



**2017 BUSINESS PLAN**

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## 1. Executive Statement

### 1.1 Business Overview

Wave is a new kind of effort which makes digital interconnectivity a free birth-right for everyone. This charter presents real opportunity for global communities to fairer the distribution of their resources; resulting in overall, improved living standards. Success in this field will mark the reach of a new level in human development.

The previous level of human development was the industrial revolution. It allowed nations to sustain. Prior to this we were in the agricultural age, where only cities and towns could be sustained. Throughout all levels, a change in the economic system needed to occur in order it evolve to be efficient enough for the new paradigm. The same economic shift is about to happen as we near what is being deemed 'the knowledge economy'. Although today's advances in technology warrant such a revolution, it hasn't happened yet. Paradoxically, this is the 21st Century's greatest challenge, but also a substantial opportunity.

Wave was formed in 2012 by a platoon of communications and cyber security experts from the Royal Corps of Signals. This community has financed the early phase research and development of a pioneering new network telecommunications platform which aims to revolutionise the way we trade internationally, maintain social order and even manage our earth's resources.

The platform facilitates a new generation of applications which could serve as a primary alternative to our archaic systems of law, currency and even government. The research findings and early phase technology is already an innovative accomplishment, both technologically and philosophically. But where the technology truly innovates is in its ability to access everybody and not just a privileged few.

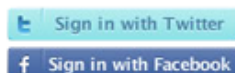
Not only is the technology de-centralised but it offers networks and advertising better than anything in existence. In addition the user will enjoy the key features as part of

#### KEY FEATURES

INTELLIGENT  
ADVERTS SIT  
UNDER THE  
WEBPAGE



APP-STORE SLIDE  
MENU BUTTON SITS  
ABOVE THE WEBPAGE



SOCIAL PROFILE  
NETWORK ACCESS



**FEATURES REMAIN CONSTANT THROUGHOUT THE USERS BROWSING EXPERIENCE**

## **Research**

Please

Communities become as much as part of these systems as these systems become to communities. Peoples trust and allegiance systematically shifts away from their instincts and neighbours and into these archaic paper-based systems. The result is a very closed-off, selective and controlling mindset. Agents of these systems regularly justify inhumane acts and work in synchronicity to blockade, outlaw and enemize alternative social systems which threaten its disempowerment.

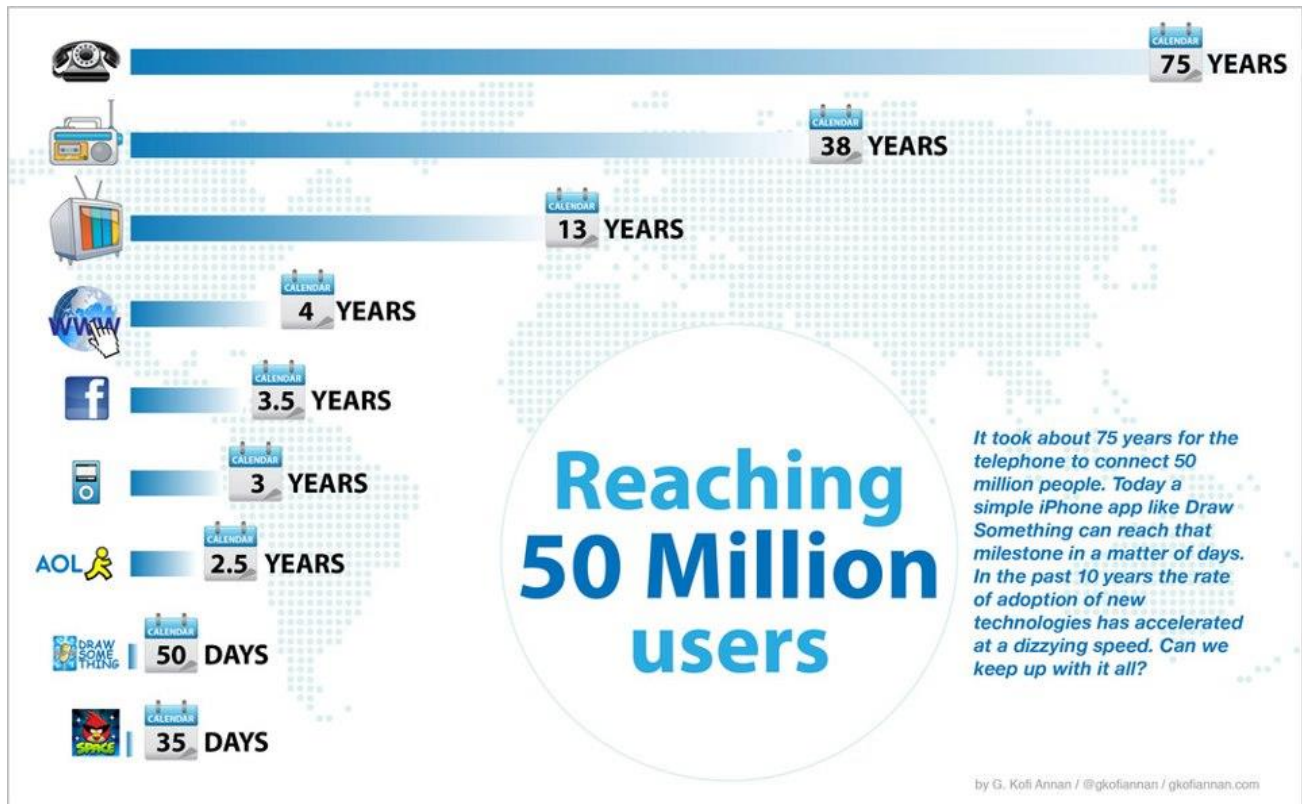
Cyberspace is different. It brings us openness and transparency, making the entire environment a power-leveller. Controversial virtual systems, such as BitCoin and WikiLeaks, have out-foxed the fiat currency system and even our governmental system. Now Google's Dr Eric Schmidt is telling us to expect the emergence of a philosophical and technical alternative to our entire system of law. The phrase he coined for this system is 'Dual Crowdsourcing'. A virtual system that allows anyone to report incidents up to the cloud and simultaneously allows jurors to pass judgments down from the cloud. Collectively and anonymously in real-time.

Virtualised systems such as e-banking and government gateways seem to be methodical enhancement of the old systems, but in actuality these cyber systems are just getting warmed up. They are completely reinventing how we trade internationally, maintain social order and manage resources. The new and old systems are already becoming notorious for locking horns and contending at an ideological and philosophical level. As people move away from the old systems and onto a new, we will witness one of the biggest global movement in over 5,000 years. A Cyber Civil War seems unfathomable but it will likely conclude in a matter of weeks or even days. This is because of the immense traction that occurs in cyberspace. An example of this is the game Angry Birds, which in 2012 gained 50 million subscribers in only 35 days. This is more than the entire population of South Korea.

These examples show the very real possibility of a disruptive new system that could outperform our system of money, law and government. And through the choice of the people, would also outrank them. Since the emergence of social networks such as Facebook and Twitter, we've also developed a completely new mindset to tradition of institutional thinking. Thomas Powers coined the phrase 'network thinking', which is the trans-human behaviour of openness, randomness and supportiveness. This supports a claim the above claim that a proposed digital economical system such as WAVE, could find it fast and frictionless to find its way into our everyday lives.

## Development

The first order of business is to transform digital communications, from an affordable privilege to an individual's free and inherent right. The technology is now in development



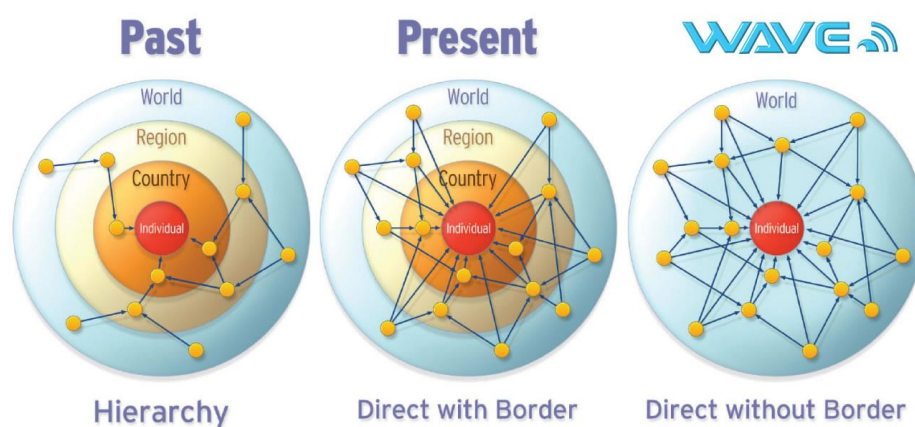
Digital, decentralised currency helps democratise the monetary system, but by its very nature it will still cause inequality. An improvement in efficiency for our modern era would be a moneyless system which can, in real time, measure and balance an individuals' social contribution with a calculation of their level of access to their desired resource.

Publicising legal cases and making the courts accessible via the web helps modernise the legal system, but laws can still be unlawful, subject to interpretation and enforced unconstitutionally. Our system of law could become more efficient with a computerised system which can collectively and anonymously, collect information about an incident, then in real-time that same system can facilitate the passing of a judgement from a collective and anonymous source

Wave is pioneering in the field of telecommunications and digital advertising. Our revolutionary technology platform makes it possible for internet service providers and mobile operators to offer its customers a free mobile communication device and unrestricted service plans.

We are developing the right technology for the right market at the right time. For an emerging multi-£billion market opportunity. Our business team have planned and prepared an innovative technology and business model that can meet this challenge head on and exploit the market opportunity.

This concept will not only generate an extremely healthy ROI - it will also enable us to be at the forefront of Corporate Social Responsibility at a global level, which will give our community the opportunity to have an online voice and presence wherever and whoever they may be.



Making digital communications free is now technically possible and has now been proven with a prototype technology developed by Wave Telecom. It eliminates the need to bill both home and business users of any size for their internet usage as the high levels of targeted advertising revenues mean we can not only cover these payments directly to the Internet Service Provider, but also generate substantial profits after these costs are met.

This technology gained a firm position in several recent award ceremonies, including Cisco British Innovation, Cyber Smart, Next Generation Digital Challenge and Digital Communications. We are currently also entered into several awards for 2013 the outcomes of which shall be announced later in the year.

During 2013 Wave Telecom Limited was incorporated and made principle trustee of the Entropy Trust. The trust consists of a group of forward thinking telecommunications experts whom research trends in future visions and finance the development of new era technologies.

This team has been developing, installing, maintaining and operating essential telecommunications infrastructures and information systems for years, beginning their training in The Royal Corps of Signals, which is now Britain's most innovative force in cyber security and defence in electronic warfare.

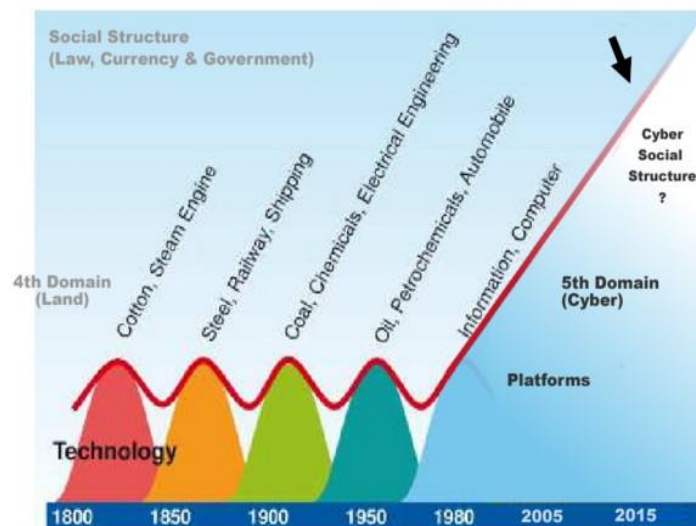
In accordance with the Trusts' Charter, society's biggest leap forward in the information age will only occur once our ability to communicate digitally is transformed: "from an affordable privilege to a free and inherent right". It's believed that this transformation alone will have a more lasting positive impact than anything already experienced during the 21st century.

