been digitized that are not marketed through other download sites. Video content is being licensed from SONY, Universal, Warner, EMI and Orchard. Promo Only contract is active with SONY, Universal, Warner, EMI and Orchard waiting on funding.
- **Radio** (Active contract with Interep, Inc. provides the company with 2,300 radio stations to private label the “Titan Universe” portal. In addition, these marketing outlets will support the local and independent band marketing. Other contracts are currently being pursued with WinStar that supports another 1,000 radio stations. Radio stations will be able to stream live their radio shows worldwide.)





- **Syndicated Radio** (Active contract with Interep, Inc. provides us access to syndicated radio from 2,300 stations. Our technology changes the way syndicated radio will be distributed. Radio shows can be distributed internationally as a pay per-view. This broadening the audience will increase corporate advertising dollars. We are creating our own syndicated radio network to build out a seamless international network.)
- **Movies** (We are in the process of finalizing with Burn2Own access to redistributed their library of over 100,000 movies. This is a cross marketing relationship. They will give us access to their library to sale and we will provide them our content for sale as well. We will be part of a 200,000 retail store rollout of a prepaid download card. We have closed with iWatchNow old movies for the older demographic customer.)
- **Television Sitcoms** (With the iWatchNow contract, we have the library of the old television sitcoms such as I Love Lucy, Dick Van Dike, etc. Other television sitcoms will be brought in our distribution library from television networks and television made for the internet. We are in contract discussions with Tom Holland who has produced a cliff hanger series for the Internet called "Driven". Tom was responsible for creating Chucky and Physco II.)
- **Games** (We are in final contract negotiations with GameZNFlx to acquire access to over 40,000 games. In addition, we are pursuing other game libraries to complete our product offering.)
- **Books** (As part of the contract with GameZNFlx we will receive over 614,000 books. A portion will be available in audio format.)
- **Live and Delayed Television** (We are in final contract discussions with Telemundo and NBC regarding both live and delayed broadcast television. In addition, we are in discussions with cable network providers to provide access to television content. In certain European countries one of our mobile handheld devices provides a television tuning accessory that will receive live television broadcasts.)
- **Concerts** (We have entered into a Letter of Intent with GoMusicNetwork.com to provide us with a Los Angeles based network of live concert venues. We also are developing our own independent band format with corporate sponsorship on a regional, national and international basis. Through live television we will promote and distribute the battle of the band programs.)
- **Video on Demand** (Through the contract with Insystcom, Inc. we have the video on demand library as part of our content.)

### ***Exclusive Content***

Whenever we can make our access and delivery exclusive to the Company we do. The aggregative delivery itself makes the content exclusive to some extent. Part of our exclusive content will come through marketing programs while others will be from license owners themselves. Currently our exclusive content includes the following:

- ✚ 47,000 music videos which have been digitized through Promo Only.
- ✚ Television made for the Internet. We are in discussions with Tom Holland for a cliff hanger series. We can have exclusive to this first series and all future series for \$500,000 which is part of our funding use of proceeds. We have had several discussions with NBC regarding television content for the internet starting with a Concert Series at the Gibson. Telemundo will develop two programs for television that will also be broadcast over the internet focused on Latin American music performers around an American Idol theme.
- ✚ Independent band music, music video, Billboard charting and band concert/contests. There are a lot of websites that allow independent bands to post their music for sale. Most recently MySpace.com announced that it would allow independent bands to upload their music for sale. Their program will start around the 4<sup>th</sup> quarter of 2006. However, what gives us exclusivity is our program. Our independent band program is a business within itself. The program not only provides a distribution channel for the independent band but works with the band to develop their long term career goals.
- ✚ Syndicated Radio. What makes this exclusive is not only the programming but our distribution approach. We will develop an international syndicated radio network for the Internet. The approach to distribution will allow all shows to be broadcast on an international basis instantaneously. This approach in distribution is an aftermarket can of sale whereby individuals will pay for already syndicated shows in the local markets. Not only can a show be listened to but our members may purchase a show at any time. The library of already played shows provides the individual to access it at any time. As part of our college and university program we open the ability for college



radio broadcast as well as POD cast for any inspiring student who provides us with content. Currently the Interep contract will provide us with 2,300 US radio stations for programming.

### ***Single Page Delivery Portals***

Titan Universe is an aggregating media center that provides the user with a one-stop-shop environment in for all their entertainment needs. The Universe provides the customer with the ability to obtain a wide selection of localized content as well as the ability to utilize the technology offered to members in supporting their full entertainment needs. Users select from the media center main menu the type of entertainment portal they wish to enter.



### **The Technology – “THE FIRST INTERACTIVE SITE ON A SINGLE PAGE”**

**Shop • Search • Preview • Organize • Customize • Watch**

**- All without ever leaving the home page -**



**Users can interface directly with the TITAN TUNES Multimedia Web Portal  
to create their unique personalized TUNES experience**

Most websites that provide the option for online purchase have a system involving a large amount of steps. This results in more than half of the consumers (57%) abandoning the shopping cart before finalizing the purchase. Titan Tunes' unique design has differentiated itself from the rest of online music stores reducing the amount of steps providing the user with a new online buying experience making the purchase process an easy, fast and secure one while never leaving the Titan Tunes page.

### **Distinguishing Differences:**

Titan Tunes will not only sell music and video, but will also sell artist merchandise of all types from T-Shirts and hats to jackets and gifts. This merchandise will be provided from both Titan artists, independent artists and other licensed third party merchandisers approved by the company.

Titan has acquired music publishing licensing from the American Society of Composers, Authors and Publishers (ASCAP) and Broadcast Music Incorporated (BMI), for the rights to stream and sell music video and audio through the internet.



Our licensed financial solution is unlike any other music portal, the financial transactions will have bank level security and instantaneous revenue reporting and payment to the various copyright holders, i.e. record labels, artists, etc. This feature is particularly attractive to record companies and other property rights holders in that they will be able to go online at any time 24/7 and observe the transactions that have taken place and the amounts of money that have been deposited into their account. Other portals render monthly, and in some cases quarterly statements, and tender payment on the same basis. Titan Tunes offers the record labels the ability to sweep the account on a daily basis should they desire. This is the most secure internet financial transaction available. As a result of this patented technology, which instantly converts the sale price of any purchase to any currency, Titan Tunes will launch globally and will be able to accept payment from 88 countries around the world.

### ***One-on-One Real Time Advertising with Demographic Reporting***

Our technology offers advertisers (local, regional, national, international) the ability to obtain one-on-one real time advertising that current is cost prohibitive today and in some cases not even available. Advertiser will be able to insert their advertisement in a specified format using our administration system. They will select the demographic profile of the individual they wish to advertise to. Using our ecommerce engine the advertiser selects the time they wish to advertise or select a general profile or a specific piece of content they wish to advertise when viewed or played. To complete the advertisement the advertiser will utilize our payment engine and once payment has been received the system release the advertisement into production.

This advertising technology will change the industry. With advertising dollars shifting from the broadcast format to the Internet more corporations want one-on-one processing.

Our online real time reporting system can provide the actual individual information as to contact information and advertising viewing time. This allows the advertiser to better manage the corporations advertising dollars.

By being able to deliver the one-on-one processing we can open the door for even local advertisers to take advantage of our client base. Since each piece of content downloaded or viewed is a single delivery, we can target not only the individual but the time by which an advertisement is displayed. This assures the local, regional, national or international advertiser that the advertisement reaches its targeted audience.

### ***Independent Artist Content - Band with Billboard Charting***

On June 23, 2006 we released our guaranteed digital distribution program for independent bands. The release will include articles in every publication that artists would read. We want to hit hard the music related artist but tease the other artists in independent films, books, etc. When we put out those portions of the portal we will hit each area then but we want people to know its coming. This program allows music artists are bands to use Titan Tunes to distribute their content. While we guarantee distribution we limit the content to that which meets the content standards of Titan. Artists are not limited to the amount of content they can upload but are limited to content they own. How does this benefit the artist?

1. The artist gets worldwide exposure immediately.
2. The artist can direct their fans to go to the site to download the songs they want to purchase. This eliminates the cost of CD production, inventory and sales.
3. Artists that have achieved significant downloads will be offered a recording contract.
4. Real-time payments to artist with each download. This allows the artists to access funds from wherever they maybe without wait.
5. This allows artist to have us market their merchandise as well.

*How will we promote the artist?*

1. We have provided a complete artist section related to Independent Bands and Local Artists. Individuals can sort by geographical area or genre in identifying the music they wish to listen to.



2. We will by genre have the local bands compete for the rights to compete in a national battle of the bands with the winner to receive a recording contract.
3. Billboard has agreed to develop an independent band charting system just like they do for bands who have released music to the public through a major label today.
4. Radio stations will promote and revenue share from download sales.

#### *What is the revenue model?*

Artists who use this service will be charged an enrollment fee of \$9.95 for twelve songs with an additional \$0.50 for each song thereafter which is included on the CD release. The Company nets about 50% of the enrollment fees. Downloads retail price is \$0.99. Net revenues after paying the delivery and merchant services costs are split 50/50 with the independent band. In addition to the above revenues corporate sponsorship revenues will also be received in sponsoring events and basic advertising.

#### *What is the market size?*

No one really knows the global market size of independent band content. What we do know that the US research supports over 650,000 bands. Our first year goal is 100,000 bands. Since the announcement of the program the Company has received over 5,700 bands who have requested to use the service.

#### *The leveraged marketing play!*

From a street marketing perspective we will have created the largest ground roots marketing campaign ever in the history of any corporation. Since the independent bands will now be able to compete head-to-head with other independent bands as well as established artist with the reward of a traditional recording contract, each and every member of the band will be promoting the Titan brand and program. With our goal of 100,000 bands and knowing that the average band size is four would have 400,000 individual ground roots marketers on the street! This does not include the loyal fans and family members.

Through Billboard, partners and the corporate sponsors we can now make this a global program – “The first of its kind.” Making this an International program will set Titan completely apart from any competition and create an unbelievable marketing team.

*This program will be expanded to all forms of artist distribution – music videos, independent films, books, etc. The same format for independent bands is the same with very little modification for all forms of entertainment.*

#### ***Full Scale Merchandising***

As part of each media delivery portal customers will be able to purchase hard goods as part of their entertainment experience. A full scale merchandise store is presented to our members/customers when they select a particular piece of content. The merchandise will consist of everything from CD/DVD, clothing lines and other artist merchandise. Currently, we have signed an agreement with Alliance Entertainment Corporation to provide us with CD/DVD's for all artists. This merchandise includes audio, music videos and movies. Alliance is the largest wholesaler in United States doing \$1.8B dollars of revenue last year. Customers will purchase merchandise as part of their entertainment experience through the Company's eCommerce engine with their order being fulfilled by Alliance with same day shipment.

#### ***Distribution Programs***

We have concentrated our initial distribution programs using a leveraged marketing approach. We did so to limit the capital investment required to brand, advertise and distribute. These programs provide private label portals with specific content to meet the clientele of the distribution partner. Distribution partners will be able to share in the revenues generated through their distribution portal. These revenues include corporate advertising as well. Our goal is to have over 4,000 private label portals by 1<sup>st</sup> quarter 2007. Currently, we have through the Interep, Inc. contract 2,300 radio stations. We are in final



contracting with Alliance Entertainment Corporation to be their download partner with their 153 sites. Alliance 153 sites include CVS, Fred Myers, Wallgreens, Circuit City, Best Buy, etc.

### ***Artist Royalty Card Payment Program***

This will be a first in the market. Artist will be able to be paid real time through a bank signature debit card. Bank First has agreed to be the Company's sponsoring/issuing bank. Bank cards will be issued to all independent artists as an alternative to receiving payments by check. They will be able to real time see what is owed to them and what has been paid through our online reporting system. Artist payment and reporting is the number one issue for all artists. We have solved this issue through our Artist Royalty Card Payment Program.

### ***Hardware Agnostic***

One of biggest differences in the marketplace is that our content delivery system is hardware agnostic. Customers can download any portion of our content and be able to port it to any handheld mobile device following the instructions of their handheld manufacturer. Customers who wish to be walked through this process can call our customer service center and one of representatives will assist them in the process.

While we do supply handheld mobile devices we do so to further our distribution and not to compete with hardware manufacturers.





## MARKET ROLLOUT STRATEGY

### ***Music Division***

Our marketing programs in the Music Division will provide the quickest access point to generate significant revenues with or without major investments. Through this Division we will be able to roll out all the company products from the revenues generated but on a much slower pace than if we are able to achieve our \$5.0M capital raise.

We concentrated our efforts the first half of the year in changing out our artist inventory to position the company with artists that we can achieve the revenues we needed. In doing so, our revenues the first three quarters of 2006 were not at the levels of 2005 but the year will end with a significant revenues.

Our artist lineup includes multiple platinum artists and programs that will allow our music division to flourish from now on. The unique distribution contract through Universal Music Group allows the Company to distribute all forms of content through the Universal distribution channel. The contract with Alliance Entertainment Corporation allows us to distribute the same content as though we were a retail store through our web portals.

### **Record Label Artist & Packaged Content Rollouts**

Our artists will rollout in accordance with the distribution schedule coordinated through Universal. The following reflects the artist retail distribution schedule through Universal.

- Stephen Stills solo “Man Alive” CD. Stephen is the legendary artist from Crosby, Stills, Nash and Young. In retail stores now.
- The Band CD’s “Jericho and High on the Hog” were released in February 2006 and in retail stores now.
- Skant Bone’s CD “Welcome to My World” was released in March 2006 for digital distribution.
- June Rochelle’s CD “Changing Places” was released in April 2006 and in retail stores now.
- Sha Na Na’s CD “One More Saturday Night” was released June 2006 and retail stores now.
- Gisti’s CD “How About That” will be released in August 2006.
- Skant Bone’s CD “4 Seasonz” will be released in September 2006.
- Joe Patrick’s CD “I’ll Know When I Get There” will be released in September 2006.
- Kevin Samples CD “Screamin’ For More” will be released in September 2006.
- Joint Venture with platinum artist Ty Herndon. This project is the first in a line of established artist JV’s creating their own label. Ty’s “Right About Now” CD will be released in October 2006.
- The Answer, a renowned rock band Ireland, will be released in the United States in September 2006.
- Platinum artist Snoop Dogg’s CD and Video “Drop It Hot” will be released November 2006.
- Platinum artist Public Enemy Australian Live Tour on DVD will be released November 2006.
- Billboards Video Hits project featuring the top artists in each genre will be released in December 2006. This is an exclusive collection of hits distributed through Titan.
- LA singer/songwriter Heather Bradley solo CD “Kaleidoscope”. To be released first quarter 2007.
- Hollywood Reporter’s hit movie song collection project featuring the top songs by the performing artists will be released first quarter 2007. This is an exclusive collection of hits distributed through Titan.

### **Independent Band Digital Distribution**

On June 23, 2006 we released our guaranteed digital distribution program for independent bands. The release will include articles in every publication that artists would read. We want to hit hard the music related artist but tease the other artists in independent films, books, etc. When we put out those portions of the portal we will hit each area then but we want people to know its coming. This program allows music artists are bands to use Titan Tunes to distribute their content. While we guarantee distribution we limit the content to that which meets the content standards of Titan. Artists are not limited to the amount of content they can upload but are limited to content they own.

Artists who use this service will be charged an enrollment fee of \$9.95 for twelve songs with an additional \$0.50 for each song thereafter which is included on the CD release. The Company nets about 50% of the enrollment fees. Downloads retail price is \$0.99. Net revenues after paying the delivery and merchant services costs are split 50/50 with the independent band.



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No one really knows the global market size of independent band content. What we do know that the US research supports over 650,000 bands. Our first year goal is 100,000 bands. Since the announcement of the program the Company has received over 5,700 bands who have requested to use the service.

From a street marketing perspective we will have created the largest ground roots marketing campaign ever in the history of any corporation. Since the independent bands will now be able to compete head-to-head with other independent bands as well as established artist with the reward of a traditional recording contract, each and every member of the band will be promoting the Titan brand and program. With our goal of 100,000 bands and knowing that the average band size is four would have 400,000 individual ground roots marketers on the street! This does not include the loyal fans and family members.

Through Billboard, partners and the corporate sponsors we can now make this a global program – “The first of its kind.” Making this an International program will set Titan completely apart from any competition and create an unbelievable marketing team.

#### **Established Artist Joint Venture Labels**

On June 14, 2006 we launched our established artist joint venture label program with the signing of country hit maker Ty Herndon. The first release will be Herndon’s newly completed album “*Right About Now*”. Herndon, who has had five #1 hit singles and four additional Top 10’s is one of modern country music’s iconic voices.

