

International Domain Names Venture with MIII Media-B2B Intel ENT! “Principal Business Venture Partnership”



Providing Solutions for a Burgeoning
International Market

July 2007

Owning a share of this revenue stream is the equivalent of owning a partnership percentage of the cash that is garnered off of what is akin to a room and airlines tax. This is for a percentage of every user that goes to Macao-Cotai.

Background



Language barriers to the Internet are dissolving due to advances in software capabilities.

Internet was designed and has existed in English

- Navigation and search was limited to the Roman alphabet

- Characters such as Ω or Σ or 旅 could not be used in domain names or in keyword searches

- Individual sites could be language-specific and use non-Roman characters

With Internet Explorer v.7 (IE7), the rules of the game have changed.

New opportunities to reach consumers in their native language were launched with the release of IE7.

IE7 Launch...the tipping point



The Internet address system works seamlessly around the
World because of the “dot”
.com, .net, .cn, etc.

Nothing to the **RIGHT** of the dot has changed

Everything to the **LEFT** of the dot changed with the release of
IE7

- Domain name options

- Search capabilities

Goals



Provide the quickest link to reaching international consumers on their terms.

Bring new value to global consumers via a network of IDNs for worldwide brands – initial focus on China.

Facilitate market entry for foreign companies using Chinese Character domains.

License Chinese domain names that have value in China's emerging consumer market. [This is a “what we did” not a goal — “Creating a portfolio of domain names representing most-searched Chinese character words...”]

Improve market reach for our advertisers in China by utilizing the native language.

Provide the ability for advertisers to sponsor ads on search pages (they can do this today) {s/b – Develop sites to increase traffic, provide relevant content that will generate repeat traffic, develop brand to encourage cross-promotion traffic (these are great sites...go there first...)}.

We use native language domain names to bridge the marketing gap between foreign companies and the Chinese consumer.

Why China, Why Now?



Second-largest Internet population and growing rapidly (~ 135M)

Rapidly emerging middle class -- consumer spending growing over 25% annually

Accounts for 12% of global demand for consumer luxury goods (world's 3rd largest buyer)

By 2015, expected to be the world's largest buyer

Less than 20% of China's luxury goods purchases are made domestically

Government focus on consumer spending to drive economic growth

Banking system reforms are moving to a credit-driven market creating greater purchasing power

Increasing emphasis on international commerce as condition for entry in WTO

Summer Olympics will be held in Beijing in 2008 – the world will be watching

2008 Beijing Olympics

同一个世界 同一个梦想
One World One Dream

Beijing – 08.August to 24.August

Hong Kong – Equestrian

Shanghai, Tianjing, Shenyang & Qinhuangdao –
Football (Soccer)

Qindao – Sailing

Over 4.9M of 7M tickets are requested

Inflection-point: Korea (1988), Barcelona
(1996)

Increased consumer and international
attention – Travel, hospitality, tours,...

Over \$40B being spent on infrastructure
improvements in transportation & facilities



IE7 and China



Prior to IE7 Chinese characters could not be used in keywords or web site addresses

IE7 allows Chinese Web users to navigate websites using Chinese characters as search keywords or to reach web addresses directly. For example...

designershoes.com

Can now be reached by...

名牌皮鞋.com

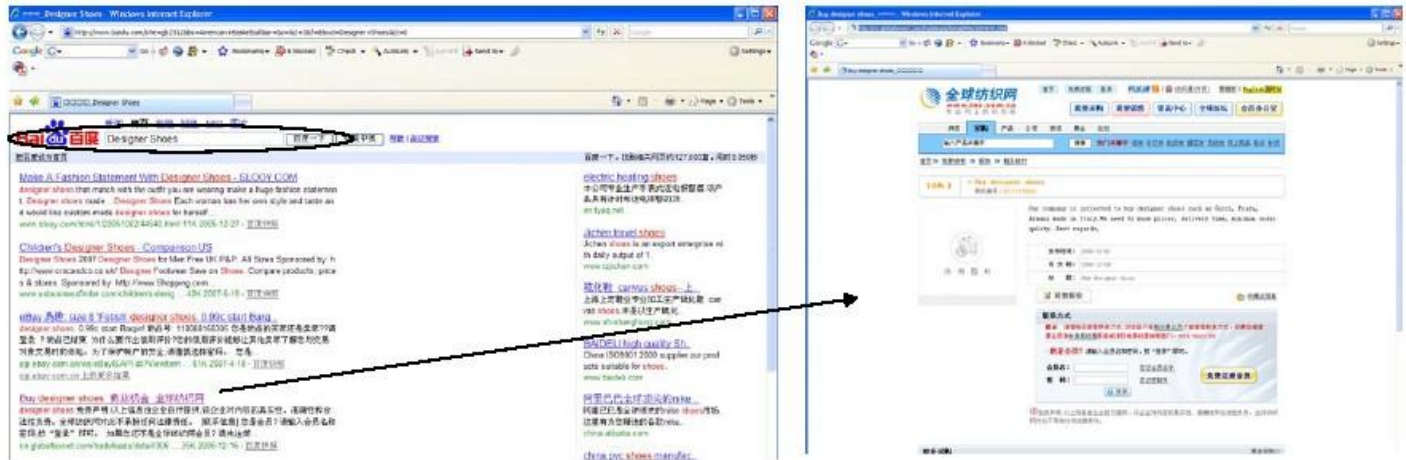
The Chinese government is actively creating Chinese-character named web addresses...already 90% converted.