Wave Telecom now manages the entire commercial operation and this incorporation marks the beginning of the final stages of a concept that has been 2 years in development. We will not only bring this concept to market but also develop the technologies that will facilitate it, both in the short and long term. Once phone calls, internet access and the devices that enable these



benefits are made free to the individual, the entire world can interconnect at every level, all of the time.

Development of these technologies in cyberspace and telecommunications can immediately benefit everybody in the world without restriction or prejudice. The entire philosophy of law, currency and government will be able to evolve, making these frameworks of our society more lawful; promoting equality and self-governance.



Source: <http://www.scribd.com/doc/12686310/Ulf-Pilkahn-Using-Trends-and-Scenarios-as-Tools-for-Strategy-Development>

So many of our day to day living expenses are on the increase to be able to not just reduce, but fully eliminate, just one of these and enjoy the freedom to connect at zero cost would be welcomed by both home and business users alike. But this is just the beginning.

Over the next 6 years we will be releasing some of the most innovative and state of the art technology available in the world right now to the public in the UK and globally. Our aim is to provide not only these technologies, but all other forms of communication such as mobile phone use to our customers, cost free. We can also develop and provide our users with other tools such as Wave social network, Wave search engine (with total cyber security), alternative currency and social rating/scoring.

Our Wave technology development team is consistently 10 years ahead of their time with theories, products, services and innovations. Instead of releasing these at a high cost to a select few that can afford them - we will be turning this on its head and releasing to everyone for zero cost.

The products are available to anyone and cover the entire cross section of home and business users. The list below shows just a few examples of our potential customers:

*A café in Brighton.....A student house share in Bristol.....An airport in London.....A country house in*

*Surrey.....A boutique hotel in Brighton.....A bungalow in Margate.....A stadium in Cardiff.....A music festival.....*

## 1.2 Financial Overview

## 1.3 Vision Statement

## 1.4 Business Objectives

On release next year the process to sign up and use our product will be short and very simple.

- Go to the wave website [www.wavetele.com](http://www.wavetele.com)
- Sign our terms and conditions
- Upload our software to any router
- Sign in through a Facebook account (until we offer our own “Wave” social network in 2015)
- Surf on the Wave platform

Wave Telecom will then meet the monthly bill costs for internet use by directly compensating the ISP. The issues of wholesale cost and development of the payment procedure will be agreed on with our Network Alliance ISP partners (see 3.2 “Types of Customer” for further information on the Network Alliance).

On launch next year, all of these processes will have been rigorously tested by our development team who will have created a seamless user experience.

The user will sign in initially through their Facebook account, but as we evolve our strategy is to roll out our own search engine and social network. At the bottom of the screen the user will see an unobtrusive banner on which targeted adverts will be shown and rotated every minute. These adverts will be based on the user profile and therefore be relevant to the users’ product or services preferences. An interactive online demo is available at [www.wavetele.com/try.htm](http://www.wavetele.com/try.htm)

These advertising campaigns, based on targeted relevant products and services, have been trialled in case studies that form part of our previous research & development campaigns over the past two years. The details of which shall be provided within this document, but suffice to say, the success rate is better than any other advertising campaign running on the internet. Both Facebook and Google’s advertising campaigns give a maximum click through rate of 2%. The case studies of Wave Telecom produced a click through rate of up to 24% - a figure not reachable to any other campaign today.

Wave Telecom advertising is therefore extremely valuable and provides the business with a highly lucrative revenue stream. The details of which are available in the 3 year projections attached.



Our technology has already received approximately £300k in development funding, and we are now ready to begin the next stage of progressing the company towards launching our products and services to the public with a seed funding round of investment.

| Wave Telecom: Business Objectives & 3 Year UK Roll-out Strategy |   |
|---|---|
| Date  | Milestone   |
| Aug-13  | Seed Investment Raise: £20k for 1% equity   |
| Aug-13  | Open Cardiff office x 4 person unit   |
| Aug-13  | Integration Alliance Launch: CENTIA porthole for collaboration on technical mandate & Integration Alliance Sales Executive to sign up relevant subscribers as per targets         |
| Aug-13  | Investment Manager to pitch to our network of Venture Capitalists   |
| Aug-13  | Marketing budget set @ 5% of cash sale total: Year 1  |
| Oct-13  | Start-up Investment Round 1: £200k for 7% equity stake  |
| Jan-14  | Start-up Investment Round 2: £200k for 6% equity stake  |
| Jan-14  | Integration Alliance Project Manager  |
| Feb-14  | Patent submission   |
| Feb-14  | Wave Technical Mandate Tender Release – Developer partners invited to tender  |
| Feb-14  | Open new Cardiff office x 9 person unit   |
| Mar-14  | Wave Platform Development: First Phase  |
| Mar-14  | Sales Manager & Marketing Manager to prepare budgets, plans & targets for year; technology output launch programme; begin campaigns and raise awareness for pre-sales             |
| Apr-14  | Start-up Investment Round 3: £200k for 5% equity stake  |
| May-14  | Wave Platform Development: Final Phase before release in June.  |
| Jun-14  | Open new Cardiff office x 32 person unit  |
| Jun-14  | Technology Output version 1.0 Wave Alpha: Wave Base, Wave Village, Wave District & Wave Nation release to CENTIA partners for testing phase and exclusive use pre and post launch |
| Jul-14  | Marketing budget set @ 10% of cash sale total: Year 2   |
| Jul-14  | Sales & Marketing Plan & Budget for Year 2  |
| Jul-14  | Increase sales & marketing staff in preparation for version 2.0 release in October 2014   |
| Aug-14  | Start-up Investment Final Round 4: £250k for 4% equity stake  |
| Aug-14  | Ad Inventory Account Manager close agreements with Ad partners for initial public launch  |

|        |  |
|--------|--|
| Oct-14 | Technology Output version 2.0 Wave Alpha: Wave Base, Wave Village, Wave District & Wave Nation release to public. Following the testing phase the out-sourced suppliers will continue to work on any updates, changes or on-going maintenance that the platform needs until they handover to the in-house development team in April 2015. This also includes helpdesk and tech support for employees |
| Apr-15 | Wave In-house Platform Development team take over development. Handover from out-source partner  |
| Jul-15 | Open new Cardiff office x 109 person unit  |
| Aug-15 | Technology Output version 2.1: Wave Search & Wave Social Network   |
| Jan-16 | Technology Output version 2.2: App Store + App 1 (Dual crowdsourcing)  |
| Jul-16 | Technology Output version 2.3: Social Exchange + App 2 (Logarithmic Social Scoring)  |

## 1.5 Opportunities & Threats

### Strengths

- Innovative business development team & mentors. Established in Technology, Investments, Scalable Online Services, Marketing and Network-Telecommunications.
- Strong community support & engagement
- Borderless, Free Internet Access and Display Advertising Services
- 2 years R&D, case studies & traction
- Assumption proven correct
- £3.8million pre-trading valuation
- Young start-up - light and versatile

### Weaknesses

- Volatile young market
- High risk technology venture
- Future trend/assumption dependant
- Limited early resources;
  - Pending start-up capital
  - No dedicated developers
  - Limited trading activity
- Limited Directors loans available
  - Risk embrative history
  - Limited capital
- Heavy dependant on investment

### Opportunities

- Build Alliances instead of competition
- New standard in display advertising
- Estimated £200Billion annual spend on display advertising by 2015
- Meet government and industry demand of interconnecting the worlds remaining 4 billion population
- Free alternative for the connected 3 billion population
- Creates certainty amidst the uncertain future of Cyberspace
- Platform for philanthropic and experiment social applications
- Early sale of technology

### Threats

- Competing tech giants
- Privacy/ data security concerns
- Bring unwelcomed social change
- Political & legislative ignorance
- Irreversible social impact

Following the launch of all of our technology outputs in 2016, the exit strategy for Wave Telecom Limited is obtainable through 3 different options. Throughout the trading period we shall be advised by our company legal team and company accountant as to the best option to take and the optimum period to do it within based on our ROI and profit margin for the year.

#### Option 1 – Private Share Trading

##### Short term exit strategy Year 1-3

We have successfully offered our initial private investors the option to trade shares with new investors as the business value increased through further investment into our technology and R&D. As promised, all our investors have traded whenever they have needed and are happy with the ROI received, even at the early stages of the business. Our aim is to offer this service throughout the first 3 years of trading.

#### Option 2 – Merger/Acquisition/Friendly Takeover

##### Short term exit strategy Year 2-5

In an ideal world a perfect exit strategy for Wave would be to be part of a merger or acquisition by another technology company or ISP. Our board of Directors would agree to this through a public offer of stock or cash made by the acquiring firm, and the board of the target firm will then publicly approve the buyout terms. Shareholder approval may be required dependent on whether there any other shareholders other than directors at this point. The key determinant will be whether the price per share offered is acceptable. Given the growth prospects of Wave, at this point a premium figure would be expected.

#### Option 3 - Initial Public Offering (IPO)

##### Medium term exit strategy Year 3-5

"The first sale of stock by a private company to the general public on a securities exchange, done by both smaller, younger companies seeking capital to expand or by largely privately owned companies looking to become publicly traded".

- Private Company -> Public Company
- Expansion capital raise
- Monetise investments of early private investors
- Become a publicly traded enterprise

Wave will employ the assistance of an underwriting firm (investment bank) to periodically advise as to the best time to bring the company to market, the type of security to issue and the best offering price. For those looking for a greater return from year 3 onwards, this may be a more acceptable option.

#### Option 4 – Alternative Investment Market (AIM)

##### Medium Term Exit Strategy Year 3-5

Another option would be to float our shares on the AIM once the business is generating a healthy profit (from year 3 – 5 onwards). This sub-market of the London Stock Exchange permits smaller companies to participate with greater regulatory flexibility than applies to the main

market (no set requirements for capitalisation or number of shares issued). As it is also the London Stock Exchange's global market for smaller and growing companies it would suit Wave as an exit option. Early stage businesses, venture capital-backed companies and more established businesses may also join AIM, so we are not limited in stage or timescales within the first 5 years.

## 2.0 Business Summary

### 2.1 Business Details

Wave Telecom Limited

VAT Details: Registration September 2013

VAT Start month: September 2014

Legal Status: Limited Company

Financial Year Start Month: August 2013

### 2.2 Bank Details

Bank Account: Lloyds TSB Commercial

Account Name: Wave Telecom Limited

Account Number: 39429668

Sort Code: 30-98-94

### 2.3 Key People

Regan Webb – Director (Operations)

Regan has previously worked in London for some of the biggest financial institutions in the City such as UBS Warburg, Instinet (Reuters) and HSBC (HQ). She also spent time working for Telecoms giant, MCI WorldCom and Silicon Valley innovators, Webmethods, gaining comprehensive experience and a solid professional foundation both in London and California.