Herndon’s best work to date, “*Right About Now*” features the amazing title cut, “*Mighty, Mighty Love*,” and “*Someday Soon*.” The album was produced by Darrell Brown, Jonathan Yudkin, and Dennis Matkosky and includes songs by Keith Urban, Radney Foster, Beth Nielsen Chapman, the producers and others.

“I didn’t create this CD under time pressures” says Ty Herndon. “By taking the time to explore my music, I developed incredible creative partnerships with my producers, Darrell, Dennis and Jonathan.” Darrell Brown, who contributes seven songs to the album, recently had a hit with Keith Urban’s “*Raining On Sunday*” and Dennis Matkosky, who also wrote “*I Need You*” by Leann Rimes. “These are by far the best songs I’ve ever recorded,” states Ty.

Ty’s first single “*What Matters Most*,” for Epic Records and the CD of the same name, earned Herndon a platinum award for sales of over one million copies. The first single from “*Right About Now*” will be released this summer by Titan/Pyramid Records through its Universal Music Group distribution. The album will be released in the third quarter of 2006.

#### **Review of Program**

The program was established for already established artists who are not signed with a record label or one who are coming off a label contract that want to have their own label to continue releasing content. The program utilizes the Universal Distribution contract providing artists the exact same retail distribution that they have with any major label. Through the Universal contract, the Company is able to distribute third party content at much higher revenues than the typical distribution contracts in the markets. Label contracts today pay artists between 16% to 21% royalties. This equates to about \$1.50 unit sales. Through our distribution contract we are able to more than double the artist royalty to a minimum of \$3.18 per unit sold.

More and more artist are moving to self publish their content. This allows them to be more in control over their content, publishing and distribution. With Titan having retail and virtual distribution we are able to offer these artists a full service turnkey distribution and administration system.



### ***Entertainment Distribution Division***

The rollout of this product line is predicated on funding of a minimum of \$3.0M. While we have content under contract and being loaded into our production libraries we need the basic music and music video content to launch any major marketing programs. We need to complete the licensing of content from SONY, Universal, Warner and EMI. This would then give us the baseline of content required to launch our private label marketing programs. Our goal to rollout our private label marketing programs was to achieve enough distribution partners that collectively provided access to one-half (1/2) of the United States population or 135,000,000 individuals. In doing this, we would achieve on a leverage marketing what took Apple millions of dollars in advertising. Achieving this access would represent the largest distribution network in the United States outside of CNN and BBC.

### ***Private Label Marketing***

Our private label marketing program has begun. Our private label programs will include the following:

1. Interep, Inc. – 2,300 radio stations reaching 100,000,000 people. Contract complete.
2. Insystcom, Inc. – 4,000 hotels & resorts rooms reaching over 500,000 people. Contract complete.
3. Alliance Entertainment Corporation – 153 of the top Fortune 500 companies website hard goods CD/DVD stores reaching 50,000,000 people. Contract being finalized.
4. Burn2Own – Cross marketing platforms marketing prepaid downloads on a prepaid debit card through 200,000 retail stores. They have forecasted sales of 200 cards per store representing 40,000,000 people. Contract being finalized.
5. Net Zero with 12,000,000 ISP subscribers. In contract negotiations.
6. WinStar with 1,000 radio stations reaching 30,000,000 people. In contract negotiations.
7. WinStar AARP website. We have the largest concentration of the old content. AARP membership is 35,000,000. In contract negotiations.
8. Telmundo TV reaching 36,000,000 Hispanics in the United States. Awaiting private label portal before finalizing contract.
9. Spain content provider to radio and Spanish television reaching 3,000,000. In contract signing phase.
10. Germany set top box manufacturer and distributor with a Home Shopping Television network. 20,000 current clients. Contract signed awaiting signed copy.

We will be extending our portal as a label product to Virgin Digital, Billboard and others to utilize the state-of-the art processing and financial processing. Our private label marketing and promotions strategies will capture the public's imagination and cultivate a loyal customer base that helps to serve as our core audience.

Our website marketing strategy is essential to defining Titan Global Entertainment. Dynamic and adaptable performance of our website in real time, and personalization gives us clear differentiations in the market.

Titan Tunes visibility on the World Wide Web marks a fundamental difference with us and other businesses in our industry. We are not complacent with just being visible. Using numerous tools at our disposal we are continuously forging ahead and capturing and growing customer loyalty on the web. It is Titans belief that we can take control of our web site through a deliberate strategy in order to remain extremely competitive. No one understands our unique industry and business strategy like we do. The Titan Tunes website has to serve numerous purposes of which the main purpose is entertainment.

By partnering with major corporations we will capitalize on the strengths of these various companies in their selective fields to help market our music and their products at the same time. This dual approach to marketing music as a product and as a sales tool will quickly endear Titans name to companies that want fresh original and current music. Our need for this fresh resource for music will be filled by our innovative web based internship system. The ability for students to find an effective way to truly break into the Music industry has opened up for many more likely artists and producers. The prevalence of our Omni technology as a means of delivery and actual product makes our music and video more attainable to the most novice of technology users.



### ***Mobile Technology Division***

Our business focus is not to be in the hardware manufacturing business. Different from Apple our business model is to be in the entertainment distribution business. This allows us to provide content to all manufacturers of hardware whether it be set top boxes or mobile handheld device. Therefore, while we offer mobile handheld devices we do so only to further the distribution of entertainment versus selling just handheld devices. This gives our business plan flexibility. We can partner with any handheld device manufacturer and provide more aggregated content than anyone else in the market.

We will begin selling our units through our web portal and through our private label marketing partners.

The smaller version 2 gig flash memory device with FM tuner will be sold as a Telemundo labeled product preloaded with the top 100 Spanish songs. This will be marketed through specific television shows, their private label site and their distribution partners. We will launch first in the United States then move into Latin America.

Our Bluetooth unit will be bundled with our Germany set top box partner and be sold through retail and their Home Shopping Network television show.

### ***Titan Global Entertainment Foundation***

The Foundation will assist in the College & University marketing programs. The program will provide each university with their own private label distribution portal while providing us access to their college radio station and student POD casters. The colleges we will target initially are as follows and will reach about 4,000,000 students.

#### **East Coast Universities**

1. Florida Atlantic University
2. American U- Washington, DC
3. Appalachian State U.- Boone, NC
4. Belmont U- Nashville, TN
5. City College of NY- NYC
6. Hampton U. Hampton, VA
7. Miami Dade JC- Miami, FL
8. McGill U- Montreal, CA
9. Middle Tennessee State U. - Murfreesboro, TN
10. NYU- NYC
11. Northeastern U- Boston, MA
12. Shenandoah U. Winchester, VA
13. U of Mass.- Lowell, MA
14. U of Memphis- M
15. U of Miami- Miami, FL
16. U of New Haven- New Haven, CT
17. U of NC at Asheville- Asheville, NC

#### **Central Universities:**

18. Butler U- Indianapolis, IN
19. Central Missouri State U.-Warrensburg, MO
20. Elmhurst College- Elmhurst, IL
21. DePaul U. -Chicago, IL
22. U of Texas- Austin, TX
23. U of Colorado- Denver CO
24. Baldwin- Wallace College-Berea, OH

#### **West Coast Universities:**

25. Cal. State U- Chico, CA
26. UCLA- Los Angeles ,CA



- 
27. USC - Los Angeles, CA
  28. U of California at Berkeley- Berkeley, CA

#### National Collegiate Network

##### *Commercial Music Schools*

Students and universities involved in the P2P system will have access to all the new music created all around the various schools in the US. They can collaborate on projects and learn from each other. This P2P platform will allow these student artists to create, sample and enjoy all kinds of music that is original and innovative.

##### *Colleges & Universities*

The ability for students to participate in the collaborative aspect of the P2P system is limited to schools with a commercial music program. Still any institution that wishes to license the service can. They will have access to most of the same music files that the commercial programs have, but they are limited to listening only.

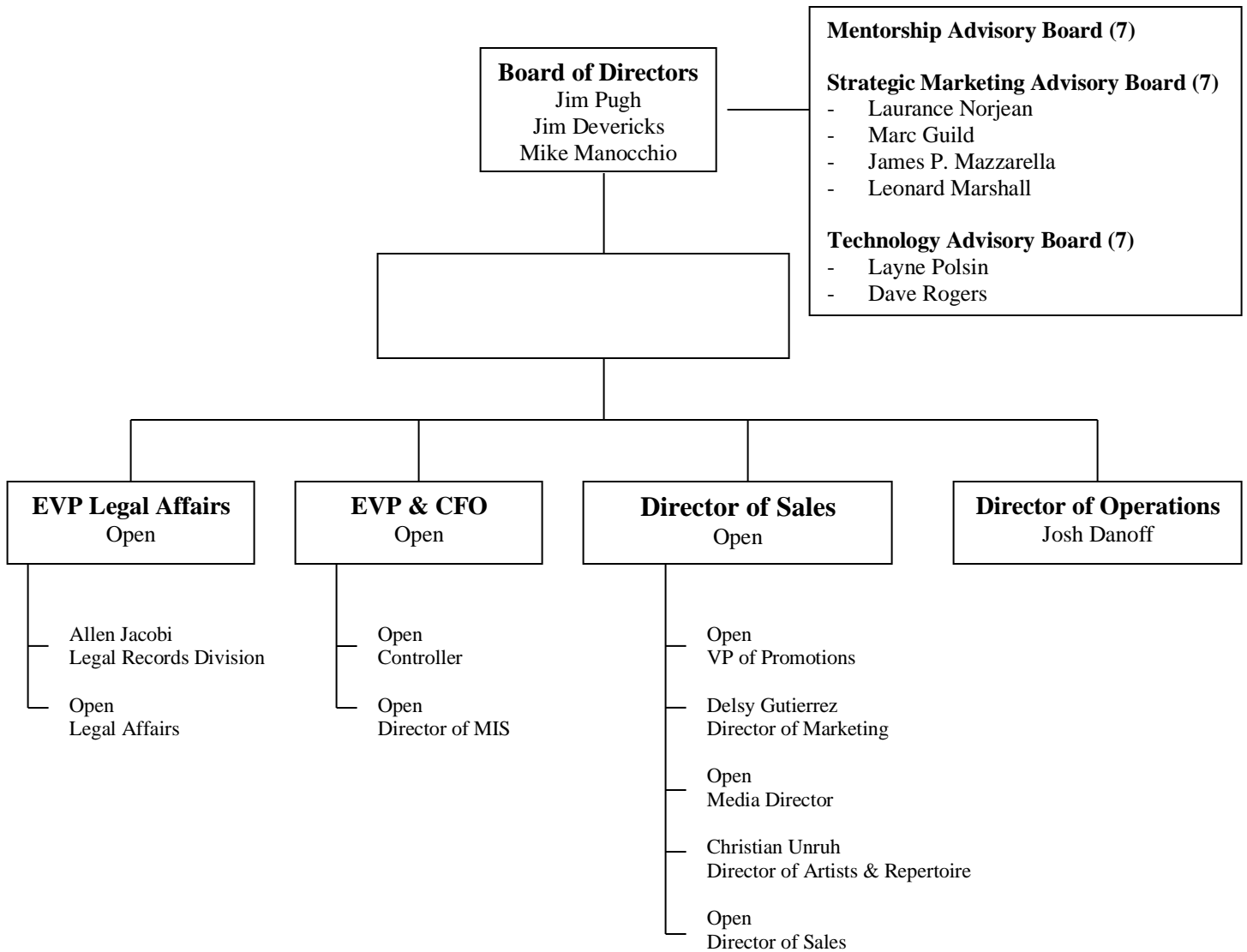
##### *Profit Sharing*

Universities that participate in the program will receive a portion of the royalties in the form of technology and security advancements.





## COMPANY MANAGEMENT TEAM



### James K. Devericks Co-Chairman

Cleveland, OH born and raised, Jim Devericks is proud to be from the home of the Rock N Roll Hall of Fame. Jim's love of music began as a teenaged bass player in local Cleveland bands. It was during this time that he learned that he possessed extraordinary skill in the sport of boxing. After enjoying a successful amateur boxing career, Jim turned pro and after beginning his professional boxing career was involved in an auto accident, which ended his career. Although fully recovered, Jim realized his boxing days were over and turned to building a limousine company. It was during the years of operating that company that he became acquainted with many people from the entertainment world. In 1999, Jim re-settled in Florida and decided to enter the entertainment arena. In the process of managing several South Florida artists Jim solidified the association of industry veterans such as Mike Manocchio (Vice President, Atlantic Records) and Allen Jacobi (veteran entertainment attorney / record executive), Jeff Shane (VP Capitol Records) and Julian Shapiro (Sr. VP Sales & Mktg. SONY) among others. Jim's avid interest in the internet, coupled with his various music industry associations, gave him the vision in 2002 of integrating all of the various revenue streams existing in the music industry, but heretofore isolated from one another. Jim acquired a technical staff with whom the Titan Tunes / Omni technology was developed and



in 2003, Jim began to map out the strategy and enlist the strategic partners to build the Titan infrastructure. In early 2004 Mr. Devericks made the acquaintance of Jim Pugh, the President of I-Methods, Inc., whose addition to the strategic partners gave Devericks the final solution to make his vision a reality. Jim will oversee the various divisions to ensure that they are fully integrated and work to compliment each other. Jim lives in Palm Beach County with his wife and two children.

### **Jim B. Pugh**

#### **Co-Chairman of the Board & CEO**

Mr. Pugh joined the Board of Directors in March, 2005. In January, 2006 Mr. Pugh was asked by the BOD to assume the Chief Executive Officer. Prior to joining Titan, Mr. Pugh was Chairman, CEO and founder of Internet Methods, Inc. Mr. Pugh was responsible for the management and strategic direction of the company. Under this leadership, iMethods has experienced tremendous growth from its startup in building the strategic alliances and partnerships to ensure success. These alliances and partnerships consist of critical technology components as well as major distribution channels. It is through these partnerships that the company has been positioned to be a technology leader in e-Commerce solutions. A visionary in the field of e-Commerce, Mr. Pugh has positioned the company to successfully deploy its patent-pending Web Enabling Engines and advanced network applications and technologies. For four and a half years, Jim oversaw \$750 million in manufacturing and sales for Motorola Inc., one of the world's largest portable electronics manufacturers.

Prior to founding iMethods in 2000, Mr. Pugh was President & CEO and cofounder of KIMG Management Group, Inc. (OTC:BB "KIMG"), a financial services company. Mr. Pugh was instrumental in the development of the platform technology and infrastructure to deploy financial, insurance and business products and services to consumers through alternative delivery channels of distribution. The distribution function was supported by sophisticated technologies that combined early Internet communication systems with human interaction through trusted delivery points. Using the Internet and Intranet for interactive communication and avoiding heavy-commission traditional structures, KIMG enabled its Independent Community Bank Partners to offer consumers lower costs and better, more personal service.

Mr. Pugh also brings over seventeen years experience in startups, turn around and small cap investment companies through his continual management leadership with companies such as Microtest, Inc., General Dynamics, Zales Corporation, and E-Systems, Inc. Mr. Pugh holds a B.B.A. Degree from East Texas State University in Accounting and an MBA from University of Phoenix where he has been a Faculty Member in their Bachelors, Masters and Certification programs. Mr. Pugh is also certified as C.P.I.M. from American Production and Inventory Control Society and has been named in the Who's Who in Finance and Industry.

### **Michael Manocchio**

#### **President & COO**

Michael Manocchio, is former Vice President of Atlantic Records and BMG labels Arista and RCA. Mr. Manocchio will run the day-to-day business operations for Titan Global Entertainment Inc. and head up our music publishing division as well as A&R duties. Mr. Manocchio established his career in the music business in the early 1970's as a developing record label Promotions Manager. In, 1972, Mike continued in the music business with United Artist Distributors thru 1974, and then in late 1974, he became head of Label Relations with Neil Bogart at Buddha Records thru 1977. He then accepted a position with Capitol Records as Midwest Regional Director and Special Project Director.

In late of 1978, Mike received a career boost from Atlantic Records and he came on as Midwest Regional Promotion Director, the region included 22 states and the promotional responsibilities of Chicago and Cleveland. After only 7 months, he was promoted to National Promotion Director. In 1979, Mike was awarded with the Best National Promotion Director of the Year Award. Shortly thereafter, he was again promoted, this time he was honored to become Vice President of Promotion for Atlantic Records.