New native language domains are outpacing Roman characters 3:1.

Search Example

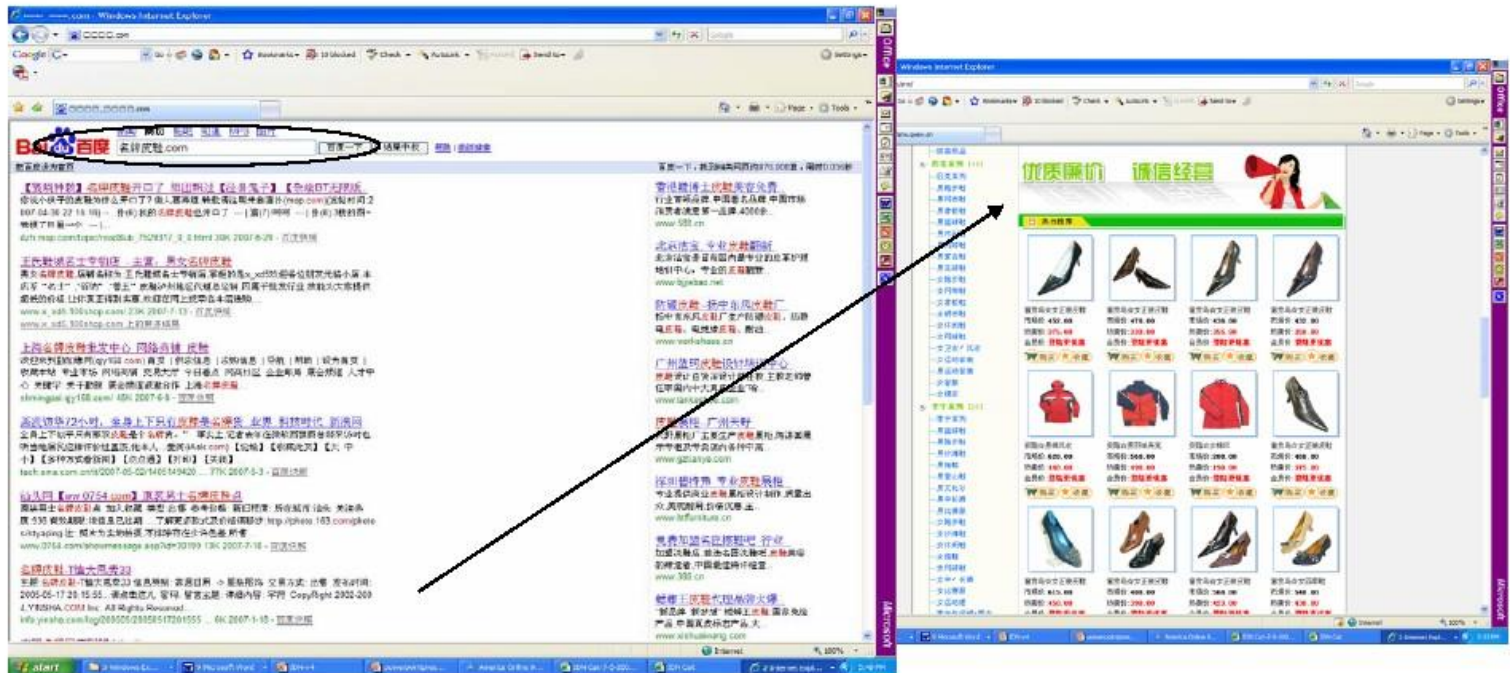
Prior to IE7, to search for designer shoes... you had to know the term “designer shoes”

Typing this into Baidu (the leading Chinese search engine), you could reach pages with Chinese content



Search Example

Now, typing 名牌皮鞋.com into Baidu yields the following designer shoe results



Internet Use in China



Estimated to be the second-largest active Internet user population in the world

Currently low penetration – lots of room to grow (China ~ 12% vs. U.S. ~ 50%)

Average online usage per week according to Forbes.com far surpasses the U.S.

Nearly 2 billion hours in China

vs.

129 million hours in the U.S.

The Internet is often the Chinese users' window to the world.

China is expected to lead the world in mobile Internet access growth – 17% of Internet users say their primary access device is their mobile phone.

Rapid expansion of broadband infrastructure – wired and wireless