Following this, she moved into land-buying and property development in Central London, and eventually founded a property investment business based in the City. The business specialised in purchasing new build apartments blocks off-plan, in Central London, and selling to investors. Additionally, she built up a large company property portfolio and undertook substantial development projects in North England.

Regan then moved back to Wales and specialised in Project Management in the construction sector, working within the UK and Eastern Europe (ski resorts) on several £multi-million projects. She also worked within the public sector as consultant (client facing) on a new build hospital in South Wales, value £80million.

More recently she has managed the start-up of an oil & gas exploration & production company through a private placement in New York. The primary focus of the business was to identify and obtain opportunities in South America. She was then asked to launch and manage operations for Millharbour SA, a Suisse company that facilitated transactions through raising capital for

public, private & institutional clients. She is now running the commercial side of Wave Telecom Limited in Cardiff, where she currently resides.

Sion Buckler – Extropy Trust Founder

## 2.4 Advisors

Thomas Power  
Winston Hamill  
Michael Moritz

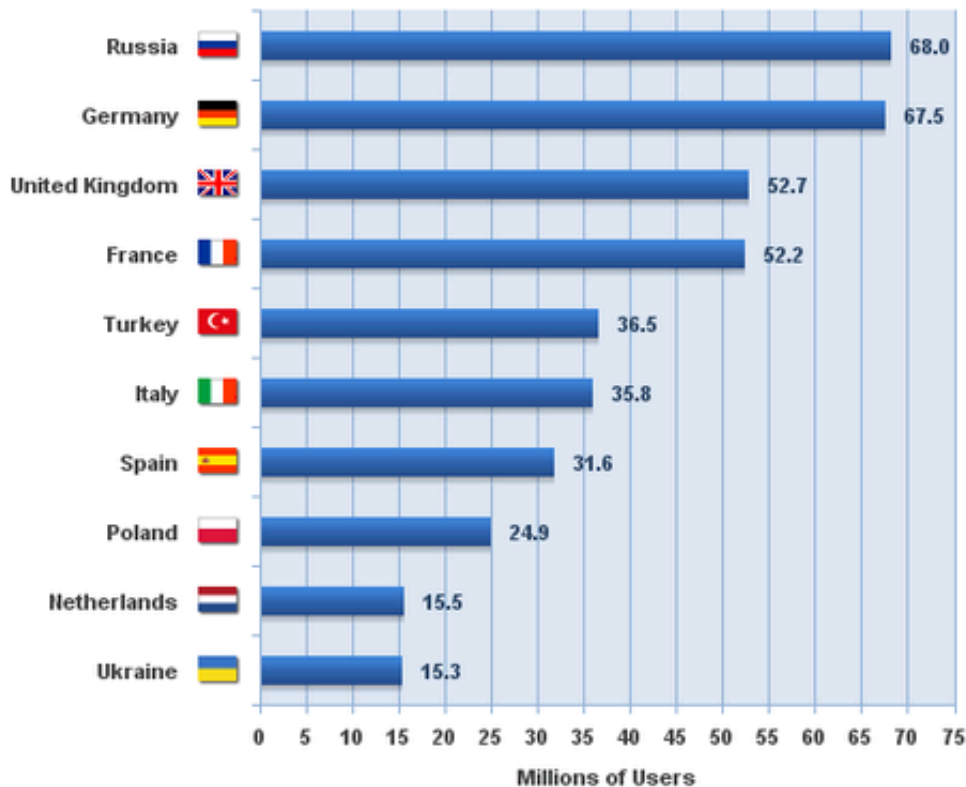
## 3.0 Market Analysis

### 3.1 Market Research

Once upon a time, there were no computers, smart phones, or many of the other cool gadgets we now take for granted. Was there a need for computers a century ago? Did people feel they lacked something? Probably not. Newspapers brought most of the news. Writing was done by hand or on typewriters. When computers became commonplace, the technology was revolutionary, making the traditional instruments redundant. And now? Typewriters are a relic of the past. Most households consider having computers, smart phones, or other such devices as basic necessities.

The Internet has also become a necessity as a tool for reaching out on so many different levels; global communication, shopping, social networking, gaming, business, opinion, news, sport, music, video....the list is huge and so are the possibilities. It breaks down endless boundaries and gives us a freedom never before imagined - all from the comfort of your home, business or indeed, anywhere there is a decent Wi-Fi connection or hotspot.

## Top 10 Internet Countries in Europe June 30, 2012



Source: Internet World Stats – [www.internetworldstats.com](http://www.internetworldstats.com)

Basis: 518,512,109 estimated internet users in Europe in 2012 Q2

According to Internet World Statistics the total online population in the UK was 52,731,209 users in June 2012 - this was equal to 84.1% of the population.

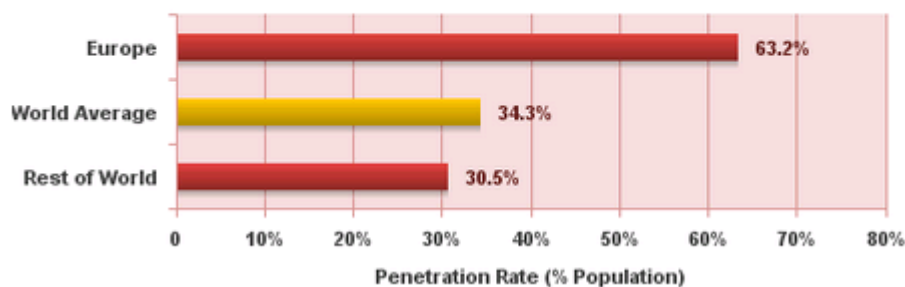
Furthermore, they cite the total Facebook user base in the UK as 32,950,400 people. This is our initial target market base as our users will log in using their social profile until Wave launches their own in Q3 2015\*. This can also increase as customers may wish to create a Facebook account to gain access to the service we are offering i.e. free internet. These users we call our available online market.

There are 250,934,000 Facebook users in Europe and 725,009,960 users in the rest of the world. This gives an idea of the size of the available market that can be accessed once the service has been rolled out to Europe and the rest of the world.

There is also room to grow our customer base as the internet penetration percentages in Europe and the Rest of the World show the available user base as more customers connect online. These users we call our emerging online market.



## Internet Penetration in Europe June 30, 2012



Source: Internet World Statistics – [www.internetworldstats.com](http://www.internetworldstats.com)

\*Wave Social Network & Wave Search due to launch in Q3 2015

### TOP 20 COUNTRIES WITH HIGHEST NUMBER OF INTERNET USERS - JUNE 30, 2012

| #                        | Country or Region              | Population, 2012 Est | Internet Users Year 2000 | Internet Users Latest Data | Penetration (% Population) | Users % World  |
|--------------------------|--------------------------------|----------------------|--------------------------|----------------------------|----------------------------|----------------|
| 1                        | <a href="#">China</a>          | 1,343,239,923        | 22,500,000               | 538,000,000                | 40.1 %                     | 22.4 %         |
| 2                        | <a href="#">United States</a>  | 313,847,465          | 95,354,000               | 245,203,319                | 78.1 %                     | 10.2 %         |
| 3                        | <a href="#">India</a>          | 1,205,073,612        | 5,000,000                | 137,000,000                | 11.4 %                     | 5.7 %          |
| 4                        | <a href="#">Japan</a>          | 127,368,088          | 47,080,000               | 101,228,736                | 79.5 %                     | 4.2 %          |
| 5                        | <a href="#">Brazil</a>         | 193,946,886          | 5,000,000                | 88,494,756                 | 45.6 %                     | 3.7 %          |
| 6                        | <a href="#">Russia</a>         | 142,517,670          | 3,100,000                | 67,982,547                 | 47.7 %                     | 2.8 %          |
| 7                        | <a href="#">Germany</a>        | 81,305,856           | 24,000,000               | 67,483,860                 | 83.0 %                     | 2.8 %          |
| 8                        | <a href="#">Indonesia</a>      | 248,645,008          | 2,000,000                | 55,000,000                 | 22.1 %                     | 2.3 %          |
| 9                        | <a href="#">United Kingdom</a> | 63,047,162           | 15,400,000               | 52,731,209                 | 83.6 %                     | 2.2 %          |
| 10                       | <a href="#">France</a>         | 65,630,692           | 8,500,000                | 52,228,905                 | 79.6 %                     | 2.2 %          |
| 11                       | <a href="#">Nigeria</a>        | 170,123,740          | 200,000                  | 48,366,179                 | 28.4 %                     | 2.0 %          |
| 12                       | <a href="#">Mexico</a>         | 114,975,406          | 2,712,400                | 42,000,000                 | 36.5 %                     | 1.7 %          |
| 13                       | <a href="#">Iran</a>           | 78,868,711           | 250,000                  | 42,000,000                 | 53.3 %                     | 1.7 %          |
| 14                       | <a href="#">Korea</a>          | 48,860,500           | 19,040,000               | 40,329,660                 | 82.5 %                     | 1.7 %          |
| 15                       | <a href="#">Turkey</a>         | 79,749,461           | 2,000,000                | 36,455,000                 | 45.7 %                     | 1.5 %          |
| 16                       | <a href="#">Italy</a>          | 61,261,254           | 13,200,000               | 35,800,000                 | 58.4 %                     | 1.5 %          |
| 17                       | <a href="#">Philippines</a>    | 103,775,002          | 2,000,000                | 33,600,000                 | 32.4 %                     | 1.4 %          |
| 18                       | <a href="#">Spain</a>          | 47,042,984           | 5,387,800                | 31,606,233                 | 67.2 %                     | 1.3 %          |
| 19                       | <a href="#">Vietnam</a>        | 91,519,289           | 200,000                  | 31,034,900                 | 33.9 %                     | 1.3 %          |
| 20                       | <a href="#">Egypt</a>          | 83,688,164           | 450,000                  | 29,809,724                 | 35.6 %                     | 1.2 %          |
| <b>TOP 20 Countries</b>  |                                | <b>4,664,486,873</b> | <b>273,374,200</b>       | <b>1,776,355,028</b>       | <b>38.1 %</b>              | <b>73.8 %</b>  |
| Rest of the World        |                                | 2,353,360,049        | 87,611,292               | 629,163,348                | 26.7 %                     | 26.2 %         |
| <b>Total World Users</b> |                                | <b>7,017,846,922</b> | <b>360,985,492</b>       | <b>2,405,518,376</b>       | <b>34.3 %</b>              | <b>100.0 %</b> |

NOTES: (1) Top 20 Internet User Statistics were updated for June 30, 2012. (2) Additional data for individual countries and regions may be found by clicking each country name. (3) The most recent user information comes from data published by [Nielsen Online](#), [International Telecommunications Union](#), Official country reports, and other trustworthy research sources. (4) Data from this site may be cited, giving the due credit and establishing an active link back to [www.internetworldstats.com](http://www.internetworldstats.com).

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## UK Market

The on-going financial crisis created by the banking system and poor government management has left most individuals and families paying the price in the UK.

Our bills and cost of living are constantly on the increase, and taxes eat into every penny we earn and spend.

UK consumers spend approximately £1083 on line every year and the average yearly household broadband bill costs approximately £300 per year on data and line rental.