While Vice President of Promotion Mike was a member of the A&R Committee which signed such acts as AC/DC, the Blues Brothers, Bette Midler, Laura Brannigan, Foreigner, Night Ranger and the re-signing of the Rolling Stones. Mike Manocchio left Atlantic Records in 1986 and worked with BMG for 9 months, where he was Vice President for the RCA and ARISTA labels until going independent. As an independent music company, President and owner Mike enjoyed the challenges of being independent but also had the professional experience to add to the continuing development of Foreigner



and Night Ranger. Through out Mike Manocchio's illustrious 30-year music career he has maintained a level of professionalism and integrity that is seldom seen in our industry today.

**Josh Danoff**  
**VP Production**

Mr. Danoff is responsible for supervising all phases of UMVD distribution for artists such as The Doobie Brothers, Robert Palmer, Edgar Winter, and Earth, Wind, & Fire. Mr. Danoff also works directly with vendors, service bureaus, graphic artists, and artist management as well as advertising, finance, marketing, operations, promotions and public relations department heads. Before joining Pyramid Records in October 1995, Mr. Danoff served as Production Manager for Birdman Records in Philadelphia. Mr. Danoff is a former professional musician.

**Allen Jacobi**  
**Legal Counsel Record Division**

Allen Jacobi established his career in the entertainment industry in 1978 as a practicing entertainment attorney whose roster of clients included many music and film industry luminaries. On behalf of his music clients, Jacobi has been awarded over 40 gold and platinum records from such internationally acclaimed artists as The Eric Clapton Band, Inner Circle, Gloria Estefan, The Miami Sound Machine, Marilyn Manson, Two Live Crew, and The soundtrack album to the motion picture "Ruthless People," to name a few. Early in his career, Mr. Jacobi represented most of the exponents, of what was then known as, the Miami Sound, made famous by such artists (and Jacobi clients) as Betty Wright, Timmy Thomas, Peter Brown, KC & the Sunshine Band, etc. Miami's proximity to the Caribbean gave Mr. Jacobi the opportunity to work with many Jamaican legends, among them Jimmy Cliff, Third World, Inner Circle, Yellowman and the Bob Marley Movement, etc. His interest in the music business was so keen that he became involved in the other aspects of the record business, such as marketing, promotion, A&R and sales.

In 1990 Mr. Jacobi was approached by Tony Martel, the Vice President of CBS Associated labels as he recognized Jacobi's acumen in the music industry, beyond that of an attorney, and he offered him his own label at CBS. Jacobi, seizing upon this opportunity accepted the offer and by 1991 Pyramid Records was a reality. The first signing by Jacobi was Eagles guitarist and vocalist Joe Walsh. Mr. Walsh had not made an album in 6 years and had left the Eagles 10 years before. The first album released on Pyramid in 1991 was called Ordinary Average Guy. The single, also entitled "Ordinary Average Guy", skyrocketed to the #1 position on the rock chart and the album sold well over 350,000 copies. In 1992, Pyramid moved to Warner Distribution and in 2001 moved to EMI Distribution. Also released on the label are international superstars, Asia, Earth Wind & Fire, Robert Palmer, Stray Cats and The Doobie Brothers. Among Mr. Jacobi's current clients are Multi-Platinum Hip Hop superstar Trick Daddy and 2004 Latin Grammy nominees Area 305.

Mr. Jacobi has spoken as an expert in the entertainment industry at The Washington DC Music Forum, The Winter Music Conference, ASCAP Seminars, East Coast Music Forum and other music and legal conferences and symposiums. He has appeared on national television on The Phil Donahue Show, The Geraldo Rivera Show, CNN, MTV, VH-1, Good Morning America, Court TV and numerous news items on national media throughout the years. Mr. Jacobi has been quoted in such publications as Rolling Stone Magazine, Billboard Magazine, The New York Times, the Los Angeles Times, The Miami Herald, The London Times, etc.

**Delsy Gutierrez**  
**Director of Marketing**

Ms. Gutierrez began her media career after receiving her Bachelor of Science in Communications from Florida International University. In 1991 she became the Editor in Chief and writer of the Entertainment page of a bi-weekly community newspaper in NW Miami. Two years later she was producing a one-hour internationally televised interview program entitled "The Maria Laria Show" for the Telemundo Network. With her sights on the music industry she landed a job coordinating the office for the firm of D'AR Management which handled such artists as Willy Chirino, Roberto Perrera, Lissette and Julio Sabala, all international latin superstars. At D'AR she coordinated all aspects of photo and video productions, image concepts, and the daily office operations. In 1996 when Julio Sabala changed agencies he invited her to make the move with him. At World Entertainment Agency she was responsible for the national and international touring, and all promotional aspects of such clients as Sofia Vergara, Chabeli Iglesias and Cristian de la Fuente (Driven w/ Sylvester Stallone). In 1999 Delsy launched her own music management company Ra Music where she coordinated live



appearances, media relations, CD sales and distribution and sponsorships for a series of local music groups in both Spanish and English. Delsy coordinated the first national tour by an unsigned band of the Hard Rock Cafes coast to coast. She joined Pyramid in the beginning of 2002.

### **Christian Unruh**

#### **Director of Artists & Repertoire**

After graduating with honors from the University of California/Berkeley and Tulane Law School Mr. Unruh took over a small 20,000 watt station country station near the Mississippi/Louisiana border and managed to shake up the New Orleans market by starting The Zephyr radio station. It was the 12th commercial alternative station in the U.S. and soon became known throughout the country and the U.K. as an extremely important indicator of an artists' future success. Green Day, Stone Temple Pilots, Tori Amos, Radiohead, Dave Mathews Band, Sara McLachlan and many other artists got their big break on the station. After being chosen New Orleans best radio station in 1993, 1994 and 1995 Mr. Unruh began working as a marketing and promotion consultant at A.R.M.S. Division in Santa Monica, record company clients included Epic, Columbia, Virgin, V2, Arista, and MCA.

In 1998, Mr. Unruh co-founded the web-based record label and internet broadcaster Fastband Globalcast ([www.fastband.com](http://www.fastband.com)). From the cutting-edge studios on Bourbon St. in New Orleans Mr. Unruh was one of the first in the world to stream audio and digitally distribute music from artists signed to the digital record label. Some of the successful Fastband artists include David Gray, John Mayer, Coldplay, Damien Rice and Dido.

In 2004 Mr. Unruh joined Pyramid Records as the Project Coordinator. His first project was the Bridge to Havana project. This English-Spanish collaboration between American artists such as Gladys Knight, Bonnie Raitt, Mick Fleetwood, and many others, and their contemporary Cuban counterparts debuted at number 3 on the Billboard World Chart.

Mr. Unruh will soon as head of A/R for the Titan Label and Head of Label Relations, acquiring content from the all the major record labels.

### **Rob Sides**

#### **Consultant**

Mr. Sides began his record industry career in 1974 as a retail store manager/buyer for Disc Records in Houston Texas. After only one year, he began working on radio promotion for Elektra and Warner Brothers Records. In 1987, Mr. Sides became the Marketing Manager for Elektra Records in Los Angeles. During his tenure, he helped support and launch a multitude of artists that became Platinum and multi-Platinum selling acts such as: Anita Baker, Metallica, Motley Crew, Teddy Pendergrass, The Cure, Simply Red, Tracy Chapman and Soundtrack Album to Cocktail. In 1992, Mr. Sides became the National Sales Director for Giant Records and was a member of the team that sold three million units of the debut release by Color Me Bad. Mr. Sides managed the sales and retail aspects for the launching of country artist Clay Walker, which went Platinum; the soundtrack album, "Dazed and Confused" and the soundtrack album for the TV show Beverly Hill 90210. Just prior to leaving Giant, Mr. Sides played an essential role in the development and breaking of Kenny Wayne Shepherd and Big Head Todd, both of who achieved Platinum status. In 1997, Mr. Sides became Vice President of Sales for Capricorn Records. At Capricorn, he facilitated the Platinum success with the band Cake and double Platinum success with the band 311. Mr. Sides joined the Pyramid team in September 2000.

### **Julian Shapiro**

#### **Consultant**

The Former Head of Sony International, Mr. Shapiro heads up our N.Y.C. Operations. Managing Owner, Artist Management & Music Promotion Company 2/93 to Present. Mr. Shapiro was responsible for day-to-day operations of company. Coordinate and develop music artist careers. Develop and implement promotional campaigns for both artists and music companies. As Vice President of Marketing SONY/CBS Records International Mr. Shapiro was responsible for the international marketing and career development for all artists signed to Columbia, Epic & WTG labels. Specific responsibilities include: Management and deployment of a 15 member marketing staff in offices in NY & Los Angeles; administration of marketing budgets to support the activities of the marketing staff (including promotional and performance



touring and video production); creation of strategic plans to exploit the international career opportunities of CBS Records artists.

As Director, Marketing, Columbia Label, CBS Records, International, Mr. Shapiro worked with the following artists during this period of his career; Michael Bolton, Bob Dillon, Julio Iglesias, Mick Jagger, Billy Joel, Willy Nelson, Rolling Stones and Bruce Springsteen. He also consolidated the media and media-related activities of CBS Records International and established a department at the company's international headquarters. The overall responsibility of the media relations department was to coordinate those activities among the 55 subsidiaries, joint ventures, and licensees of CBS Records.

### **Strategic Marketing Advisory Board**

#### **Laurence Norjean**

##### **CEO NorStar Entertainment Media**

Laurence W. Norjean has over 25 Years of senior level marketing experience with major corporate entities & start-ups in the media, programming and advertising industries. Norjean is an experienced, innovative and visionary hands-on strategic planner in building and leading management, marketing and sales organizations. Norjean has Extensive fund development, conference management, administrative, operational, affiliate & strategic partner development experience both domestically and internationally. He possesses exceptional presentation & spokesperson skills.

Norjean currently is Managing Director & CEO of NorStar Media Entertainment Croup. He manages an integrated media marketing consortium representing major companies in the media, advertising & entertainment industries to produce and syndicate TV, radio, on-line and wireless programming, event marketing and new media. Norstar have developed many advertising sponsorships and integrated media marketing partnerships with a long list of media/advertising companies as: WPP, Publicis/Saatchi & Saatchi, Omnicom, Comcast, Interep (Viacom & ABC Radio), NBC, Telemundo, Advertising.com, Winstar Interactive, Virgin, and many other media/advertising companies and their clients.

Additionally, Norstar is the producer and syndicator of 3 series for TV, Cable, Internet & wireless (XXSports, Beach Extreme, and Live on Sunset - music series.) For further details of our scope of operations and client list refer to [norstarmedia.com](http://norstarmedia.com).

Norjean was Chief Executive Officer and co-founder of this landmark broadband broadcasting, entertainment production, syndication and media sales organization that supplied broadband content to over 40 million viewers a month through its network of affiliates. NORJEAN managed the technological build-out, content development and advertising sales that delivered sponsored programming to major media affiliates including: NBC, Earthlink, MSN, Terra/LYCOS, Bell South, Clear Channel, Infospace and Comcast among many. FMITV produced original Hollywood entertainment programming, as well as, aggregated music & sports videos and provided media sales to all of our affiliates.

Norjean managed the creation of the first multimedia, award-winning media convergence portals (internet, radio & TV) KIISFMI, WBLSI & XTRAI, among many. Norjean maintained autonomous decision-making authority within the areas of technology & software development, content production, sales & marketing, human resources, and administrative affairs. Norjean was fully responsible for strategic planning, operations and P&L. As CEO, Norjean managed a staff of over 150+ software developers, program producers and marketing personnel. Norjean developed a series of long-term strategic partnerships with a wide range of traditional and new media companies, agencies and advertisers. Norjean managed development of international syndication of technology and content in Asia, Europe and South America. (A division of InXsys Broadcast Networks.)

Norjean was co-founder of one of the world's largest online classifieds companies (BuySellBid.com) and relationship technology providers - RadioDate, specializing in media convergence and integrated media, creating many traditional & new media strategic partnerships between companies such as NBC, Clear Channel & Emmis, among many. Norjean managed all technical development, content development, marketing & sales, strategic partnerships, syndication, business development and M&A operations.





As senior operating director of this Straticomm America, Norjean was responsible for business development, sales & marketing, creative production and the development of advertising and public relations programs and campaigns for clients in the film, advertising & media industries, including CBS & ABC Radio Networks, Westwood One, Orion Pictures, Interep, Katz Media, Crain Publications & VNU.

Norjean held the position of CMO for Radio Advertising Bureau national trade association, where Norjean spearheaded all strategic planning and operations for marketing & sales on an industry-wide basis. Norjean additionally functioned as industry spokesperson to the advertising agency community, advertisers, and other national industrial trade and regulatory organizations (NAB & FCC). Norjean had hands-on management of 8 regional sales offices heading up a national business development team that generated more than \$ 400 mm in new revenue for the radio industry during my tenure.

Previously, as Senior VP/International Sales at VNI, Norjean inaugurated a successful music video network throughout the US & Canada including the technical development of *the Box*, *cable TV's first music video request line*. Norjean Formed strategic relationships with Hilton, Sheraton, TGIF, Reiss, & others.

At Metromedia TV & Radio Norjean was responsible for corporate, national & local market advertising, public relations & sales promotion for more than 60 owned & operated and represented major market Radio & TV stations. Norjean transitioned to this position from production & production management positions at Metromedia Television & Metromedia News (10 O'clock News - WNYW-TV).

Prior to Metromedia News Norjean held the position of NY Television Syndication Manager at Metromedia Producers Corporation (MPC-Wolper Productions.) Norjean held various positions (PA, AP & AD) and responsibilities in the production, post-production and distribution of the National Geographic Series, Truth or Consequences, The Merv Griffin Show, The Jacques Cousteau Series, The Untamed World, Hallmark Hall of Fame, among many other national & international TV properties.

While still a student at New York University, Norjean started my media career in theatrical production, theatrical marketing & promotion at Metro-Goldwyn-Mayer.

Noted international speaker & lecturer - over 150 keynote or panel participations - National Association of Broadcasters (US & Europe), Nikkei Shimbun - Japan, Digital Hollywood, Streaming Media Asia - China, RAB, Broadcast Europe & entertainment, media & marketing Industry conferences in the US, Europe, South America & Asia - including advertising, banking & financial services, automotive, airlines & hospitality, consumer goods & services, and consumer research conferences, as well as many other business to business, and consumer conventions & workshops.

Developed critically acclaimed marketing/media strategy - Consumer Cycle Marketing (CCM) Author of "The Essential Radio Spot," a multi-media course in broadcast creative & marketing.

Managed creation of #1 broadband video entertainment site(s) on Line - KIISFMi (Clear Channel) & managed the development of commercial streaming sites for NBC, Comcast, Earthlink, BellSouth & Infospace, among many...

Significant Senior-level entertainment, broadcasting & agency/advertiser relationships in US, Europe & Asia. Guest editor & columnist for many publications – including: Advertising Age, Adweek, Mediaweek & Brandweek. Extensive public relations & spokesperson experience. *Past board member of Business Partnership for Diplomatic Action (BDA), which includes the CEO's of the top worldwide advertising agencies & media companies. Past Legislative chairman of the Advertising Club of New York. Member - Society of Industry Leaders - Standard & Poors Consulting. 2 Nominations – Webby Awards. Inclusion in the Top 50 Streaming Executives in America.*

## **Marc Guild**

### **President Marketing Division, Interep, Inc.**

During his more than two decades at Interep, Marc Guild has played a major role in building the company into the largest radio-only national advertising sales organization through his focus on making radio work to meet the marketing needs of advertisers.



Mr. Guild joined Interep's McGavren Guild Radio in 1975 as a research executive and was promoted to Manager/Research and Operations five years later.

In 1981, he was named Manager/Marketing and Research for Interep's unwired network division. He later held the positions of Vice President/Research and Operations and Executive Vice President/General Manager of The Interep Network Division before being named its President in 1987. Mr. Guild was named to his current post in 1990. As President, Marketing Division, Mr. Guild plays a major role in overseeing Interep's numerous sales and marketing programs; the Interep Radio University, the industry's largest training program; and the company's Regional Executives. In addition, he is extensively involved with the company's research and technology divisions.

Mr. Guild's accomplishments have been many. He was instrumental in developing the Regional Executive concept, which plays a vital role in improving operating efficiency and quality of service for Interep's client stations, advertisers and their agencies. Under the Regional Executive program, Interep managers work across rep company lines to better serve the needs of advertisers and agencies on a city-by-city or regional basis. The strong relationship formed between these executives and key advertisers and agencies in turn has generated more revenue for all Interep client stations.