That's nearly a third of the total spend. In a UK population of over 63 million people, almost 53 million are online if, for example, a quarter of those people take up our free internet service we would have an available market of 13.25 million people with an extra £300 per year to spend where they choose. We are not only enabling our customers to actually get on-line with no issue of cost, we are also enabling them to spend the additional disposable income available wherever needed. The likelihood is that some of those savings will be spent on-line on products and services. Regardless, it is certainly a substantial amount of money to spread throughout our economy and not just into the bulging pockets of the main ISP's.

This equates to a win-win situation for everyone...our customers save money....they are free to spend these savings on both essentials and non-essentials on-line. They receive relevant advertising that meets their need - instead of, for example, generic; pushy campaigns run by no win no fee legal sharks. Advertisers receive valuable inventory which ultimately, sells products and services.

Not only that, but the economy receives a much needed boost as consumers have more spending power due to gaining an extra £20-£30 per month, for our business users, the monthly savings are even higher. Money movement such as this and the spreading of wealth more fairly is the ultimate business opportunity. Everyone gains and maybe even the economic outlook will look somewhat brighter too.

The business model is not entirely based on the free internet and advertising platform. This is just the start of a much bigger plan to make communications a safer and more socially beneficial experience to everyone. The internet has created a family who, if given the tools, can change things for the good and have a positive impact. Once the initial platform is tested and released we will add layers of innovative products and services that will be discussed in depth further into the business plan.

The need for free communications for everyone is indisputable – the sky is the limit when you add highly valuable applications, an alternative currency and crowd sourcing decisions that benefit everyone, not just a few decision makers at the top of the hierarchy.

| UK internet and web-based content market          | 2007  | 2008  | 2009  | 2010  | 2011  | 2012 |
|---|-------|-------|-------|-------|-------|------|
| <sup>1</sup> PC/laptop take-up (%)                | 71    | 72    | 74    | 76    | 78    | 79   |
| <sup>1</sup> Internet take-up (%)                 | 64    | 67    | 73    | 75    | 77    | 80   |
| <sup>1</sup> Total broadband take-up (%)          | 52    | 58    | 68    | 71    | 74    | 76   |
| <sup>1</sup> Fixed broadband take-up (%)          | n/a   | n/a   | 68    | 71    | 67    | 72   |
| <sup>1</sup> Mobile broadband take-up (%)         | n/a   | n/a   | 12    | 15    | 17    | 13   |
| <sup>1</sup> Internet on mobile-phone take-up (%) | n/a   | n/a   | 20    | 21    | 32    | 39   |
| <sup>1</sup> Social networking online take-up (%) | n/a   | 20    | 30    | 40    | 46    | 52   |
| <sup>2</sup> Internet advertising expenditure (£) | 2.8bn | 3.4bn | 3.5bn | 4.1bn | 4.8bn | n/a  |
| <sup>2</sup> Mobile advertising revenue (£)       | n/a   | 29m   | 38m   | 83m   | 203m  | n/a  |

Source: <sup>1</sup>Ofcom consumer research, Q1 each year, <sup>2</sup>Internet Advertising Bureau/PwC

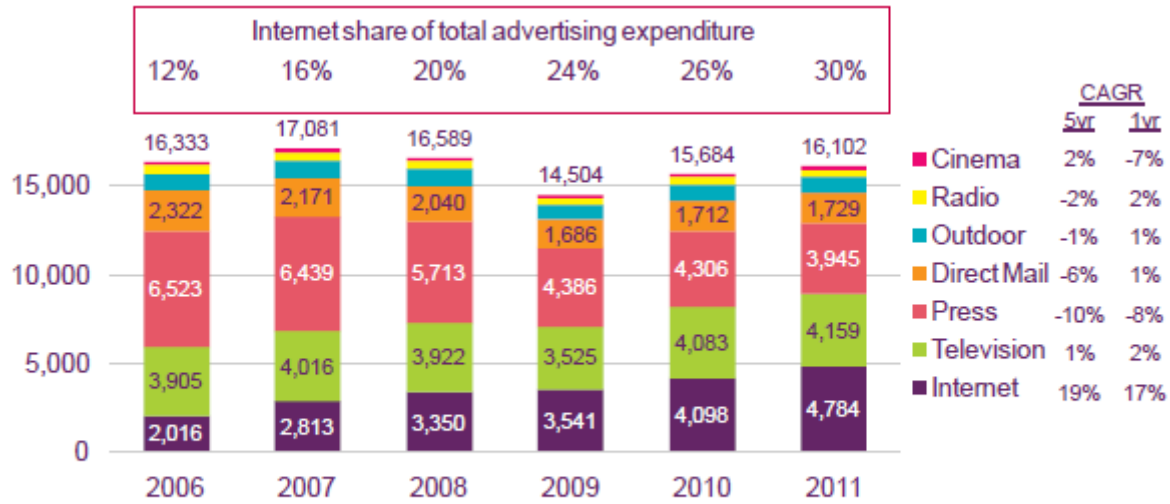
There are two themes which are central to the transformative effect of the internet on consumer behaviour and industry structures. The first is internet advertising revenue and the second is smartphone demand. As you can see from the key statistics the mobile advertising revenue is likely to grow quickly as the smartphone demand grows. Interestingly, users state they still use both mobile, tablet and laptop/PC devices equal to previous use depending on their location. This is good news for advertising as not only is it growing on through other mediums - it is also holding its market share on older technologies. As the online audience has grown and more households have adopted faster internet connections – allowing them to consume more content quicker- so businesses have increased spend on advertising to this audience.

## Internet Advertising

“More revenue is generated by internet advertising than by any other sector”.

In 2011, Internet advertising established itself as the largest ad category by spend and accounts for 30% of advertising revenue in the UK - totalling approx. £4.8bn. Internet advertising is a key source of revenue for many of the online services consumers use.

UK advertising expenditure, by category 2006-2011

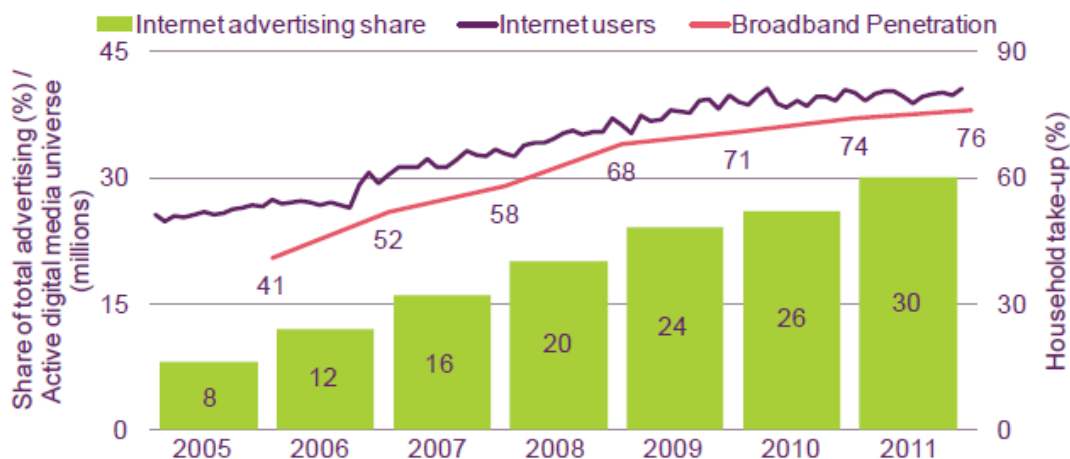


Source: AA/Warc Expenditure Report

Notes: All figures are nominal; CAGR = compound annual growth

Advertisers have followed consumers onto the mobile internet and over the past 5 years the share of advertising spend on the internet has more than doubled.

Internet advertising share, internet users and broadband penetration



Source: Internet Advertising Bureau, Nielsen Work and Home Panel, Ofcom

Note: Broadband household take-up figures are from Q1 of the following year.

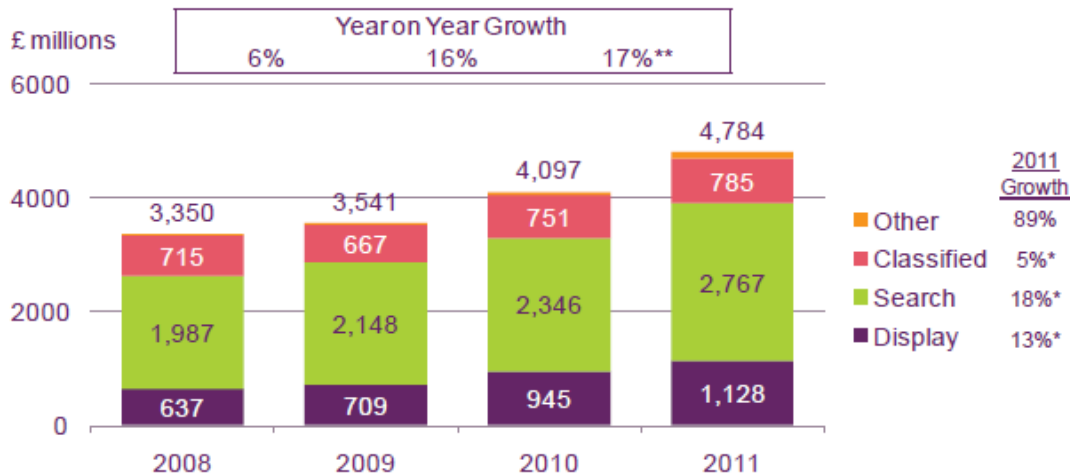
Search and display are driving the growth of internet advertising

Search advertising (£2.8bn) was the largest source of internet ad spend in 2011, followed by display (£1.1bn) and classified (0.8bn). Growth was fastest in search and display, up by 13% and 18% respectively on 2010 spend, while classified internet advertising has grown less quickly, up just 5%.

Search advertising revenues are generated by adverts placed against specific keywords that internet users search for on search engines such as Google, Yahoo! And Bing. Search advertising is unique and allows advertisers to target specific users with specific interests.

By contrast, internet display advertising is very similar to display advertising in press and elsewhere, except adverts are placed as banners on web pages rather than newspaper pages.

Internet Advertising, by type: 2008-2011



Source: Internet Advertising Bureau

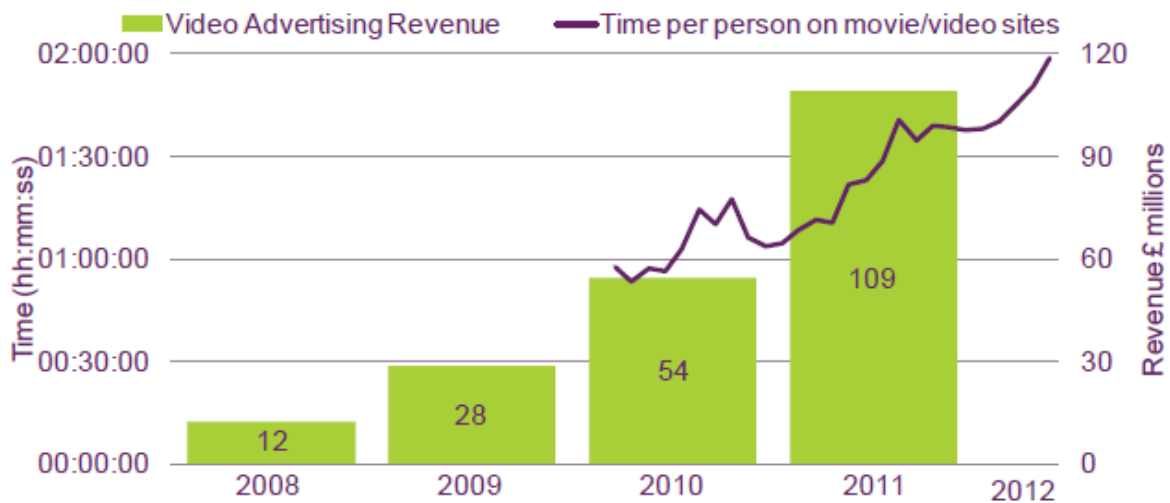
Note: \*Like for like growth of the total market \*\*Like for like 2011 growth was 14%

Wave targeted advertising is a hybrid of search advertising and display advertising. It uses the target advertising of search, through Facebook login customer/user profile and the banner advert style of display advertising, through the rotating banner at the bottom of the screen. This banner can be used to show both static and video imaging.

This widens our market reach, potential and available spend by meshing together the drivers of growth in internet advertising, which is in itself the largest area of advertising spend in the UK. The success of the click thru rate backs up the effectiveness of this type of advertising shown in case studies within this document (see page \*\*\*\*).

The strong growth of display and search can be accounted for in part by the emergence of 2 rapidly growing internet advertising markets:

- Online video display advertising (revenue and time spend on film /video sited: 2008-2011)



Source: Internet Advertising Bureau, Nielsen Work and Home Panel inc. applications.

Note: Time accounts for total time on sites of this category and not time spent viewing video content.

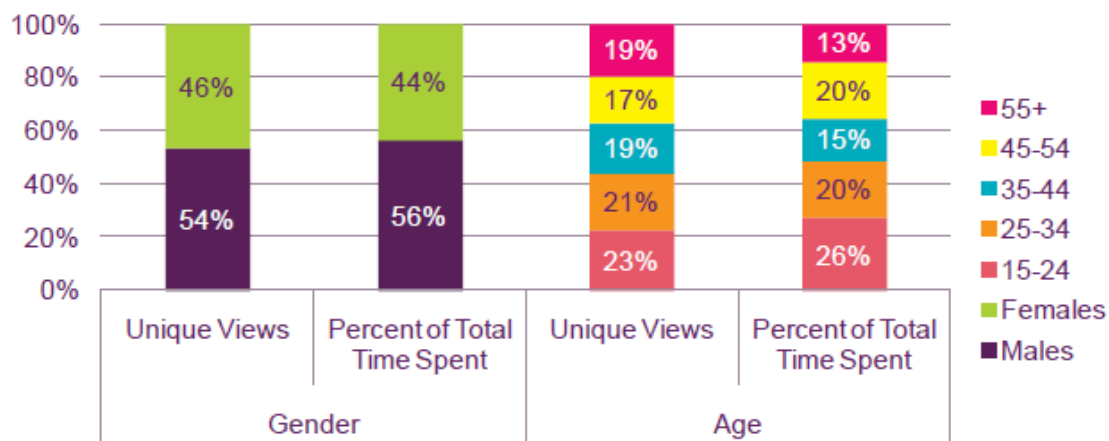
'Movie/video sites' is a collection of more than 400 sites including YouTube, BBC iPlayer, Dailymotion, LOVEFiLM.com, Channel 4oD, ITV Player, Yahoo! Movies, blinkbox, Sky Go, Netflix and Vimeo.

Video display advertising spend was £109m in 2011, approximately 10% of all internet display advertising revenue. Video display ads have seen exceptional growth since 2008, increasing their revenue eight-fold.

Online video advertising can take one of two forms. The first is similar to display advertising on websites, but in the form of an audio-visual advert rather than a static image or a series of animated images. The second is similar to traditional spot television advertising, where adverts are shown either before, after or mid-way through an online video.

According to research published by comScore, just under 22 million internet users aged 6+ watched at least one online video advert in January 2012. Men were more likely than women to view online video adverts and the main age range for this was 15-24 year olds.

Demographic profile of video advertisement viewers



Source: comScore Video Metrix, internet users aged 6+

Note: Percent of Total Time Spent: % of Time Spent Watching Ad Videos by Demographic Segment / % of Total Internet Population from the Demo Segment x 100. Percent of Total Time Spent does not sum to 100% since not all ages groups are shown.



## Mobile Internet Advertising

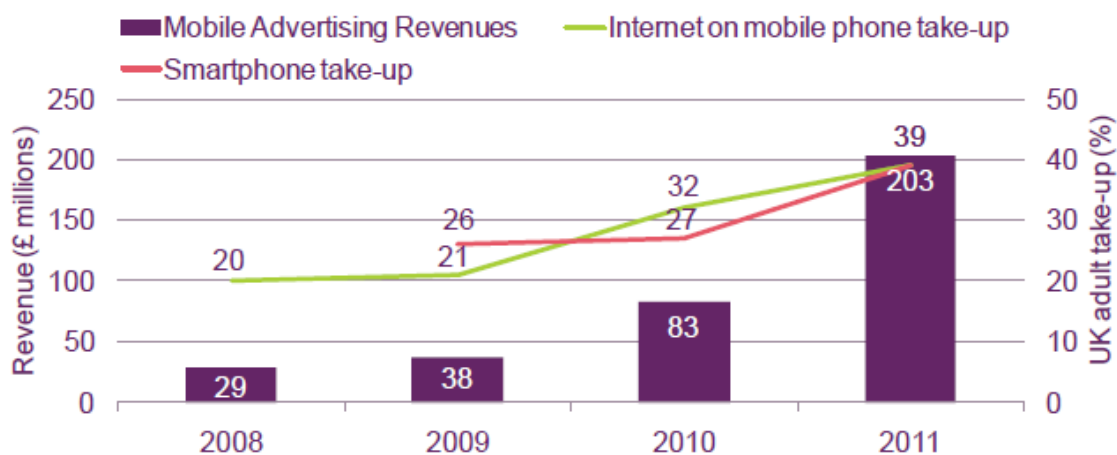
In 2011, expenditure on mobile advertising rose to £203m, more than double that of 2010, and representing like-for-like growth of 157%. Since 2008, mobile advertising revenues have grown 7-fold and in the same time the proportion of adults using their mobile phone to access the internet has doubled (20% to 39%).

The *UK Communications Market Report 2011* highlighted the rise of the mobile internet and the likelihood that smartphone take-up was the primary driver of the increasing data services available on mobile phones.

It is also likely that smartphone take-up is the driver behind the growth of mobile advertising. Smartphones appear to facilitate the use of the mobile internet, increasing the mobile internet audience and making the platform a more attractive proposition for advertisers.

Furthermore, the technological capabilities of today's smartphones, such as touchscreens, large high definition displays, high-speed processors, and operating systems capable of installing apps, present a wider range of creative opportunities for advertisers.

### Mobile advertising revenues and smartphone and mobile internet take-up



Source: Mobile Advertising Revenues: IAB/PWC, Ofcom: take-up of internet on mobile phone and of smartphones

Note: Take-up figures are from Q1 of the following year.

In 2011 search is two-thirds (66%) of mobile advertising revenue was generated by mobile search advertising, unchanged since 2010, and the remainder by mobile display (34%). The advances in mobile handset technology represented by smartphones, and the move away from WAP, have increased the similarity of the mobile internet to the conventional PC internet. As such, mobile search adverts and mobile display adverts are very much the same as their counterparts described above.

### Search and display share of mobile advertising revenues: 2008-2011



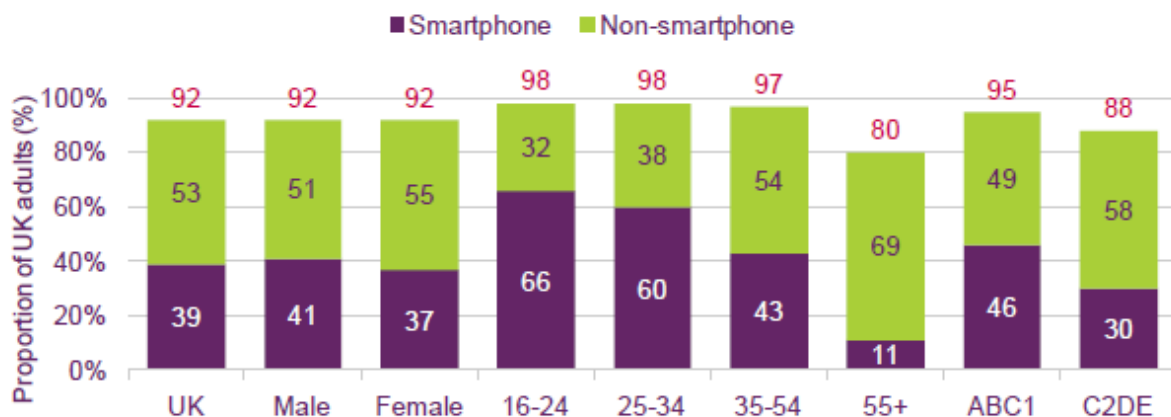
### Smartphone Demand

"2 in every 5 UK adults now have a smartphone"

Smartphones are a key enabler in the rise of the mobile internet and which has changed the way consumers live their everyday lives.

Between 2011 and 2012 smartphone take up rose from 27% to 39% of UK adults, representing 43% of mobile users. Smartphone take up is highest among younger age groups: 66% of those aged 16 to 24 and 60% of those aged 25 to 34 have a smartphone, as do 46% of the ABC1 socio-economic group. (Ofcom Technology Tracker (Jan/Feb 2012))

### Take up of mobile phones and smartphones: UK adults



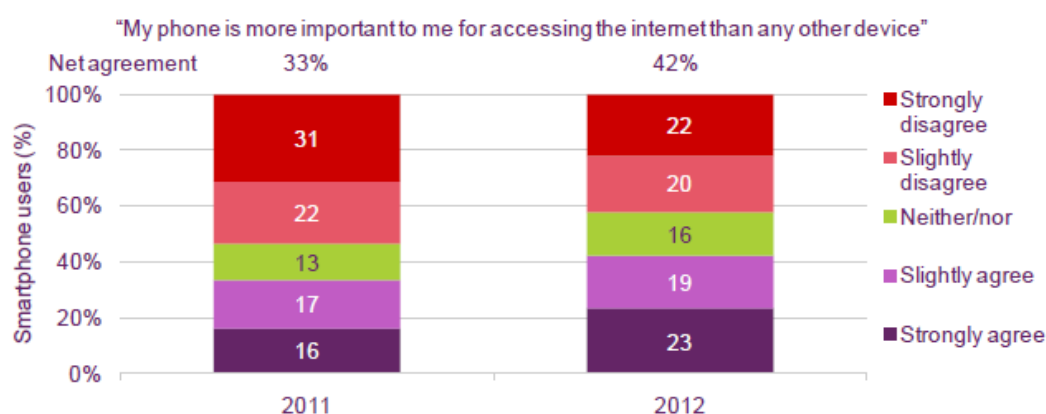
Source: Ofcom Technology Tracker, Jan/Feb 2012

QD2. Do you personally use a mobile phone? /QD4 Do you personally use a smartphone?

Base: Total UK Adults aged 16+ (n = 3772 unweighted total)

More than 4 in 10 smartphone users (42%) agree with the statement: "my phone is more important to me for accessing the internet than any other device". Agreement is highest in the 16-24 & 25-44 age groups.

## Importance of smartphones for internet access



Source: Ofcom omnibus research, March 2012/2011

Q.13 Please tell me how much you agree or disagree with: My phone is more important to me for accessing the internet than any other device?