Mr. Guild's various marketing-oriented programs in support of Radio 2000, Interep's new business initiative, have helped the effort generate more than \$600 million in new revenue for the radio industry.

In addition to speaking at numerous national and international conferences, Mr. Guild is an active member of the Young Presidents Organization, International Radio & Television Society and the Museum of Television and Radio. He attended the Wharton School and Harvard University Graduate School business programs and the Bell Leadership program. Mr. Guild resides in Bronxville, New York and has four children.

**James P. Mazzeella**  
**Chief Information Officer, Interep, Inc.**

Jim oversees internal technology systems and the development of long-range strategies to maintain the company's industry leadership position in this area.

Previously, he was Corporate Vice President, Integration & Shared Services at The Interpublic Group of Companies in New York. During his 11-year tenure at Interpublic, a \$6.7 billion advertising, media and marketing communications holding company, Jim was involved in the development and implementation of global business and technology strategy. Most recently, he held the position of Corporate Vice President, Integration & Shared Services, responsible for establishing the companies shared services activity. For the five years prior to that, Jim served as Corporate Vice President, Chief Information Officer.

From 1994-97, Jim was Worldwide Director, Information Systems at Ammirati Puris Lintas, where he also served two years as New York Director, Information Systems.

From 1988-92, he was Assistant Vice President, Financial Systems at Skandia America Reinsurance Corp, and before that was Manager, Finance and Operations for Thomas Cook Financial Services.

Jim has been chairman of the technology committee of the American Association of Advertising Agencies (AAAA's), and served on the White House General Industry Council on Year 2000 as an advisory member.

He currently resides in Staten Island with his wife Ginger and their daughters Ashley and Morgan.



## **Technology Advisory Board**

### **Layne Polsin CEO Blusun LLC**

Mr. Polsin was previously Executive Producer and Director of Production at iBeam Broadcasting, the leading media CDN, where he was responsible for managing and directing all webcasts in the US and Internationally. He produced both live and archived events for companies ranging from pharmaceutical firms to software giants to entertainment moguls. High profile clients include Lotus, WWF, and Hard Rock Café. Layne holds the distinction of producing the first live interactive webcast in history (the Atlantic Coast Conference 1999 (ACC Tournament 1999) as well as the first international interactive webcast Lotosphere Berlin 1999. His creative and knowledgeable training and production skills gained Mr. Polzin international recognition as an innovative producer and Executive Producer.

Prior to iBeam, Layne was Senior Designer and trainer for Qwest Dex, a leader in Telephone Communications Directory. Layne mentored and assisted clients in the design, implementation and deployment of complex marketing solutions. During his 7 years at Qwest Dex Layne directed and developed an interactive ad-viewing library prototype, which streamlined development time and increased revenue.

Layne earned his degree in Advertising Design from NEC. He began his career as a designer and editor for local Newspaper publications and has worked in a wide variety of business areas including marketing, advertising, TV production, streaming, webcasting, financial, Internet research and video production. Mr. Polzin has received a number of awards for his design work and has written articles for national publications. He is a published poet for the Readers Digest and Time Magazine. Layne has held a number of Board seats including a position on the Advertising Curriculum Revue Board for the NEC.

BluSun Media was Founded in August 2001, BluSun Media LLC. and is headquartered in Chandler, Arizona and Plano, Texas. Our company has over 25 years of extensive Application development, advertising, video production & design experience. BluSun is an online marketing firm. We offer several different on-line marketing services such as CD/DVD production, celebrity infomercials, multimedia email, webcasting, telecasting and web conferencing.

### **David Rogers CTO Blusun LLC**

Project management, systems engineering and software construction for web applications, client/server and distributed systems in a broad range of application domains.

Senior Engineer – Verizon Business (12/2004 to present). Responsible for system architecture and implementation for all Network Security Operations Center projects. Designed and directed the implementation of a high performance network scanner (AutoScan) that scans the entire corporate network for vulnerabilities. Designed and directed the implementation of the Defense Center and Realtime Vulnerability Analysis (RVA) applications. Defense Center displays filtered Intrusion Detection System (IDS) alarms received from RVA. RVA correlates port and vulnerability information generated by AutoScan with realtime IDS alerts to provide a significant reduction in the number of false IDS alerts so that analysts can focus on real network intrusion incidents in Defense Center. These systems were all developed in Python and PHP using PostgreSQL and Apache on Linux, AIX and Solaris.

Staff Consultant – Mandris (12/2001 to 12/2004). Consulting services to streaming media companies relating to business and technology issues impacting the streaming media sector. Providing product definition, system engineering, application design and development as well as market research to enhance clients' streaming services.

Designed and implemented a rich-media web application for Pat Summerall Productions, an independent television production company, which supplements a weekly TV series. The system is implemented using PHP, MySQL, Apache and Linux. It incorporates the Real Networks Helix streaming server for multi-protocol video streaming. Also managed W2K server farm for the existing streaming media platform. Maintained existing streaming media applications in ASP with SQL



Server 7. Performed security audit for entire enterprise, recommended infrastructure changes and installed new Pix Firewall.

Responsible for implementation, deployment and administration of an Internet based system for marketing applications that integrates multiple technologies for collaboration including instant messaging, streaming video, email and desktop animation. The system is deployed on a distributed FreeBSD (Unix) server farm using Apache, MySQL, Zope, Perl and PHP.

Designed, developed and deployed a large-scale multimedia and webcast delivery application for real estate sales using PHP, SMIL, Apache, MySQL and Real Networks Helix on Linux.

Performed numerous market research studies for Anystream in conjunction with their Streaming ROI initiative. These studies provide deep insight into various vertical market segments on the viability of incorporating streaming to enhance existing products and services.

Other projects include integrating a telephony interface with a webcast encoding product in C on Windows NT, integrating an automated encoding front-end with a video search engine using XML on Windows NT.

Director of Media Systems Engineering - iBEAM Broadcasting (8/99 to 12/2001). iBEAM was acquired by Williams Communications. Responsible for systems design of Internet based streaming video production and delivery systems. Directed an eclectic team of software and network engineers that designed and implemented iBEAM's ActiveCast production tools, the secure eCommerce Pay-Per-View System as well as the iBEAM Internet Application Network. The ActiveCast suite provides for automated or manual control of live or VOD webcast signal acquisition, encoding and distribution. The Pay-Per-View system provides a secure credit card validation system (CCVS) running on Solaris as well as user authentication and tracking. The system is hosted on a pair of IBM H70 four-way servers running DB2 in a distributed, replicated database configuration. The iBEAM Internet Application Network (IAN) included than 250 IBM, DEC Alpha and NetApp servers running AIX, RedHat Linux and Windows NT. This system delivers static and dynamic content in support of the non-video portion of the ActiveCast system. Designed and implemented an automated web content replication system that distributes content on demand to the appropriate POD (Point Of Distribution).

Lead the Enterprise Automation initiative with responsibility for fully automating the entire webcast lifecycle from client write up to webcast delivery. This project integrated a wide variety of commercial applications such as Remedy, HP Openview and Pivotal with proprietary systems via XML interfaces. The systems included a variety of platforms including Solaris, AIX, Windows NT and Linux.

Established and directed the Sales Engineering group. Performed RFP analysis and generated technical responses to clients. Provided technology training and updates to sales staff.

Responsibilities also included new technology assessment and recommendations to executive staff on corporate technical direction.

Staff Consultant at Renaissance Worldwide (2/98 - 8-99). Renaissance was acquired by Aquent. Responsible for consulting and mentoring related to architecture, design and development of Web based applications for Renaissance clients. Lead engineer and software architect for a Web based distance learning application for MCI Worldcom's Advanced Communications Services that incorporates audio, video, graphics and interactive chat. The system uses Java, JavaScript and JavaServer Pages on Solaris and Linux to deliver live, on-demand and re-broadcast multimedia presentations across the Internet. Designed a three-tier system using DCOM, MTS, SQL Server and IIS using VB and Java clients to provide a distributed order entry system for GTE sales and service reps. Designed a three-tier system using Java clients, CORBA/JDBC middle tier and Oracle backend for energy service providers.

Senior Member of the Technical Staff at Eclectic Computing Concepts (10/96 - 12/97). Project Technical Lead for a three-tier web based application called Automated Target Folder for the US Air Force. This system uses Java clients to provide secure access to classified data on a wide variety of remote textual and imagery databases (Sybase, Oracle, proprietary) via an Apache Webserver. The system makes extensive use of SSI and CGIs written in Perl and C. An Intelligent Agent updates cataloged data without operator intervention.



Independent contractor to Texas Instruments (9/95 - 9-96). For the Central Research Lab: developed automated migration of programs from VAX/VMS to Windows NT. Also responsible for installation and integration of a HelpDesk system with an internal Webserver to provide lab-wide access to a problem reporting and problem resolution knowledge base. Also provided system administration support for a diverse heterogeneous network of PC, UNIX and super computers. For the Semiconductor Group: developed a client-server system to provide remote software updates to manufacturing sites worldwide. Wrote HTML and CGI scripts in Perl to allow remote database updates of site hardware and software configuration. Also provided system administration support for Sun SPARCstations. Installed and supported Spectrum and MaestroVision network management systems on Sun SPARCstations. Developed and implemented plan move from a world-wide, flat, bridged hybrid (IP/SNA) network to a segmented, switched, routed IP network.

Independent contractor to NEC America, Satellite Systems Department (10/91 - 6/95). Responsible for system and network administration for a large, integrated network of Sun SPARCstations, Windows NT, Windows for Workgroups, OS/2, Novell and Macintosh systems. Duties included selection, acquisition, installation and maintenance of all hardware, software and peripheral systems for a multi-platform software development group. Configured and maintained all network hardware including Cabletron Hub and integrated Cisco Router Module, Livingston terminal servers and VSAT systems. Set up departmental Web server linked to corporate web server and generated HTML for display of department's product information. Conducted research project incorporating interactive video conferencing, Netware and TCP/IP via global satellite network. Converted a communications control system from X10 to X11 and Motif on SunOS. Participated in design and development of SNMP Proxy Agent for remote monitor and control of communications equipment.

Independent contractor to Arco Oil and Gas (11/84 - 10/91). Participated in the implementation a communications suite which is platform and protocol independent. The package uses TCP/IP, DECNET, SNA, Hyperchannel and SunLink DNA to provide transparent file access and task-to-task communications between any platforms using any of these protocol stacks. Platforms in use include IBM 3090 (MVS), Sun 3/4, VAX (VMS and ULTRIX), DEC/RISC, Apollo and RS6000. Responsible for a research effort to determine how to integrate OSF Distributed Computing Environment (DCE) into the AOGC corporate network.

Designed and implemented of a platform-independent programming toolkit for geoscience, oil and gas applications with a network graphics and database interface. Components include X Window System, OSF/Motif and Oracle. Responsible for ports to VAX/VMS, SunOS, Apollo Domain, SGI IRIX, VAX/ULTRIX, RISC/ULTRIX and AIX. Also responsible for development network system administration. Designed network, installed, configured and maintained hubs, bridges and router for connection to campus FDDI ring.

Implemented a 3-D seismic processing system on VAX/VMS. Installation and support of Geoquest seismic interpretation system. Development of world mapping system using World Databank II. Systems and applications support for various VAX, PDP11, Masscomp and Sun computer systems. Provided design and integration of an image processing system for remote sensing of earth resources using VAX 8600, 11/780 and PDP-11 CPUs (VAX/VMS and RSX11-M) and APTEC IO Computer controlling IBIS disks and FPS-5210 array processor with Gould IP8500 high resolution displays. Design and implementation of system to monitor and control Optronics film plotter and Wing-Lynch film processing equipment using IBM PC/XT and Motorola VME-10 (VERSADOS). Installed Ethernet repeaters to establish company's first LAN. Designed and implemented a device driver and application interface library for Ramtek 9460 graphics displays on a Masscomp MC-500 CPU (UNIX). Developed a vector map and raster image digitizing system using Altek and Summagraphics digitizer tablets and an Eikonix Image Scanner.

Independent contractor to Mobil Exploration and Producing Services (6/84 - 11/84). Provided integration of a Seismic Interpretation System using multiple VAX 11/780 CPUs (VAX/VMS) and Intergraph CAD/CAM hardware and software. Manager of Systems and Programming for Digital Switch Corp (10/82 - 6/84). Responsible for engineering development computer network utilizing VAX 11/780s and PDP-11s for software and hardware development, automatic test equipment systems, and CAD/CAM systems. Responsibilities included management of systems programming staff, programming languages development group, telecommunications installation and repair teams and capacity planning.



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**Programming Languages and Packages:**

Python, Java, C, C++, Visual Basic, FORTRAN, Pascal, Macro 11, DG/L and Ratfor  
PHP, JSP, ASP, JavaScript, VBScript, Korn shell, Bourne shell, Perl, Expect  
PostgreSQL, MySQL, Sybase, SQL Server, DB2, Oracle  
Z80, Z8000, 80x86, 6800, 6809 and 9900 assembly  
NetObjects Fusion, IONA Technologies Orbix, Visigenics Visibroker  
BEA WebLogic, IBM Websphere, JOnAS Java Application Servers

**Systems and Networks:**

UNIX (Linux, Solaris, SunOS, ULTRIX, Digital UNIX, Domain OS, AIX, SVR3/4)  
Windows 2000, NT  
VAX/VMS, RSX11M/S, RSX11M+  
AOS, AOS/VS  
TCP/IP, DECNET and Netware installation, configuration and management  
Sun NetManager, HP OpenView, Cabletron Spectrum, Calypso MaestroVision

**Education:**

Bachelor, Computer Science, University of Texas at Austin

**Security Clearance:**

DOD TS/SCI. Last BI update 9/97.

**Additional Training:**

GemStone Database Administration - GemStone Systems (2/96)  
Spectrum Administration - Cabletron Systems (11/95)  
MaestroVision Administration - Cabletron Systems (11/95)  
Windows NT Internals and Device Drivers - Microsoft (10/92)  
Object Oriented Design - Learning Tree (12/89)  
Oracle Database Administration - Oracle (1/88)  
NETEX/BFX Programming and Administration - Network Systems (2/88)  
X Window System Programming - DECUS (5/88)  
UNIX Internals - DECUS (3/87)  
VAX/VMS System Management - Digital Equipment Corporation (1/82)





## FINANCIAL FORECASTS

The financial forecasts begin with October 2006 and project forward for three years. The primary reason for this is that there were no real significant revenues generated the first three quarters of 2006 since we were changing out our artist inventory and we had received no significant funding to allow the other divisions to launch. Therefore, we have taken the position that the business will actually begin with the release of our first new artist and continue thereafter to reflect the business buildup from revenues. We have also provided a second forecast based upon the ability to achieve \$5.0M in funding.