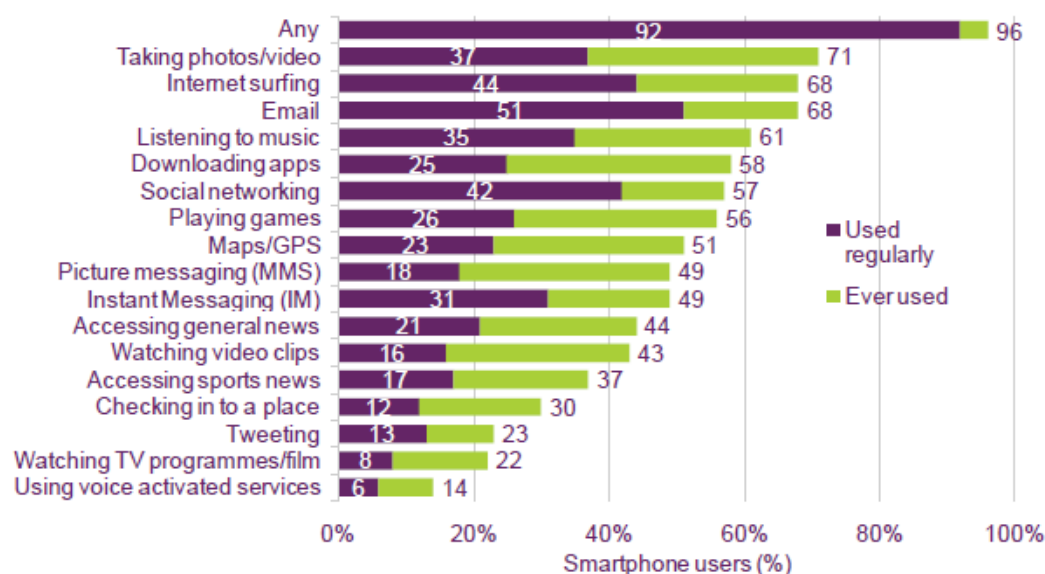
2012 Base: Total GB adults who use a smartphone (n = 654)/ Total 2011 GB adults who use a smartphone (n = 474).

Smartphone users are highly dependent on their phones. Just over 4 in 10 (41%) smartphone users indicated high levels of addiction compared to 37% in 2011.

Smartphones are used for traditional internet activities and new internet phenomena. The top 5 activities or functions used regularly on a smartphone by UK adults are e mail (51%), internet surfing (44%), social networking (42%), taking photos/video (37%), and listening to music (35%). These are the same activities as recorded in the top five in the 2011 survey. Many of the activities have seen marginal increases since 2011, with e mail measuring the biggest increase, up 5% from 46% in 2011.

New activities or functions new to the 2012 survey are tweeting, checking into a place or location on social networks and using voice activated services.

## Activities conducted on a smartphone by UK adults



Source: Ofcom omnibus research, March 2012

Q.6 Which of the following functions or activities do you use regularly on your mobile?

Base: GB adults who use a smartphone (n = 654).

Source: Ofcom Tech Tracker Q1 2012

QD10 Which if any, of the following activities, other than making and receiving voice calls, do you use your mobile for?

Base: UK adults who use a smartphone

Smartphones are substituting for other devices and media formats. The activities that smartphone users claim their handset is substituting for most are: watching video clips on a PC or laptop, instant messaging from a PC or laptop and social networking from a PC or laptop.

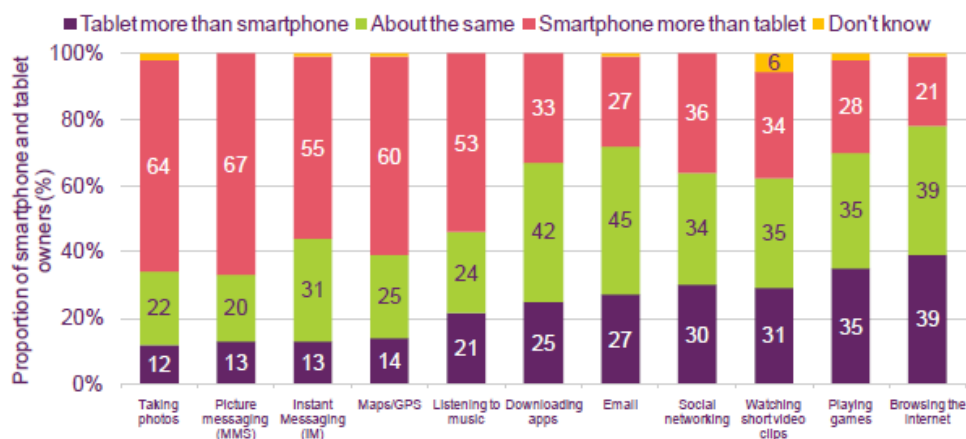
But significant numbers of people say that they are still doing the same amount of activities on other new devices since getting their smartphones.

"1 in 5 (20%) of smartphone users also own a tablet PC"

Tablet computers and smartphones have many features in common and despite the overlap in functionality, 1 in 5 smartphone users also own a PC. A significant proportion of consumers, for each activity, claimed to use their smartphone and tablet equally so it is likely that the device used is determined by the location of the consumer. Tablets are primarily used at home as a more portable; internet surfing & user friendly version of bulkier and heavier laptop or PC. This is the evolution of our technology types based on needs of use. We are now seeing the introduction of the removable key pad (Asus Transformer Prime) that will thus give us 2 devices in 1. Tablet for play and keyboard option for work.

Smartphones are alternatively, used as a mobile device and as a private communication device; whereas two-thirds of consumers share their tablets in their household. Therefore, a tablet is less likely to be seen as a personal communications device.

Principal device for selected activities among smartphone and tablet



Source: Ofcom omnibus research, March 2012

Q8 You mentioned earlier you have a tablet, which of the following activities do you use your tablet more or less for compared to your smartphone?

Base: All GB adults with a smartphone and tablet who have ever conducted the activity on their smartphone (all base over n = 75 shown)

### "Consumers are using their smartphones to help them shop"

More than half (57%) of smartphone users claim to have used their handset in some way when out shopping.

Activities conducted on a smartphone while out shopping



Source: Ofcom omnibus research, March 2012

Q.8b Which, if any of the following activities have you ever done on your smartphone while out shopping?

Base: GB adults who use a smartphone (n = 654).

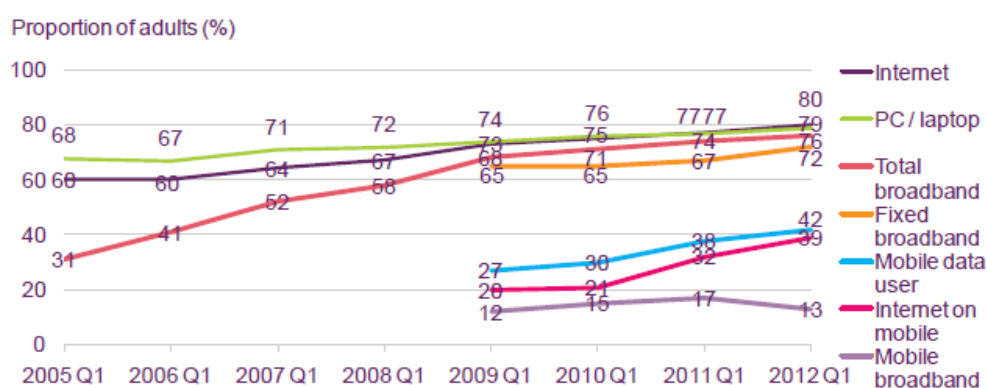
Internet & Devices

Key findings

- 8 in 10 households have access to the internet  
Household internet access rose to 80% in Q1 2012, up 3% points on the previous year.
- Over half of all UK households have 3 or more internet-enabled devices.  
85% of households own at least 1 internet enabled device and on average each household owns 3 different types of internet enabled device. Only 1 in a thousand owns all 10 devices surveyed.

- Games consoles are more popular than laptops or PC's among DE households. 46% own a games console, compared to just 44% who own a laptop and 30% own a PC. In contrast, among AB households, 75% own a laptop and 56% own a PC, while 51% own games consoles.
- Growth of accessing the internet on laptop and desktop computers is slowing.
- Young adult men spend the most time online via a laptop or desktop computer (34.1 hours p/month) than any other age/gender group, and almost 10 hours more per month than the UK average of 24.2 hours for March 2012
- Two thirds of 65-74 years olds now have home internet access, the largest rise among all age groups. This rose by 9% to 64% between 2012 to 2012. Internet access was highest among those aged 16 to 34 (90%) and AB social groups (92%).
- 1 in 7 UK adults do not intend to get the internet in the next year. Overall, 2 thirds cite lack of interest as the main reason for not getting the internet.

### Household PC and internet take-up: 2005-2012



Source: Ofcom technology tracker, Q1 2012

QE1: Does your household have a PC or laptop computer? / QE2: Do you or does anyone in your household have access to the Internet/Worldwide Web at HOME (via any device, e.g. PC, mobile phone etc)? / QE6: Which of these methods does your household use to connect to the Internet at home?

Base: All adults aged 16+ (n=3772)

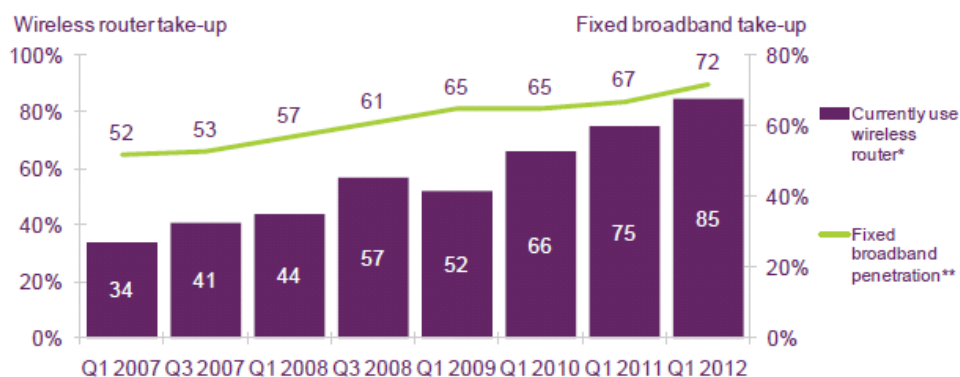
Note 1: "Internet on mobile" is the % of adults who use a mobile phone for any of the following activities: Instant messaging, downloading apps or programs, email, internet access, downloading video, video streaming, visiting social networking sites.

Note 2: From Q1 2009 the 'internet' figure includes those who access the internet on mobile phones.

### Wi-Fi networks are a key enabler for homes with multiple internet enabled devices

In Q1 2012 the proportion of homes with broadband using a wireless router rose 10% to 85%. As highlighted in the graph above, a number of devices which were not widely available 5 years ago (e.g. netbooks, smartphones and tablets) can be connected to the internet over Wi-Fi.