### Artist Unit Forecast for 2006

Date	Artist	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total 2006
9-Aug-05	Stephen Stills	1,557	838	693	757	936	634	608	481	640	600	640	800	9,184
23-Aug-05	Terry Cummings	147	72	100	10	1	6	6	1	0	0	0	0	343
25-Oct-05	Girls in Hawaii	92	108	151	326	84	30	56	27	36	40	48	60	1,058
25-Oct-05	The Invisible	18	3	32	20	10	2	7	100	8	5	8	12	225
25-Oct-05	Ricki Erik	0	0	4	0	0	0	0	4	0	0	0	0	8
25-Oct-05	Group X	10	10	9	9	4	2	2	1	8	8	10	15	88
15-Nov-05	Beenie Man	332	192	159	151	116	90	93	58	80	90	90	120	1,571
21-Feb-06	The Band		116	208	181	112	77	71	66	85	86	100	130	1,232
21-Feb-06	The Band		61	106	115	62	61	61	36	42	43	48	65	700
4-Apr-06	June Rochelle				231	35	52	43	37	36	35	45	50	564
6-Jun-06	Sha Na Na						139	68	39	30	30	40	50	396
1-Aug-06	Gisli								4	200	200	200	200	804
26-Sep-06	Skant Bone									1,000	200	200	200	1,600
24-Oct-06	Ty Herndon										25,000	10,000	15,000	50,000
7-Nov-06	Snoop Dogg											15,000	5,000	20,000
7-Nov-06	Snoop Dogg											3,000	1,000	4,000
21-Nov-06	Public Enemy											15,000	5,000	20,000
Unit Totals		2,156	1,400	1,462	1,800	1,360	1,093	1,015	854	2,165	26,337	44,429	27,702	111,773

#### Sales

Lines 1 – 12		\$1,137	\$1,229	\$1,502	\$3,868
Shant Bonz		1,200	200	200	1,600
Ty Herndon		81,250	32,500	48,750	162,500
Snoop Dogg		0	18,000	6,000	24,000
Public Enemy		0	15,000	5,000	20,000
Total Sales		83,587	66,929	61,452	\$211,968

### Artist Unit Forecast for 2007

Date	Artist	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Tot 2007
9-Aug-05	Stephen Stills	500	500	500	500	500	500	500	500	500	500	500	500	6,000
25-Oct-05	Girls in Hawaii	60	60	60	60	60	60	60	60	60	60	60	60	720
4-Apr-06	June Rochelle	50	50	50	50	50	50	50	50	50	50	50	50	600
6-Jun-06	Sha Na Na	50	50	50	50	50	50	50	50	50	50	50	50	600
1-Aug-06	Gisli	200	200	200	200	200	200	200	200	200	200	200	200	2,400
26-Sep-06	Skant Bone	200	200	200	200	200	200	200	200	200	200	200	200	2,400
24-Oct-06	Ty Herndon	10,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	75,000
7-Nov-06	Snoop Dogg	5,000	5,000	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	37,500
7-Nov-06	Snoop Dogg	1,000	1,000	1,000	500	500	500	500	500	500	500	500	500	7,500
21-Nov-06	Public Enemy	5,000	5,000	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	37,500
Feb 2007	Joe Patrick		1,000	1,000	1,000	1,000	500	500	500	500	500	500	500	7,500
Feb 2007	Kev Samples		1,000	1,000	1,000	1,000	500	500	500	500	500	500	500	7,500
Feb 2007	Heather Bradley		1,000	1,000	1,000	1,000	500	500	500	500	500	500	500	7,500
Mar 2007	Billboard DVD			75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	750,000
Mar 2007	Hollywood Report			75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	750,000
Units Totals		22,920	25,920	175,920	165,420	165,420	163,920	163,920	163,920	163,920	163,920	163,920	163,920	1703,040

#### Sales

Lines 1 – 5	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$860	\$10,320
Shant Bonz	200	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Ty Herndon	32,500	32,500	32,500	16,250	16,250	16,250	16,250	16,250	16,250	16,250	16,250	16,250	16,250	243,750



Snoop Dogg	6,000	6,000	6,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	45,000
Public Enemy	5,000	5,000	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	37,500
Joe Patrick	0	5,000	5,000	5,000	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	37,500
Kev Samples	0	5,000	5,000	5,000	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	37,500
Heather Bradley	0	5,000	5,000	5,000	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	37,500
Billboard DVD	0	0	300000	300000	300000	300000	300000	300000	300000	300000	300000	300000	3,000,000
Hollywood Report	0	0	300000	300000	300000	300000	300000	300000	300000	300000	300000	300000	3,000,000
<b>Total Sales</b>	<b>\$44560</b>	<b>\$59560</b>	<b>659560</b>	<b>637810</b>	<b>637810</b>	<b>63,310</b>	<b>630310</b>	<b>630310</b>	<b>630310</b>	<b>630310</b>	<b>630310</b>	<b>630310</b>	<b>6,451,470</b>

Record sales revenues are forecasted from the Universal forecast multiplied by the unit fee income contained within the artist contracts. We have not assumed any new artists other than what is currently under contract. Sales growth numbers for 2008 and 2009 are based upon 20% growth of existing artists under contract on a year-to-year basis. These assumptions are consistently applied to both forecasted numbers.

### Assumptions Related to Forecast and Portal Launch from Internal Funding

License Agreements payments will be made from positive cash flow beginning 2<sup>nd</sup> quarter 2007. With these payments we will be able to complete the loading of the content in our production libraries and release the aggregation portal 3<sup>rd</sup> quarter 2007. This delay in funding will significantly impact revenues but will not prevent us from entering into the market. With the content available Q3 2007 we can release our handheld units. While we have private label projects there can be no assurance that they will remain with us due to the delay in funding. Therefore, our forecast for 2007 is cut in half of what it could be if funding were to be completed.

Handheld Mobile Unit Sales consists of 3 products with price points at \$99, \$199 and \$499. We have built these price points with 65% gross margin and 35% cost basis. Assuming an equal distribution between the units the unit sales assumption is as follows:

3<sup>rd</sup> Quarter 2007 – 10,000  
 4<sup>th</sup> Quarter 2007 – 15,000  
 2008 – 30,000  
 2009 – 45,000

Downloads are an extrapolation using historical data provided by Apple in their annual reporting. Details of Apple's download sales performance is provided as an attachment to this business plan. Download sales have been assumed to be the lowest price point in our library \$0.99. We have content that range up to \$3.99. Cost assumptions for downloads are forecasted at 90% of sales. This is consistent with Apple's download figures.

Membership sales assumption is at a price point of \$19.95 per year. Cost of the membership is the membership package sent to each member by our customer service center. Membership package cost is assumed to be 20% of sales or \$4.00 per membership.

3<sup>rd</sup> Quarter 2007 – 5,000  
 4<sup>th</sup> Quarter 2007 – 15,000  
 2008 – 60,000 (40,000 new signups with 20,000 carryovers)  
 2009 – 120,000 (60,000 new signups with 60,000 carryovers)

Corporate Advertising Sales is based upon our on-going conversations with Value Click, Interep, Inc. and our Strategic Marketing Advisory Board members. Cost for corporate advertising is estimated at 10% which reflects the existing contracts we have in place with NorStar Media Entertainment Group for commissions due from corporate advertising sales.



**Titan Global Entertainment, Inc.**  
**Operating Statement – Internal Funding**  
**For the Years Ended Quarter 4, 2006, 2007, 2008 and 2009**

		2007						
	4 <sup>th</sup> Qtr 2006	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total	2008	2009
<b>Revenues</b>								
Record Sales	\$211,968	\$763,680	\$1,905,930	\$1,890,930	\$1,890,930	\$6,451,470	\$7,741,764	\$9,290,117
Handheld Mobile Sales	0	0	0	1,250,000	5,000,000	6,250,000	24,000,000	36,000,000
Download Sales	0	0	0	1,000,000	4,000,000	5,000,000	15,000,000	20,000,000
Membership Sales	0	0	0	100,000	300,000	400,000	1,200,000	2,400,000
Corporate Advertising Sales	0	0	0	600,000	1,000,000	1,600,000	2,400,000	4,800,000
<b>Total Revenues</b>	<b>\$211,968</b>	<b>\$763,680</b>	<b>1,905,930</b>	<b>4,840,930</b>	<b>12,190,930</b>	<b>19,701,470</b>	<b>50,341,764</b>	<b>72,490,117</b>
<b>Cost of Sales</b>								
Record Sales	0	0	0	0	0	0	0	0
Handheld Mobile Sales	0	0	0	437,500	1,750,000	2,187,500	8,400,000	12,600,000
Download Sales	0	0	0	900,000	3,600,000	4,500,000	13,500,000	18,000,000
Membership Sales	0	0	0	20,000	60,000	80,000	240,000	480,000
Corporate Advertising Sales	0	0	0	60,000	100,000	160,000	240,000	480,000
<b>Cost of Sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,417,500</b>	<b>5,510,000</b>	<b>6,927,500</b>	<b>22,380,000</b>	<b>31,560,000</b>
<b>Gross Margin</b>	<b>211,968</b>	<b>\$763,680</b>	<b>1,905,930</b>	<b>3,423,430</b>	<b>6,680,930</b>	<b>12,773,970</b>	<b>27,961,764</b>	<b>40,930,117</b>
<b>Operating Expenses</b>								
Research & Development	300,000	200,000	200,000	400,000	500,000	1,300,000	4,632,000	6,288,000
Sales & Marketing	100,000	100,000	100,000	200,000	300,000	700,000	5,790,000	7,860,000
General & Administrative	300,000	300,000	300,000	400,000	500,000	1,500,000	2,895,000	3,930,000
<b>Total Operating Expenses</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>1,000,000</b>	<b>1,300,000</b>	<b>3,500,000</b>	<b>4,632,000</b>	<b>6,288,000</b>
<b>Operating Income (Loss)</b>	<b>(388,032)</b>	<b>163,680</b>	<b>1,305,930</b>	<b>2,423,430</b>	<b>5,380,930</b>	<b>9,273,970</b>	<b>23,329,764</b>	<b>34,642,117</b>
<b>Other Income and Expense</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>0</b>	<b>(52,500)</b>	<b>0</b>	<b>0</b>
<b>Income Before Taxes</b>	<b>(405,532)</b>	<b>146,180</b>	<b>1,288,430</b>	<b>2,405,930</b>	<b>5,380,930</b>	<b>9,221,470</b>	<b>23,329,764</b>	<b>34,642,117</b>
<b>Income Taxes @ 30%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>1,614,279</b>	<b>1,914,279</b>	<b>6,998,929</b>	<b>10,392,635</b>
<b>Net Income (Loss)</b>	<b>(\$405,532)</b>	<b>\$146,180</b>	<b>\$1,288,430</b>	<b>2,105,930</b>	<b>3,766,651</b>	<b>7,307,191</b>	<b>16,330,835</b>	<b>24,249,482</b>
<b>Outstanding Shares</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>
<b>Earnings Per Share</b>	<b>(\$0.0041)</b>	<b>\$0.0015</b>	<b>\$0.0136</b>	<b>\$0.0213</b>	<b>\$0.0381</b>	<b>\$0.0739</b>	<b>\$0.1652</b>	<b>\$0.2453</b>
<b>Market Cap Table</b>								
5 Times Earnings		730,900	6,442,150	10,529,650	18,833,255	36,535,955	81,654,175	121,247,410
10 Times Earnings		1,461,800	12,884,300	21,059,300	37,666,510	73,071,910	163,308,350	242,494,819
15 Times Earnings		2,192,700	19,326,450	31,588,950	56,499,765	109,607,865	244,962,525	363,742,229
20 Times Earnings		2,923,600	25,768,600	42,118,600	75,333,020	146,143,820	326,616,700	484,989,638
25 Times Earnings		3,654,500	32,210,750	52,648,250	94,166,275	182,679,775	408,270,875	606,237,048
30 Times Earnings		4,385,400	38,652,900	63,177,900	112,999,530	219,215,730	489,925,050	727,484,457



**Assumptions Related to Forecast and Portal Launch from External Funding within the next 60 Days.**

It is assumed that a funding commitment will be received in the next 2 weeks for \$5.0M and a bridge of \$2.0M will be provided to allow us to launch all our products during the fourth quarter 2006. This bridge will allow us to make the following payments to launch our product lines.

1. Royalty Payments - \$790,000
  - a. SONY - \$275,000
  - b. Universal - \$125,000
  - c. Warner - \$225,000
  - d. EMI - \$125,000
  - e. Orchard - \$40,000
2. Engineering for DRM and library loading - \$300,000
3. Initial Unit Inventory for 2 units 60% prepayment - \$600,000
4. Working Capital - \$310,000

Handheld Mobile Unit Sales consists of 3 products with price points at \$99, \$199 and \$499. We have built these price points with 65% gross margin and 35% cost basis. Assuming an equal distribution between the units the unit sales assumption is as follows:

4<sup>th</sup> Quarter 2006 – 30,000 Telemundo Private Label of the \$199 Unit + 15,000 retail through distribution channels blended product.

1<sup>st</sup> Quarter 2007 – 90,000 Telemundo Private Label Units + 30,000 retail through distribution channels blended product.

2<sup>nd</sup> Quarter 2007 – 180,000 Telemundo Private Label Units + 30,000 retail through distribution channels blended product

3<sup>rd</sup> Quarter 2007 – 270,000 Telemundo Private Label Units + 30,000 retail through distribution channels blended product

4<sup>th</sup> Quarter 2007 – 360,000 Telemundo Private Label Units + 30,000 retail through distribution channels blended product

2008 – Assumes a 20% Growth in Sales over 2007

2009 – Assumes a 20% Growth in Sales over 2008

Downloads are an extrapolation using historical data provided by Apple in their annual reporting. Details of Apple's download sales performance is provided as an attachment to this business plan. Download sales have been assumed to be the lowest price point in our library \$0.99. We have content that range up to \$3.99. Cost assumptions for downloads are forecasted at 90% of sales. This is consistent with Apple's download figures.

Membership sales assumption is at a price point of \$19.95 per year. Cost of the membership is the membership package sent to each member by our customer service center. Membership package cost is assumed to be 20% of sales or \$4.00 per membership.

4<sup>th</sup> Quarter 2006 – 15,000

1<sup>st</sup> Quarter 2007 – 30,000

2<sup>nd</sup> Quarter 2007 – 30,000

3<sup>rd</sup> Quarter 2007 – 30,000

4<sup>th</sup> Quarter 2007 – 45,000 (30,000 new signups with 15,000 carryovers)

2008 – 250,000 (125,000 new signups with 125,000 carryovers)

2009 – 375,000 (125,000 new signups with 250,000 carryovers)

Corporate Advertising Sales is based upon our on-going conversations with Value Click, Interep, Inc. and our Strategic Marketing Advisory Board members. Cost for corporate advertising is estimated at 10% which reflects the existing contracts we have in place with NorStar Media Entertainment Group for commissions due from corporate advertising sales.



**Titan Global Entertainment, Inc.**  
**Operating Statement – External Funding**  
**For the Years Ended Quarter 4, 2006, 2007, 2008 and 2009**

	<u>4<sup>th</sup> Qtr</u> <u>2006</u>	<u>1<sup>st</sup> Qtr</u>	<u>2<sup>nd</sup> Qtr</u>	<u>3<sup>rd</sup> Qtr</u>	<u>4<sup>th</sup> Qtr</u>	<u>Total</u>	<u>2008</u>	<u>2009</u>
<b>2007</b>								
<b>Revenues</b>								
Record Sales	\$211,968	\$763,680	\$1,905,930	\$1,890,930	\$1,890,930	\$6,451,470	\$7,741,764	\$9,290,117
Handheld Mobile Sales	17,925,000	25,880,000	43,790,000	61,700,000	79,610,000	214,965,000	257,958,000	309,549,600
Download Sales	11,203,125	16,175,000	27,368,750	38,562,500	49,756,250	134,353,125	161,223,750	193,468,500
Membership Sales	300,000	600,000	600,000	600,000	900,000	2,700,000	5,000,000	7,500,000
Corporate Advertising Sales	400,000	600,000	1,000,000	1,600,000	2,400,000	5,600,000	10,000,000	15,000,000
<b>Total Revenues</b>	<b>30,040,093</b>	<b>44,018,680</b>	<b>74,664,680</b>	<b>104,353,430</b>	<b>134,557,180</b>	<b>364,069,595</b>	<b>441,923,514</b>	<b>534,808,217</b>
<b>Cost of Sales</b>								
Record Sales	0	0	0	0	0	0	0	0
Handheld Mobile Sales	6,273,750	9,058,000	15,326,500	21,595,000	27,863,500	75,237,750	90,285,300	108,342,360
Download Sales	10,082,813	14,557,500	24,631,875	34,706,250	44,780,625	120,917,813	145,101,375	174,121,650
Membership Sales	60,000	120,000	120,000	120,000	180,000	540,000	1,000,000	1,500,000
Corporate Advertising Sales	40,000	60,000	100,000	160,000	240,000	560,000	1,000,000	1,500,000
<b>Cost of Sales</b>	<b>16,456,563</b>	<b>23,795,500</b>	<b>40,178,375</b>	<b>56,581,250</b>	<b>73,064,125</b>	<b>197,255,563</b>	<b>237,386,675</b>	<b>285,464,010</b>
<b>Gross Margin</b>	<b>13,583,530</b>	<b>20,223,180</b>	<b>34,486,305</b>	<b>47,772,180</b>	<b>61,493,055</b>	<b>166,814,033</b>	<b>204,536,839</b>	<b>249,344,207</b>
<b>Operating Expenses</b>								
Research & Development	1,000,000	600,000	600,000	600,000	600,000	2,400,000	4,632,000	6,288,000
Sales & Marketing	1,500,000	1,500,000	1,500,000	2,000,000	3,000,000	8,000,000	12,000,000	16,000,000
General & Administrative	400,000	600,000	800,000	1,200,000	1,400,000	4,000,000	6,000,000	8,000,000
<b>Total Operating Expenses</b>	<b>2,900,000</b>	<b>2,700,000</b>	<b>2,900,000</b>	<b>3,800,000</b>	<b>5,000,000</b>	<b>14,400,000</b>	<b>22,632,000</b>	<b>30,288,000</b>
<b>Operating Income (Loss)</b>	<b>10,683,530</b>	<b>17,523,180</b>	<b>31,586,305</b>	<b>43,972,180</b>	<b>56,493,055</b>	<b>152,414,033</b>	<b>181,904,839</b>	<b>219,056,207</b>
<b>Other Income and Expense</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>0</b>	<b>(60,000)</b>	<b>0</b>	<b>0</b>
<b>Income Before Taxes</b>	<b>10,663,530</b>	<b>17,503,180</b>	<b>31,566,305</b>	<b>43,952,180</b>	<b>56,493,055</b>	<b>152,354,033</b>	<b>181,904,839</b>	<b>219,056,207</b>
<b>Income Taxes @ 30%</b>	<b>2,599,059</b>	<b>5,250,954</b>	<b>9,469,892</b>	<b>13,185,654</b>	<b>16,947,917</b>	<b>45,706,210</b>	<b>54,571,452</b>	<b>65,716,862</b>
<b>Net Income (Loss)</b>	<b>8,064,471</b>	<b>12,252,226</b>	<b>22,096,414</b>	<b>30,766,526</b>	<b>39,545,139</b>	<b>106,647,823</b>	<b>127,333,387</b>	<b>153,339,345</b>
<b>Outstanding Shares</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>	<b>98,850,038</b>
<b>Earnings Per Share</b>	<b>\$0.0816</b>	<b>\$0.1292</b>	<b>\$0.2330</b>	<b>\$0.3112</b>	<b>\$0.4001</b>	<b>\$1.0789</b>	<b>\$1.2881</b>	<b>\$1.5512</b>
<b>Market Cap Table</b>								
5 Times Earnings	40,322,355	61,261,130	110,482,068	153,832,630	197,725,693	533,239,114	636,666,937	766,696,725
10 Times Earnings	80,644,710	122,522,260	220,964,135	307,665,260	395,451,385	1,066,478,228	1,273,333,873	1,533,393,449
15 Times Earnings	120,967,065	183,783,390	331,446,203	461,497,890	593,177,078	1,599,717,341	1,910,000,810	2,300,090,174
20 Times Earnings	161,289,420	245,044,520	441,928,270	615,330,520	790,902,770	2,132,956,455	2,546,667,746	3,066,786,898
25 Times Earnings	201,611,775	306,305,650	552,410,338	769,163,150	988,628,463	2,666,195,569	3,183,334,683	3,833,483,623
30 Times Earnings	241,934,130	367,566,780	662,892,405	922,995,780	1,186,354,155	3,199,434,683	3,820,001,619	4,600,180,347