**Figure 4.18 Use of wireless router versus broadband take-up: 2007 – 2012**

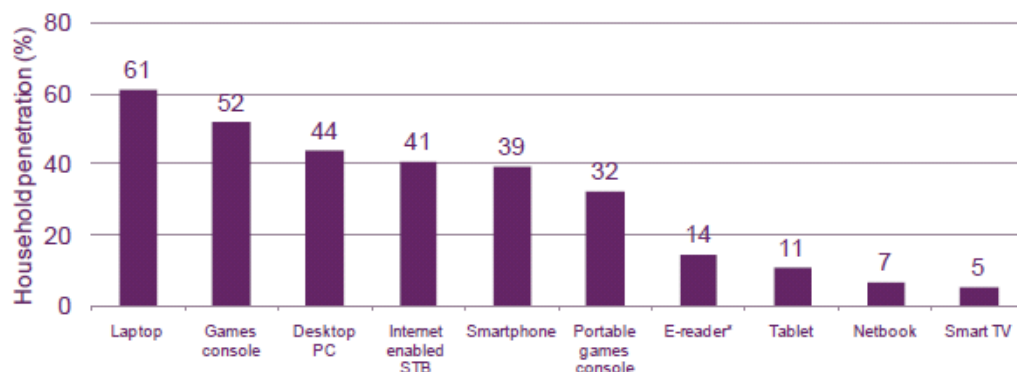
Source: Ofcom research, Quarter 1 2012

Base: Wireless router take-up - adults aged 16+ with a broadband connection at home (\* from 2009 this is based on fixed broadband connections only). Fixed broadband penetration based on all adults aged 16+ (\*\* prior to 2009 this is total broadband penetration).

### Internet-enabled devices

The networks over which the device connects and the internet experience that the device delivers both vary. The laptop is the most popular device that can connect to the internet among UK households (61%). Games consoles are the second most popular type of internet enabled device, followed by desktop PC (44%).

### Ownership of internet-enabled devices



Source: Ofcom research, Quarter 1 2012

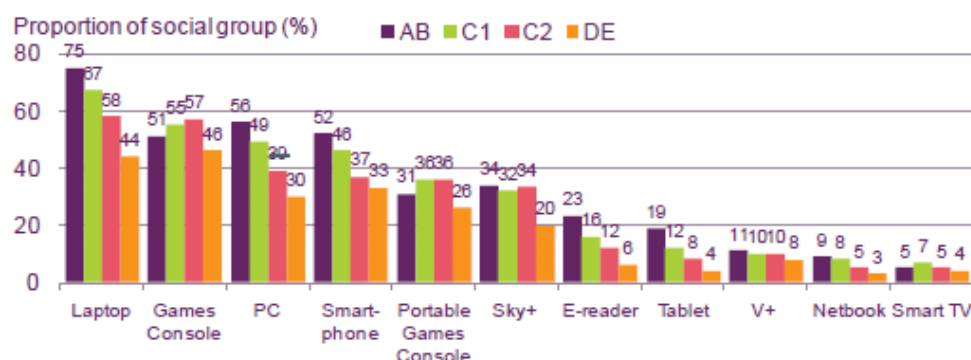
Base: Adults aged 16+ n = 2258

Note: Internet-enabled devices include laptop, games console, desktop PC, smartphone, portable games console, internet-enabled STB (Sky+, Sky+ HD, V+ and V+ HD set top boxes), e-reader, tablet, netbook, and smart TV. \*E-reader take-up stated here is household while elsewhere in the report we state e-reader take-up by individual.

In regards to ownership of each type of internet-enabled device as a proportion of the AB, C1, C2 and DE socio-economic groups – for almost all internet-enabled devices, ownership is highest among AB households and lowest among DE households, probably related to the greater disposable income to spend on such devices in AB households. The exception to this rule is ownership of TV-based and portable games console, where take up is higher among C1 and C2 households than in AB households.

Counter to the UK average, games consoles are more popular than laptops or PC's among DE households, with PC's and smartphones are more popular than games consoles among AB households.

The proportion of each social group owning internet-enabled devices



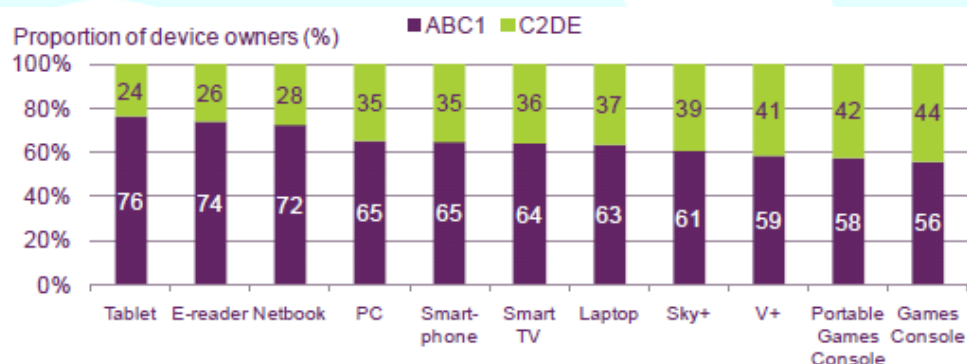
Source: Ofcom research, Quarter 1 2012

Base: Adults aged 16+, AB n = 822, C1 n = 1085, C2 n = 765, DE n = 1098

Three quarters of e-readers (74%) and tablets (76%) are owned by ABC1 households compared to just 6 in 10 internet-enabled set top boxes (Sky + etc.). Internet devices of all kinds are more likely to be owned by ABC1 households than C2DE households, but that balance of ownership varies according to device.

Recent market entrants such as e-readers, tablets and netbooks, the functionality of which is replicated among existing devices, are more likely to be owned by ABC1 households than C2DE households.

Internet-enabled devices by social group

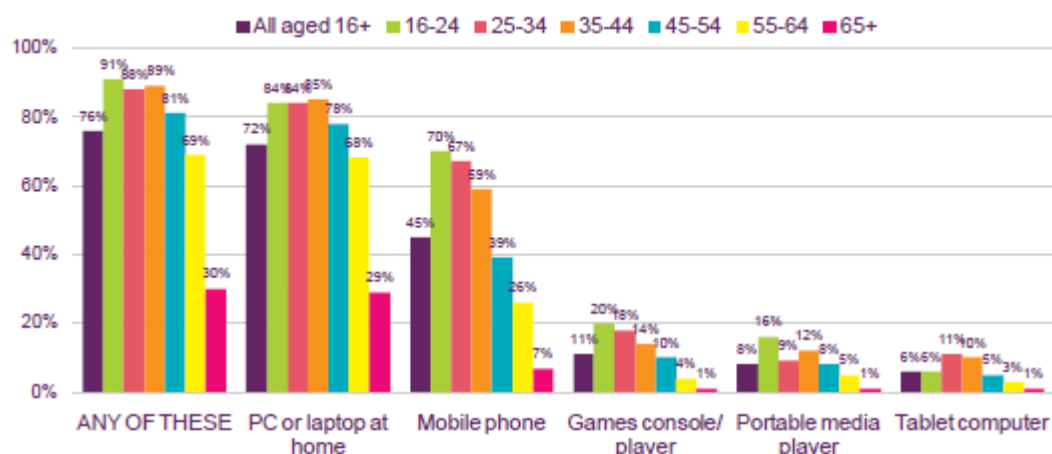


Source: Ofcom research, Quarter 1 2012

Base: Adults aged 16+

Those aged 16-24 were the most likely to have accessed the internet on a mobile phone, games console, or portable media player. However, those aged 25-34 and 35-44 were more likely than other age groups to have accessed the internet on a tablet computer. The proportion of households by social group in the 2001 UK census was AB 22%, C1 29%, C2 15%, D 17% and E 16%.

Devices used to visit internet websites in 2011 by age



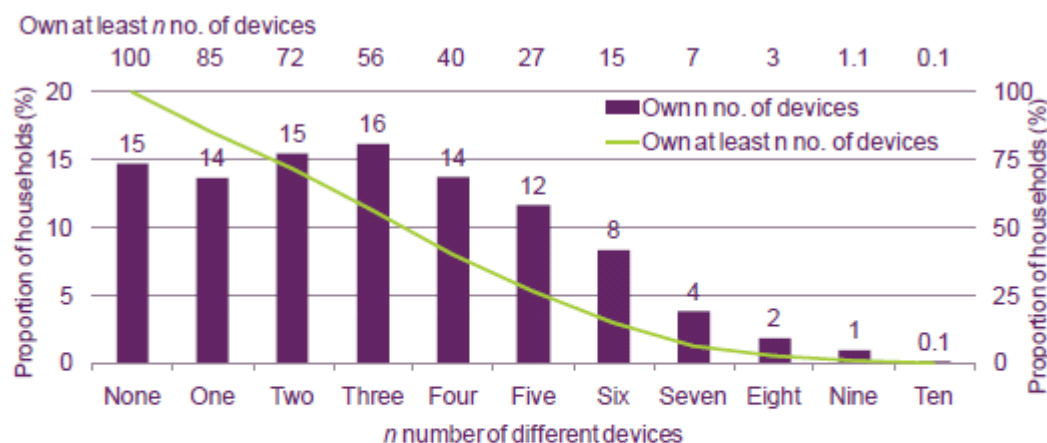
Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in September to October 2011

IN1/ IN2- Do you or does anyone in your household have access to the internet at home through a computer, laptop or notebook? And do you personally use the internet at home?/ Do you have and use any of the items shown on this card to access the internet or to visit internet websites? (Prompted responses, single coded)

Base: All adults aged 16+ (1823 aged 16+, 225 aged 16-24, 252 aged 25-34, 294 aged 35-44, 228 aged 45-54, 281 aged 55-64, 543 aged 65+). Significance testing shows any difference between any age group and all adults aged 16+

Each household in the UK has on average 3 different types of internet enabled device and 85% of households have at least 1.

Number of different internet-enabled devices per household



Source: Ofcom research, Quarter 1 2012

Base: Adults aged 16+ n = 2258

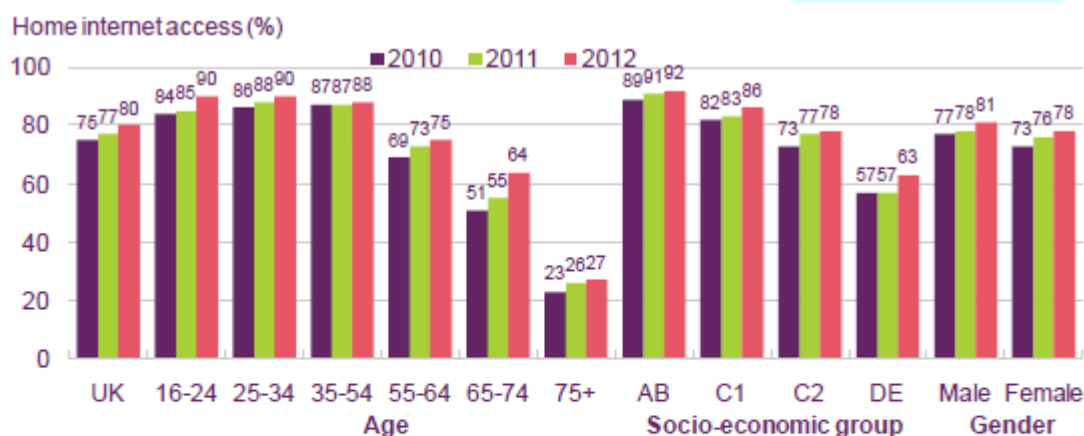
Note: IP-enabled devices include laptop, games console, desktop PC, smartphone, portable games console, internet enabled STB (Sky+, Sky+ HD, V+ and V+ HD set top boxes), e-reader, tablet, netbook, and smart TV.