## MEDIA ENTERTAINMENT CENTER PORTAL WALK THROUGH

### The Technology – “THE FIRST INTERACTIVE SITE ON A SINGLE PAGE”

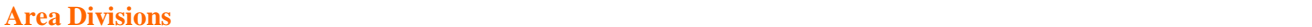
Shop • Search • Preview • Organize • Customize • Watch

- All without ever leaving the home page -



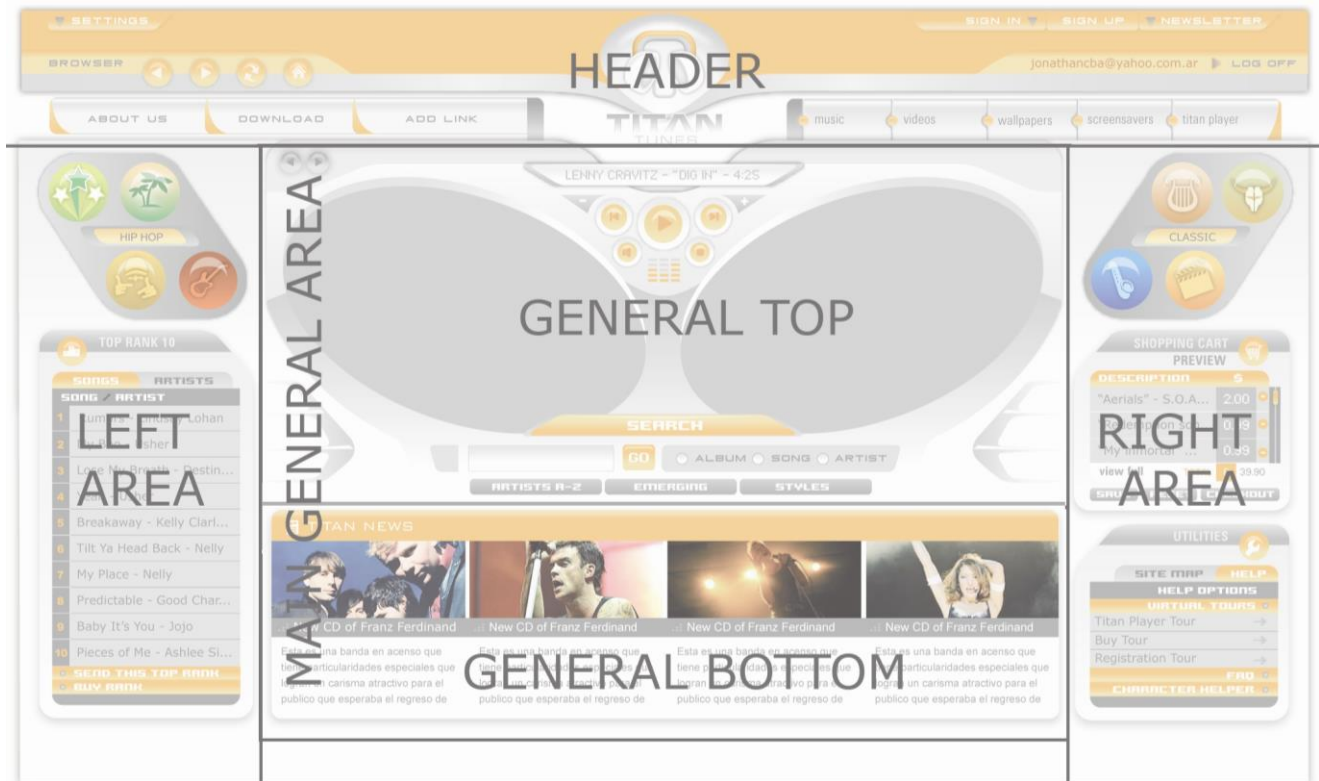
Users can interface directly with the TITAN TUNES Multimedia Web Portal to create their unique personalized TUNES experience





Different areas have been defined for the loading of modules in order to facilitate the identification of each one and the place they will take within the site.

Different areas have been defined for the loading of modules in order to facilitate the identification of each one and the place they will take within the site.



## Modules – Details and Storyboards

### 3.1. MAIN MOVIE - HEADER

#### Storyboard – HEADER



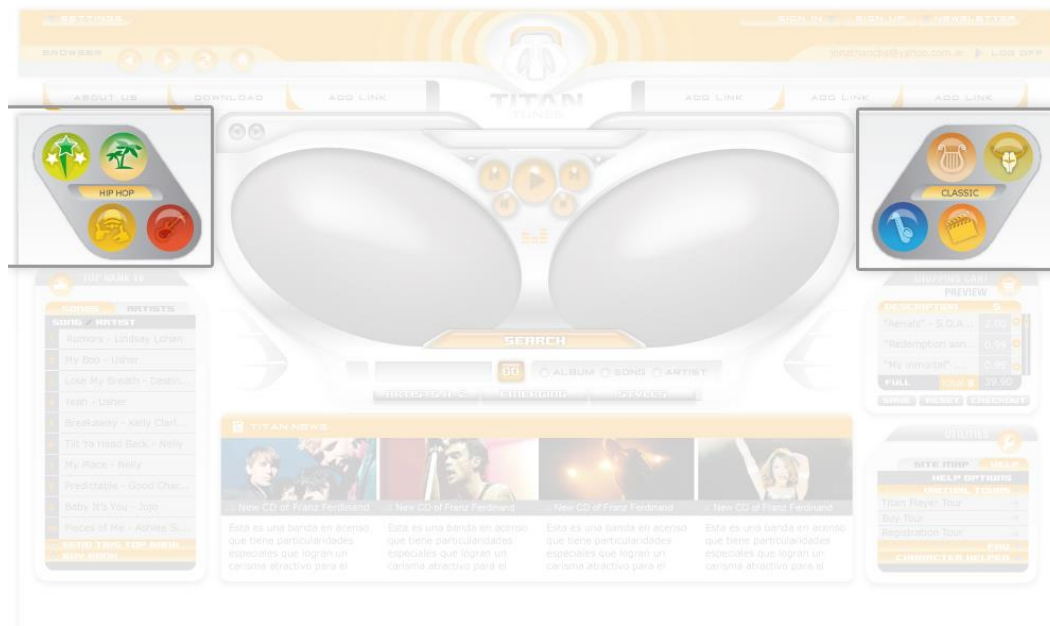
### 3.2. MAIN GENERAL – GENERAL TOP

#### Storyboard - GENERAL TOP



### 3.3. STYLE SHORTCUTS

#### Storyboard - STYLE SHORTCUTS



## CUSTOMIZATION - Music Style

Example: Rock

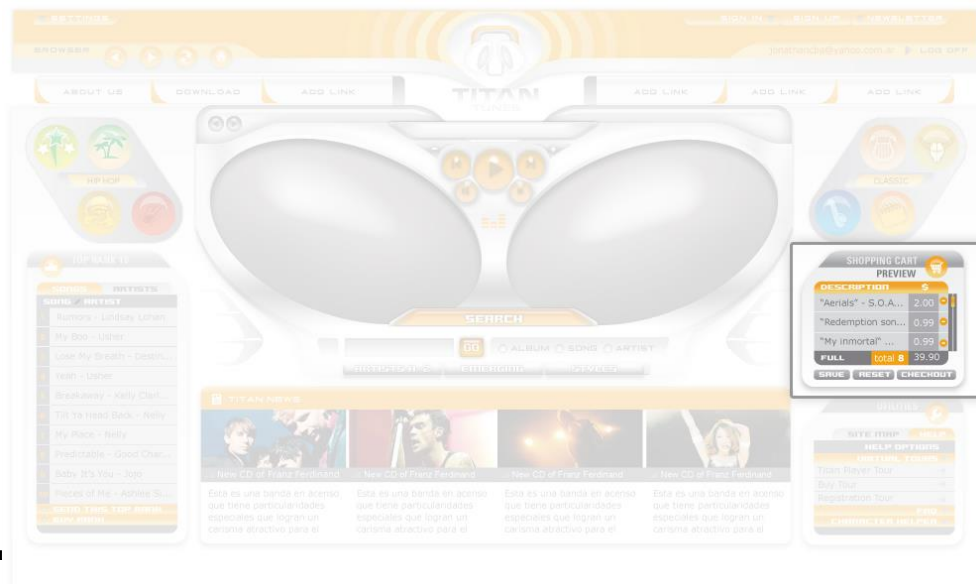


## Storyboard - CUSTOMIZATION



## 3.4. SHOPPING CART - PREVIEW

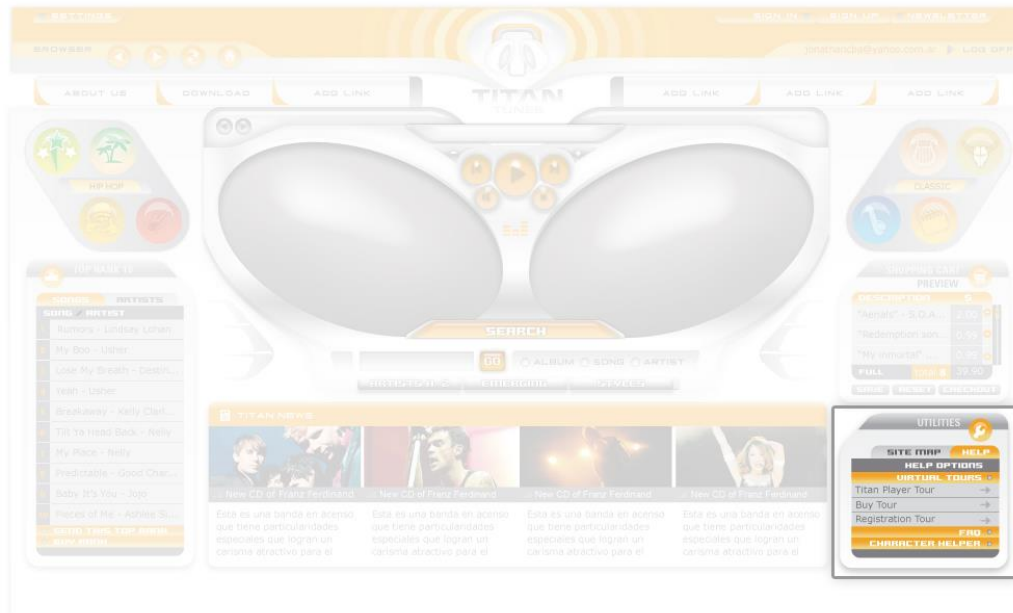
### Storyboard – SHOPPING CART - PREVIEW





### 3.5. UTILITIES

#### Storyboard - UTILITIES



### 3.6. NEWS



#### Storyboard - NEWS





### 3.7. USER REGISTRATION

#### Storyboard – USER REGISTRATION



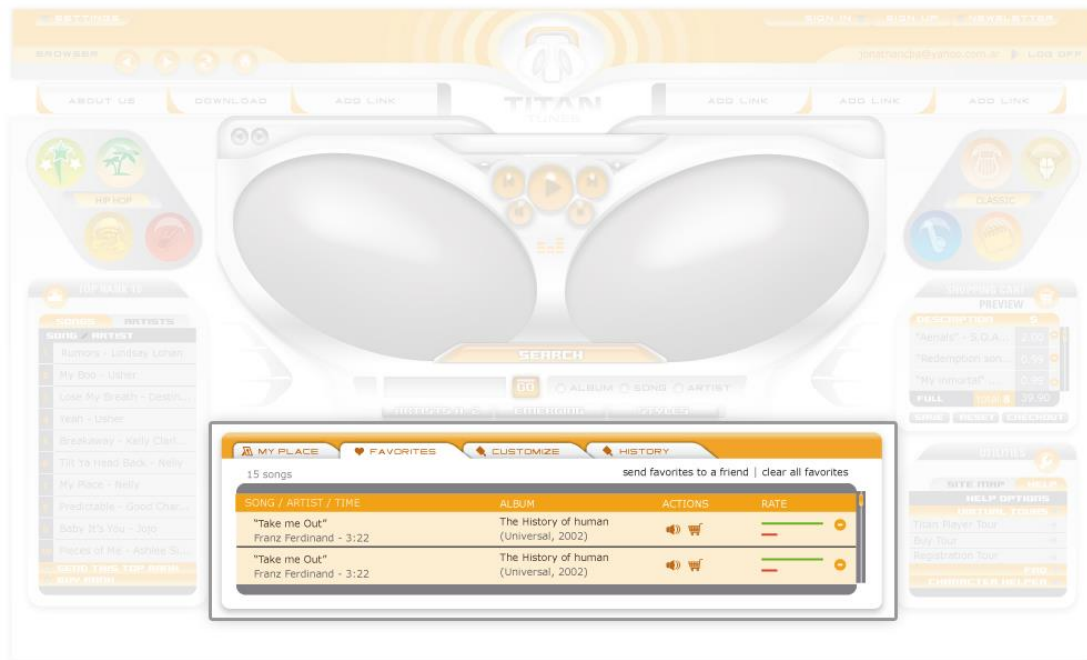
### 3.8. USER

#### Storyboard – USER/MY PLACE

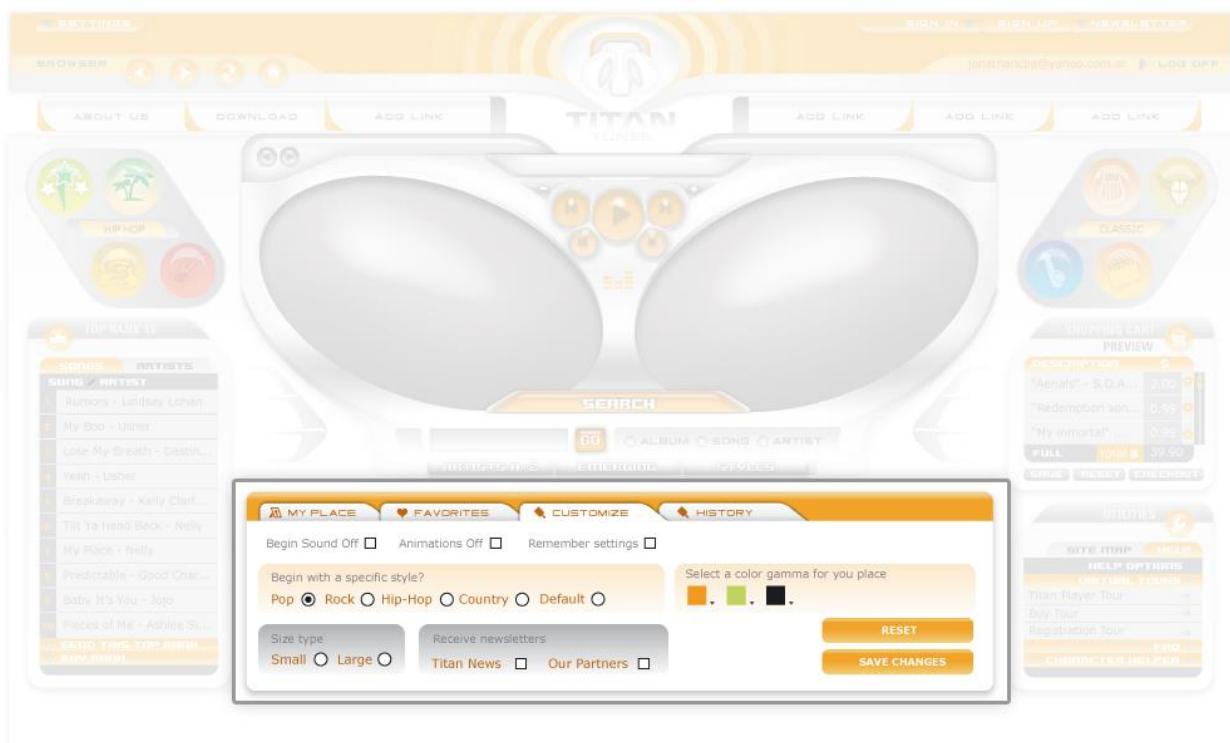




## Storyboard – USER/FAVORITES



## Storyboard – USER/CUSTOMIZE



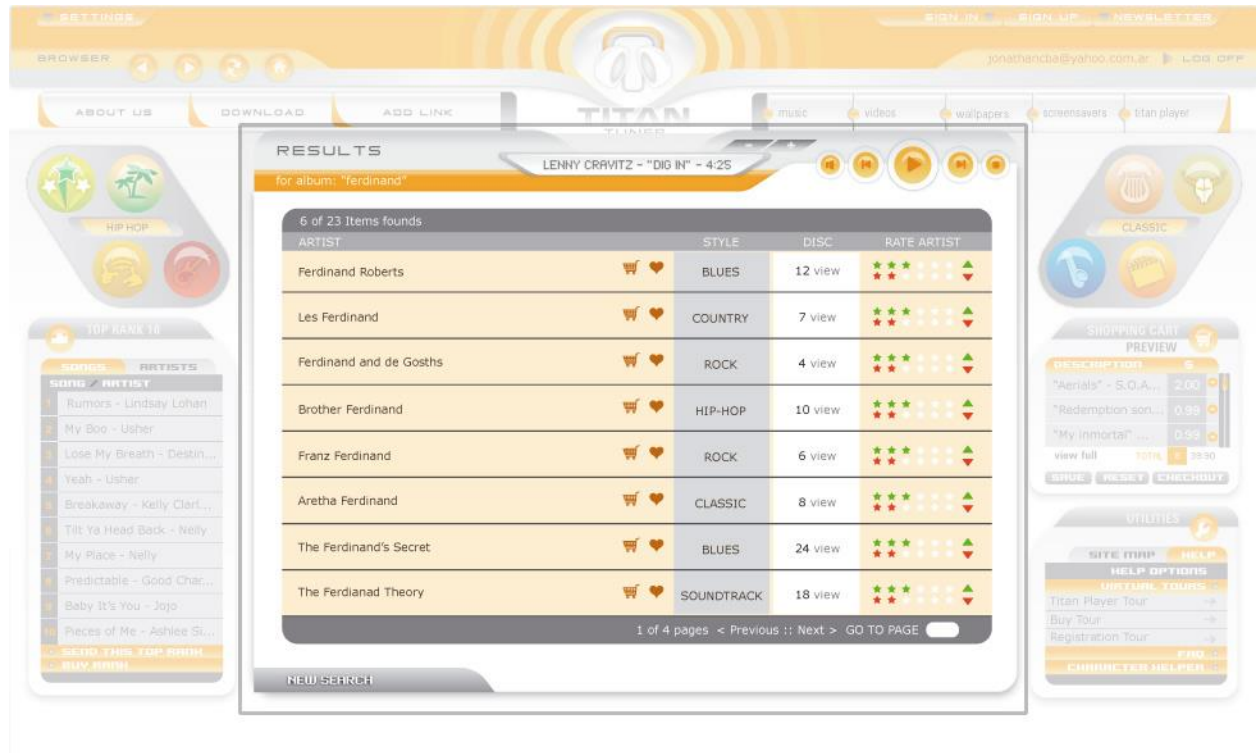


## Storyboard – USER/HISTORY



### 3.9. SEARCH RESULTS

#### Storyboard – PARTIAL RESULTS



#### Storyboard – PREVIEW RESULTS



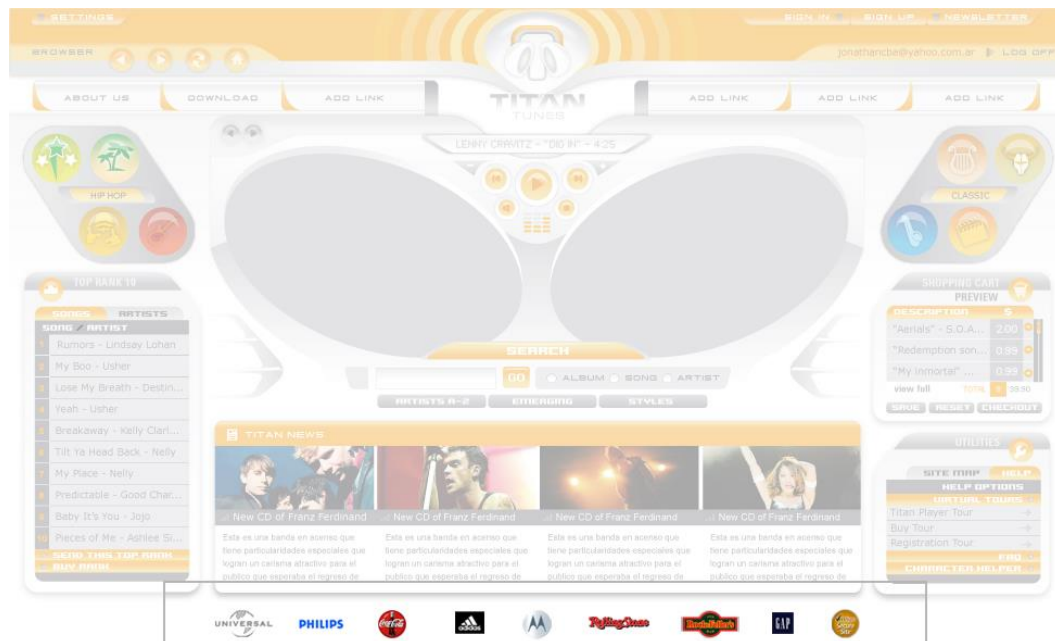
### 3.10. VIDEO PLAYER

#### Storyboard – VIDEO PLACER

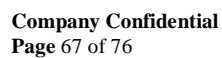


### 3.11. PARTNERS

#### Storyboard – PARTNERS - Option 1









## FINANCIAL ASSUMPTIONS - APPLE HISTORY

Based on more than four years of extensive research and development we have developed a forecasting model for both Titan Omni and Titan Tunes sales.

### Facts:

Digital Content Revenues: Current and Forecasted

#### Digital Content Revenues

2003	<b>\$2.3 Billion</b>
2005	<b>\$5.6 Billion</b>
2008	<b>\$15.1 Billion</b>

Estimates include the following content verticals:

- Publishing (pay-per-use and subscription)
- Mobile Ringtones, and Mobile "Infotainment, Games (downloads and subscriptions)
- Music (downloads and subscriptions)

Peppercoin Estimate. (Sources include Forrester Research, Jupiter Research, IDC, Alexander Resources, Online Publishers Association), RIAA, Plunkett's, and CIA.

### Growth:

*The growth in broadband penetration and MP3 player usage is driving growth in the online music industry.* Consumer demand for downloadable digital content, such as compressed audio files, has given rise to independent music web sites and subscription services. Forrester Research estimates that in the United States alone purchases of downloadable digital music will exceed \$11.9 billion by 2007. In addition, Forrester Research projects that revenues from online music subscription services will exceed \$800 million by 2007.

### Market Share:

When iTunes launched it launched with \$40M in advertising. The advertising was targeted only at the United States market. Sales for the iPod in the first year of launch were 656,000 units, with a unit price of \$399 totaling \$261,744,000. When the iPod launched the iTunes site was not even created. iTunes site came into existence in October, 2003.

The iTunes store generated more than \$278,000,000 in revenue in FYE 2004 as per the 10Q and 10K fillings with the SEC which is only 5% of the current Global Market. Based upon the consumer research groups and using the same market share percentage iTunes for 2008 is projected to be \$755,000,000.

### Apples Launch & Competitive Results:

#### 2001

##### January 9, 2001

Apple introduces iTunes for the Macintosh, a program that converts audio CDs into compressed digital audio files, organizes digital music collections, and plays Internet radio.

##### October 23, 2001

Apple unexpectedly announces the first iPod at a price of \$399. Unlike most (but not all) competing digital audio players available at the time, Apple relies on a hard disk for storage instead of flash memory or interchangeable CD-ROMs, and uniquely focuses on promoting the small size, power, and ease of use of its device. The first iPod has a 5 GB storage capacity - enough for over 1,000 songs - and works only on Macs, using iTunes as a music organization and CD-to-iPod conversion tool. Did Apple release iTunes with the iPod in mind? According to an official Apple timeline, development of the iPod began only six months earlier.

##### November 10, 2001

Apple ships the first iPod.

##### Mid-November, 2001

Third-party developers begin to write workaround software that lets the iPod work with PCs. While first demo versions of the software are available in January of 2002, final versions won't emerge until June of 2002.





### December 31, 2001

By the end of 2001, Apple has sold a total of 125,000 iPods.

### 2002

#### March 20, 2002

Apple announces a 10GB / 2,000 song update to the iPod for \$499. Taking a cue from crafty third-party developers, Apple ships new iPods with the ability to display business card-like contact information, a feature that makes some wonder about future PDA-like expansion of the iPod's abilities. As of this date, the iPod is still a Mac-only product, though workaround programs for PCs are circulating and largely functional.

#### July 17, 2002

Apple makes four major announcements. First, PC versions of the iPods are unveiled, including MusicMatch software instead of iTunes. Second, a 20GB iPod is introduced. Third, 10GB and 20GB models now sport a new touch-sensitive Scroll Wheel instead of an actual moving wheel, which was easier to damage. And finally, iPod prices are lowered: 5GB drops to \$299, 10GB drops to \$399, and the 20GB model sits at \$499. However, all iPods at this point still require users to have computers with FireWire connectivity ports, which are faster than competing USB ports but far less common on PCs.

#### October, 2002

By this point, retailers Best Buy, Dell, and Target have all started to sell iPods. Sensing the appeal of high-capacity music players, Creative releases the Nomad Zen Jukebox as a cheaper but larger competitor to the iPod.

#### December, 2002

Apple unveils its first and only limited edition iPods, with either Madonna's, Tony Hawk's, or Beck's signature engraved on the back for an additional \$49. (Another iPod featured the engraved logo of rock band No Doubt.) At a total price of \$548, these limited edition iPods were the most expensive ever sold by Apple.

### 2003

#### March, 2003

Microsoft announces Media2Go portable video and audio players, originally targeted for a holiday 2003 release. The players will eventually be renamed Windows Portable Media Centers, deemed Microsoft's "iPod killer," and delayed until late 2004.

#### April, 2003

Dell, which has been offering aggressive discounts on the iPod, temporarily stops selling the device after failing to renew its reseller agreement with Apple, but then renews.

#### April 28, 2003

Big news: Apple unveils the updated "third-generation" iPod and the iTunes Music Store for Mac users. The new iPods are thinner and smaller than before, feature a bottom Dock Connector port rather than a top-mounted FireWire port, and have entirely touch sensitive controls. Each new iPod has a higher capacity than the previous generation model it replaces by price point: new 10GB / 2,000 song (\$299), 15GB / 3,700 song (\$399) and 30GB / 7,500 song (\$499) models are available. All third-generation iPods now work on either Macs or PCs. Apple's iTunes Music Store launches with 99 cent per track / \$9.99 per album pricing and a library of 200,000 songs, but isn't yet available for PC users.

#### May 1-4, 2003

Retailers begin to sell third-generation iPods, and one week after launching the Mac iTunes Music Store, Apple has sold 1,000,000 songs.

#### June 19, 2003

Taking advantage of the iPods' proprietary (and FireWire/USB agnostic) Dock Connector port, Apple releases Dock Connector-to-USB 2.0 cables and drivers for third-generation iPods, expanding the range of PCs that can connect to the devices.



#### June 23, 2003

Apple sells the one millionth iPod, more than a year and a half after the release of the device.

#### September 8, 2003

Apple refreshes the middle and top of the third-generation iPod line with higher storage capacities at familiar pricing. A 20GB / 5,000 song (\$399) model replaces the 15GB version, and a 40GB / 10,000 song (\$499) model replaces the 30GB version introduced in April. Apple also announces that it has sold 10,000,000 songs through the iTunes Music Store since launch.

#### October 16, 2003

Apple releases both iTunes and the iTunes Music Store for U.S.-based PC users, phasing out support for MusicMatch PC software in the process. Belkin and Apple jointly announce voice recording and digital photo storage peripherals for the iPod, further and more tangibly expanding the unit's capabilities past music playback. Apple also announces total sales of 13,000,000 songs via iTunes since launch.

#### October 27, 2003

Running a month behind its expected launch date, Dell announces the Digital Jukebox (DJ) as a cheaper competitor to the iPod, and partners with MusicMatch to offer a music downloading service. (By December, Dell will announce that it has permanently stopped reselling iPods to focus on the DJ.)

#### November, 2003

Complaints about iPod battery problems reach a fever pitch as the 'iPod's Dirty Little Secret' video spreads across the Internet. Apple subsequently publicizes a cheaper battery replacement alternative for existing users.

#### 2004

##### January 6, 2004

Apple debuts the iPod mini, a diminutive 4GB version of the iPod available in five colors at \$249. Despite an impressive simplifying redesign of the iPod's control scheme and casing, critical opinion of the device is initially mixed because of price and capacity concerns. Apple simultaneously replaces the \$299 10GB entry-level iPod with a 15GB model, and retailers almost immediately discount the discontinued 10GB model to \$249, further clouding the value equation.

##### January 6, 2004

Apple announces the sale of the two millionth iPod, less than six months after hitting the one million mark.

##### January 8, 2004

In an entirely unexpected move, personal computer heavyweight Hewlett-Packard announces at the Las Vegas Consumer Electronics Show that it will license the iPod from Apple rather than develop a competing product. HP CEO Carly Fiorina promises to release and sell a "HP blue"-colored iPod by Summer, and agrees to market iTunes to its PC customers almost immediately.

##### February 17-20, 2004

Apple ships its first iPod minis starting on Tuesday, and long lines form at stores for its official Friday on-sale date. Sell-outs and near-sell-outs are reported nationwide and critical opinion quickly turns in the device's favor.

##### March 25, 2004

Apple pushes back the international release of the iPod mini from April to July, citing "much stronger than expected demand" from U.S. customers. Analysts report shortages of the miniature hard drives required by Apple.

##### May 5, 2004

Apple announces the sale of the three millionth iPod, only four months after hitting the two million mark. Analysts widely acknowledge the iPod as the digital audio market's dominant hardware format, and begin to de-emphasize references to cheaper competitors.



#### June 15, 2004

Apple releases the iTunes Music Store in three European markets: France, Germany, and the United Kingdom. One week later, 800,000 songs have been sold to European customers, 450,000 in the UK alone.

#### July 11-12, 2004

The iTunes Music Store sells its 100,000,000th downloaded song at approximately 1:25AM Eastern Standard Time, July 12 (or 10:25PM Pacific Standard Time, July 11), the first legal music download service to hit that milestone. Thanks to an Apple contest offering a 17" PowerBook laptop computer, 40GB iPod and iTunes gift certificate for 10,000 songs (total estimated value: \$13,200) to the person who purchased the 100,000,000th song, approximately 40,000 songs (total estimated value: \$39,600) were sold in just the ten minutes before the milestone was reached.

#### July 17, 2004

Leaked by Newsweek magazine two days before Apple's expected official announcement, the first photograph of the fourth-generation iPod appears on the Internet, depicting a hybrid of the third-generation iPod's white casing with the Click Wheel controls from the iPod mini.

#### July 19-20, 2004

Officially announced by Apple on July 19, the fourth-generation iPod is physically thinner than the third-generation iPod but remains larger than the iPod mini, boasts improved battery life (12 hours), iPod mini-style Click Wheel controls, and small software tweaks such as a main menu randomized (shuffle) playback feature. Called lower-cost iPods, prices for the new low-end (20GB, \$299) and mid-range (40GB, \$399) units look like \$100 drops from prior models until consumers discover that \$100 worth of pack-ins (Docks, remote controls, and cases) have been stripped from their packages. The fourth-generation iPods also lack some widely rumored features, including a 60GB version and a color screen to display digital photographs. Buzz remains significant and first units begin to appear by the 20th.

#### July 21, 2004

Apple adds three top European independent labels to the iTunes catalog, placating the few remaining critics of iTunes.

#### July 24, 2004

Apple releases the iPod mini worldwide, behind schedule but still early enough to excite people around the world. Sell-outs are reported in several countries, including Japan.

#### July 26, 2004

Motorola announces that its next generation of cellular phones will be iTunes-compatible. In response to Apple's earlier public rebuffing, RealNetworks releases a music technology called Harmony, enabling songs sold by Real through its own music store to be played back on iPods (and other devices) without Apple's permission.

#### August 5, 2004

Apple announces total sales of 3.7 million iPods.

#### August 10, 2004

The iTunes Music Store library hits 1,000,000 songs.

#### August 25, 2004

Apple quietly begins to search for wireless and video experts to join its iPod division.

#### August 27, 2004

Hewlett-Packard announces the "Apple iPod from HP" (or "iPod+hp"), a repackaged version of the 4G iPod with new manuals and HP-supplied technical support. Promising availability by September 15, HP begins to ship units almost immediately, and announces an iPod-compatible printer and "printable tattoos" to cover iPods.

#### August 31, 2004



Apple announces that it has 58% market share of the U.S. digital music player business, and plans a pan-European iTunes for October.

#### September 1, 2004

iTunes hits 125 million downloaded songs. Apple releases the iMac G5, which is now being marketed as a computer “from the creators of iPod.”

#### September 7 - October 4, 2004

Microsoft’s unofficial anti-iPod public relations offensive starts. Chairman Bill Gates says in an interview that the iPod would have been easy for Microsoft to make. Next, while Internet-based viruses plague Windows PCs, Microsoft announces that the next Windows version will prevent iPods from unleashing viruses on PCs, though no such iPod attack has been reported. Finally, CEO Steve Ballmer publicly calls iPod users music thieves, claiming that Microsoft offers better copy protection. He later apologizes.

#### October 12-14, 2004

Analysts report that iPod sales are 82% of all digital music players and 92% of all hard-drive based players; nearest hard drive competitor Creative has 3.7%. Over 2,000,000 iPods were shipped in the prior 3 months alone, and iTunes downloads hit 150,000,000, a rate of 4 million downloads per week.

#### October 26, 2004

Apple debuts the iPod photo, a new version of the fourth-generation iPod that's capable of displaying digital photographs and album art on its built-in color screen. Sold in 40GB (\$499) and 60GB (\$599) capacities, the iPod photo is physically identical to the fourth-generation iPod, only slightly thicker, and includes most of the pack-ins (Dock and case) that disappeared from iPod boxes in July. It also includes a "photo Dock" and AV cable for displaying digital photos on a television, as well as an evolved, colorized interface for using the iPod's music playback features.

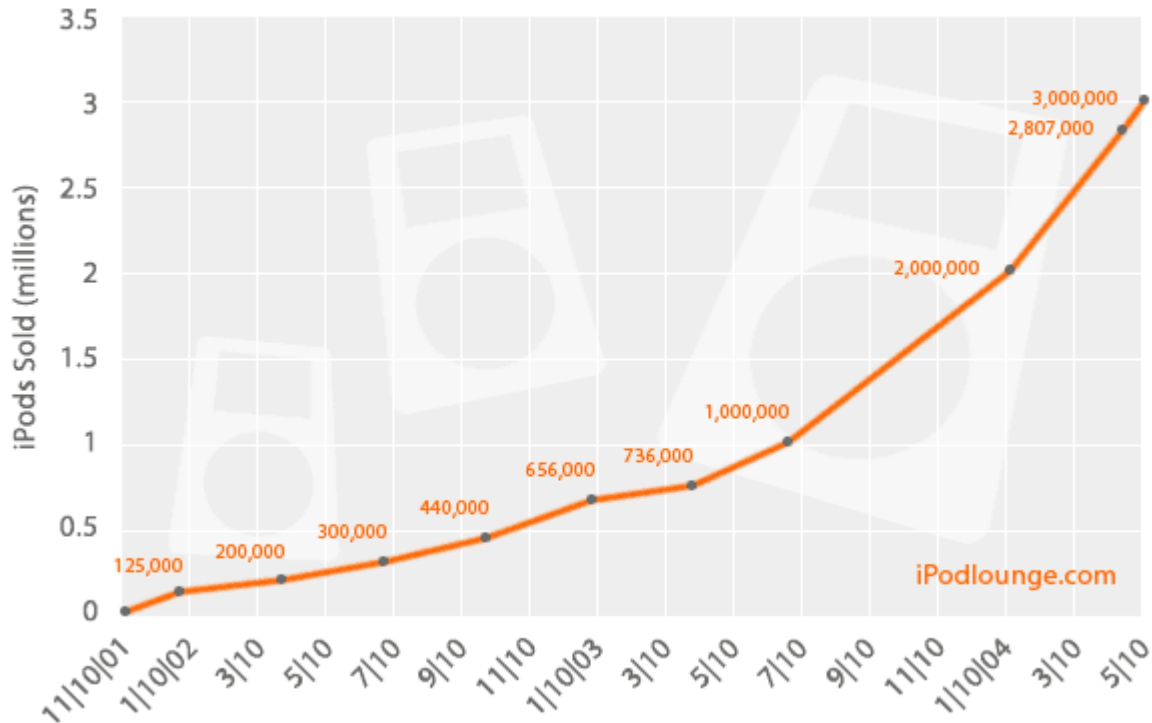
On the same day, and following considerable Apple co-promotion of a U2 song called Vertigo, Apple introduces the U2 iPod Special Edition (\$349), a 20GB fourth-generation iPod with a shiny black front casing, red Click Wheel, and U2-engraved rear metal casing. The U2 iPod includes a \$50 coupon towards the purchase of a \$149 Apple-innovated "digital box set" called The Complete U2, but not a copy of U2's latest album as was widely rumored before the product's launch. Apple notes sales of nearly 6 million iPods to date.

### Historical Growth of iPod and iTunes Sales

#### iPod Sales

iPod sales were good but not fantastic until around the May 2003 release of the third-generation iPod, which marked a turning point in the sales history of the device. Prior to that release, Apple's sales were directed initially towards a relatively small audience of Macintosh users, and even when a PC version of the iPod was released, its FireWire-only design limited its appeal to mainstream PC users.

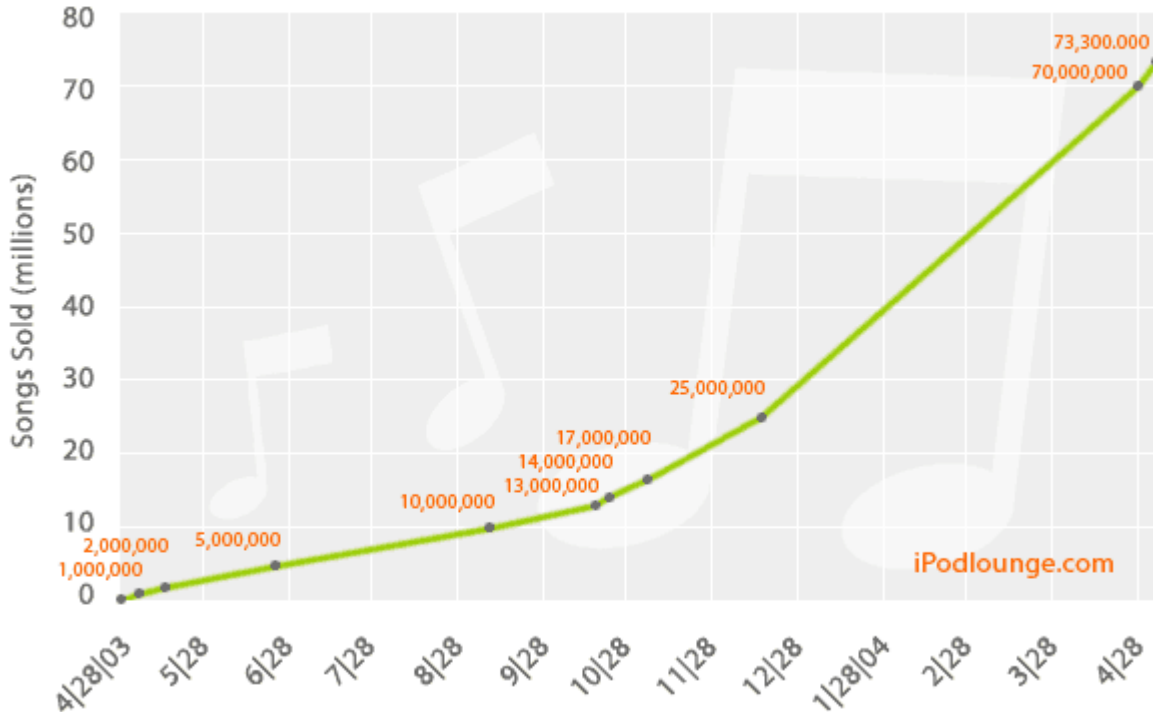
## Sales of iPods



It took over a year and a half for Apple to hit the one million mark for iPods sold, but then the third-generation iPod was unveiled in Tokyo. Only six months later, the company had sold its second million iPods. Four months later, aided by the release of the iPod mini, they'd sold another million units of iPod hardware. By late October, aided by the release of the fourth-generation iPod, Apple was up to almost 6 million total units, and an additional 2-4 million units were predicted to be sold by the end of 2004.

Importantly, Apple's sales milestones were achieved despite the continued introduction of cheaper alternatives by Creative, Dell, and iRiver, amongst others. None of these companies' products appears to have significantly impacted the iPod's sales growth or undermined its perception as king of the digital music hill.

## Sales of iTunes Songs



### iTunes Music Store Sales

Though the history of the iTunes Music Store dates back only a year, there have been two important positive changes in its sales trends. The first was in October of 2003, starting with the release of the PC version of the Music Store. In December 2003, following a flurry of holiday season iPod purchases and media mentions, the second upward tilt began, dramatically accelerating the pace of iTunes Music sales. Apple hit the 100 million song mark in July, 2004, ahead of some expectations (but later than initial Apple predictions), and 150 million by October, 2004, a dramatically increased pace.

### Which Countries Have the iPod, iPod mini, and iTunes Music Store?

#### iPod

Available worldwide from Apple, Apple authorized retailers, and unauthorized retailers.

#### iPod mini

Nearly worldwide. As of July, 2004, Apple released the product into almost every geographic region of the world. While several countries have not received the product officially, supplies may be available from importers.

#### iTunes Music Store

The service was first available (2003) within the United States, then expanded in June 2004 to the United Kingdom, France and Germany, and then on October 26, 2004 added Austria, Belgium, Finland, Greece, Italy, Luxembourg, The Netherlands, Portugal and Spain. On December 1, 2004, Canada was added to the list. Negotiations for Australia, New Zealand, Japan and other countries remain underway.

### Additional Titan Unit Forecasting Assumptions:

Using a formula tied to advertising dollars spent by Apple in correlation to the number of units sold the first year we determine that for the United States market we should be able to achieve the follow unit sales results. Apple first year sales





were all through its on advertising. It was not until October, 2002, one year after launch, that the iPod sales included Tier 1 distribution. Therefore, using advertising expenditure correlation Titan has developed the following potential revenue model for comparison to the forecasted unit sales used in the Performa Financial Statements. However, there is a major difference between Apple's launch and Titan. Titan through its partner Video Without Boundaries has achieved Tier 1 distribution at time of launch and as such can leverage additional advertising dollars faster than that used by the Apple launch. Titan will launch its Titan Tunes download portal with over 1.2 million songs compared to iTunes launch with 200,000. Titan will also launch download videos which iTunes today still does not have the capability of serving the marketplace due to the iPod limitations to audio only service.

First year Apple advertising expenditures - \$40M  
First year Apple iPod unit sales – 656,000  
Number of units sold per advertising dollar – .0164  
Titan first year United States advertising contracts - \$20M  
Titan first year International advertising contracts - \$13M  
Titan United States advertising dollar unit sales forecast – 328,000  
Titan International advertising dollar unit sales forecast – 213,200  
Titan United States potential revenue @ \$499 per unit - \$163,672,000  
Titan International potential revenue @ \$499 per unit - \$106,386,800  
Total Titan potential revenue @ \$499 per unit – \$270,058,800

*Titan Forecast included in the forecast model includes only 100,000 units @ \$499 per unit totaling \$50,000,000.*

#### **Titan Download Forecasting Assumptions:**

TITAN TUNES will launch with a music catalogue of more than 1.2 million songs and 57,000 Digitally Enhanced Music Videos whereas iTunes launched with only 200,000 songs only. Downloads through iTunes the first year after launch was 73,300,000. For the same period of time, April 2003 to April 2004, the total iPod's in the market were approximately 736,000 units. Therefore, using the correlation between the number of iPod units in the market to the number of downloads Titan has developed the following potential revenue model for comparison to the forecasted downloads used in the Performa Financial Statements.

Number of iTunes music downloads the first year of launch – 73,300,000  
Number of average downloads by month – 6,108,333  
Number of iPod's in the market during first year of iTunes release – 736,000  
Number of downloads per units in market – 99.59 per unit  
Titan United States advertising dollar unit sales forecast – 328,000  
Titan International advertising dollar unit sales forecast – 213,200  
Number of United States potential downloads for advertising unit sales forecast – 32,665,500  
Number of International potential downloads for advertising unit sales forecast – 21,232,600  
Total number of potential downloads for advertising unit sales forecast – 53,898,100  
Download United States potential revenue from advertising unit sales correlation @ \$0.99 per download – \$32,338,800  
Download International potential revenue from advertising unit sales correlation @ \$0.99 per download – \$21,020,300  
Total download potential revenue from advertising unit sales correlation @ \$0.99 per download – \$53,359,100

*Number of Titan unit's forecasted sales – 100,000  
Number of forecasted downloads per month – 1,200,000  
Number of forecasted downloads first year – 14,400,000  
Total Download revenue forecast based upon \$0.99 per download - \$14,256,000*

#### **Growth Assumptions for Year 2 and Year 3:**

Titan assumed the same experience performance rate of Apple of a one year launch with conservative financial projects. The forecasts in Year 2 used the following assumptions

Titan Omni Forecasted Sales – 500,000 units @ \$499 totaling \$249,500,000 (equaling Apple's first year's sales level)



.....

Titan Tunes Forecasted Downloads – 40,000,000 downloads @\$0.99 totaling \$39,600,000 (less than 1% market share)  
Titan Pyramid Recording Contract Artists – 10 doubling Year 1 to \$13,710,000  
Miscellaneous Forecasted Revenue - \$18,113,300  
Titan Total Forecasted Year 2 Revenue - \$320,923,300

The forecasts in Year 3 used the following assumptions

Titan Omni Forecasted Sales – 1,000,000 units @\$499 totaling \$499,000,000 (less than 2% of market share)  
Titan Tunes Forecasted Downloads – 100,000,000 downloads @\$0.99 totaling \$99,000,000 (less than 1% market share)  
Titan Pyramid Recording Contract Artists – 20 doubling Year 2 to \$27,420,000  
Miscellaneous Forecasted Revenue - \$23,368,930  
Titan Total Forecasted Year 2 Revenue - \$673,938,930