## Internet take-up

Home internet access in the UK continues to grow, increasing by 3% to 80% for Q1 2012. Home internet access is evenly spread across those aged 16 to 54 but decreases beyond this age range. However, the proportion of adults aged 16 to 54 but decreases beyond this age range. However, the proportion of adults aged 65 to 74 with home internet access grew strongly over the year, rising 9% to 64% by 2012. The % of 16-24 year olds with access to the internet grew by 5% between 2011-2012; to 90%, and brings this age group level with those aged 25 to 34 (90%) and 35 to 54 (88%).

Home internet access is highest for the AB socio-economic group (92%) and lowest for DE's (63%), while access is 3% higher among men (81%) than women (78%).

Home internet access by age, socio-economic group, and gender



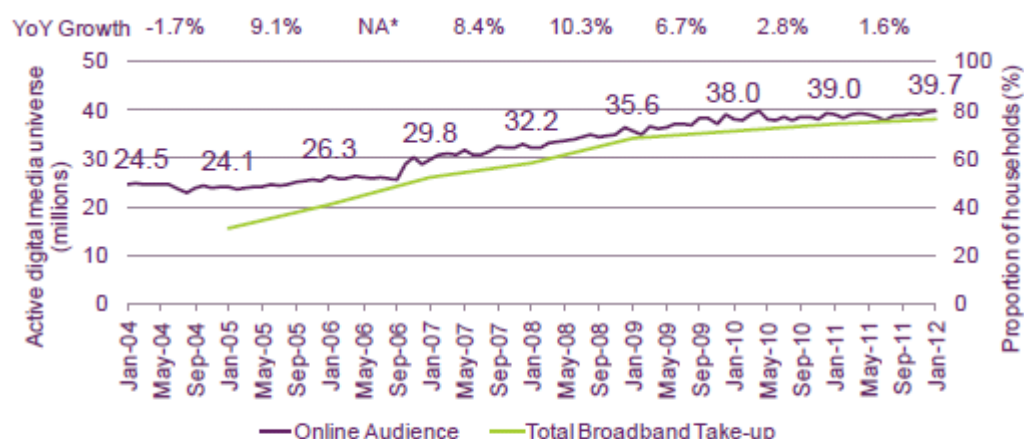
Source: Ofcom technology tracker, Q1 2012.

QE2: Do you or does anyone in your household have access to the Internet/Worldwide Web at HOME (via any device, e.g. PC, mobile phone etc)? / QE6: Which of these methods does your household use to connect to the Internet at home?

Base: All adults 16+ (n = 3772 UK, 483 16-24, 608 25-34, 1295 35-54, 596 55-64, 447 65-74, 341 75+, 822 AB, 1085 C1, 765 C2, 1098 DE, 1804 male, 1968 female)

Since January 2004 the size of the UK online audience rose on average 6.2% each year; from 24.5 million to 39.7 million in January 2012 was 1.6%, compared to a high of 10.3% in January 2009. It is likely that the slowing growth of broadband take-up has contributed to the slowing growth of the online audience.

## Laptop and desktop computer online audience vs. broadband take-up 2004-2012



Source: Nielsen UKOM, internet users aged 2+, home and work panels, applications included. Ofcom technology tracker, Q1 2012.

Base: Total broadband penetration - all adults aged 16+ (n=3772)

Note: The online audience is an individual aged 2+ that has used an internet enabled home or non shared work computer to go online at least once in the month. \*Due to a change in methodology figures prior to October 2006 should be treated with caution.

## Time Spent online

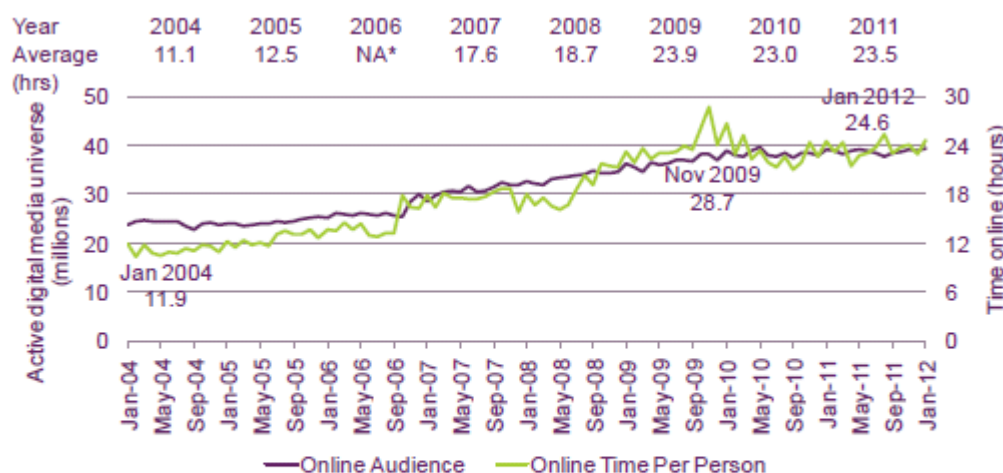
In January 2012 the average amount of time internet users spent online through a laptop or desktop was 24.6 hours per month, more than double the amount of time users spent online in January 2004. However, the growth in time spent online appears to have plateaued. The average time online per month increased by only half an hour between 2010 and 2011; to 23.5 hours, and while increasing, this is still less than the peak average of 23.9 hours/month in 2009.

Two likely reasons for this slowed growth are the effect of late adopters and the growth of other internet-enabled devices. Late adopters of the internet characteristically spend less time online than average, so as more late adopters get connected the average time online may decrease.

Furthermore, the data does not include time spent online on smartphones, tablets, or other internet-connected devices, which are likely to be substituting for time online on laptop or desktop computers.

## Active internet users and time online on a laptop or desktop computer





Source: Nielsen UKOM, internet users aged 2+, home and work panels, applications included.

Note: The online audience is an individual aged 2+ that has used an internet enabled home or non shared work computer to go online at least once in the month. Online time per person is the average time spent using a web browser or internet enabled application across the online audience.

\*Due to a change in methodology figures prior to October 2006 should be treated with caution.

33 million adults accessed the internet every day in 2012 in the UK, more than double the 2006 figure of 16 million. Approximately 87% of adults aged between 16 and 24, used social networking sites in 2012, compared to 48% of all adults. Telephone or video calls over the internet were made by 32% of adults in 2012, double the 2009 estimate of 16%, and four times higher than the 2007 estimate of 8% (Office of National Statistics Feb 2013).

The higher tier of earners in the socioeconomic status groups are at the front of the queue when it comes to technology. This "early adopter" behaviour tends to lead to earlier market penetration and advanced levels of usage, according to a recent eMarketer report.

In 2012, data from Ofcom indicated that affluents spent an average 21 hours per week using the internet. This was well above the next most engaged socioeconomic demographic. But not only are UK affluents big users of digital media they are also wary of it, as their engagement with social media shows a low level of engagement.

Those in the upper-middle and middle class use the internet for extremely varied purposes, with communication coming out on top: 92% of affluents took part in this activity at least once a week, according to a survey by Ofcom. One activity that this group performed far more regularly than other groups was online transactions, with 61% of affluents carrying out such transactions at least once per week.

Smart mobile devices are another digital technology UK affluents have taken up quickly. According to Ofcom data, in terms of smartphones, the figure for affluents was 62%, above all other segments. Tablets have also seen especially high uptake among affluents.

(New Media Trend Watch)



## Summary:

- UK Consumers spend on average £1083 per year online.
- UK Population - 63,047,162
- UK Internet users June 30 2012 - 52,731,209
- Penetration - 83.6%
- Tablet ownership in the UK has jumped from 2% to 11% in 12 months
- Facebook was the most searched for item on the web in all comparator countries (except Japan, Russia and China) to August 2012
- 16.4% of internet traffic is generated by UK users accessing the internet through smartphones, tablets and other connected devices.
- Text based comms are surpassing traditional phone calls or meeting face to face as the most frequent way of keeping in touch
- In the UK 13 minutes out of every hour online is spent on social networking and forums, 9 minutes on entertainment and 6 minutes shopping. (Experian marketing services)
- UK emerged as having the most prolific online shoppers. They spent 10% of all time online shopping in 2012.

Average time spent in 2012 by market

| Category      | UK          |             | US          |             | AU          |             |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|
|               | % time 2012 | % time 2011 | % time 2012 | % time 2011 | % time 2012 | % time 2011 |
| Adult         | 4%          | 4%          | 4%          | 4%          | 4%          | 3%          |
| Business      | 4%          | 4%          | 5%          | 5%          | 5%          | 5%          |
| Email         | 3%          | 4%          | 5%          | 6%          | 2%          | 4%          |
| Entertainment | 15%         | 13%         | 15%         | 16%         | 15%         | 12%         |
| Lifestyle     | 4%          | 3%          | 4%          | 4%          | 4%          | 4%          |
| News          | 5%          | 4%          | 4%          | 3%          | 6%          | 5%          |
| Shopping      | 10%         | 9%          | 9%          | 8%          | 6%          | 6%          |
| Social        | 22%         | 25%         | 27%         | 30%         | 24%         | 27%         |
| Travel        | 2%          | 2%          | 1%          | 1%          | 1%          | 1%          |
| Other         | 31%         | 32%         | 27%         | 23%         | 33%         | 33%         |

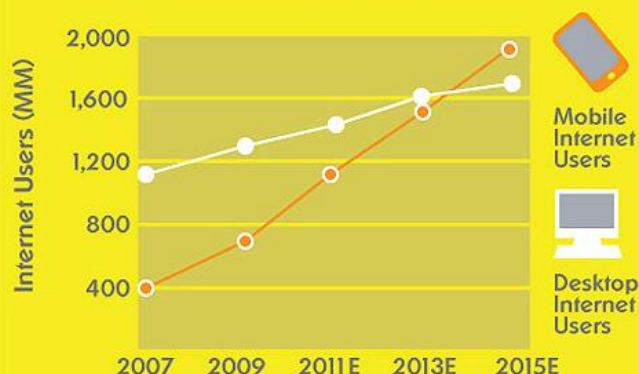
Source: Experian Marketing Services

"Understanding consumer behavior across channels is more important than ever as more visits are being made on the move, particularly among social networking and email," says Bill Tancer, general manager of global research for Experian Marketing Services. "With smart phones and tablets becoming more powerful, our data clearly indicates the difference between mobile and traditional desktop usage further enabling the 'always on' consumer mentality. Marketers need to understand these differences, as well as regionally, to ensure campaigns can be tailored for better and more effective engagement."

## Usage projection mobile v. desktop

## By 2014, mobile internet should take over desktop internet usage

Global Mobile vs. Desktop Internet User Projection, 2007 - 2015E



Source: Microsoft Tag 2013

GDK market research published results that in 2012 mobile device accounted for a total of 23% of internet use. Previous year's figures stood at 15%. Convenience and accessibility of smartphones is clearly something which has won the confidence of the public and their use for online browsing will continue to grow.

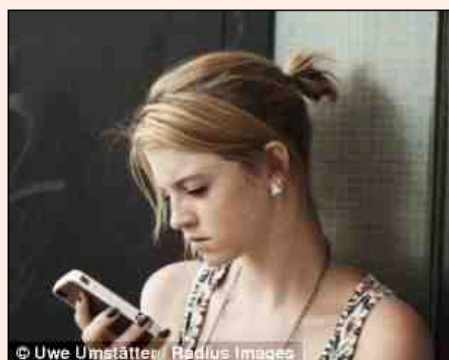
### Mobile browsing per day

#### HOW WE USE OUR MOBILE PHONES

Time spent using our smartphones for various activities per day:

- 1) Browsing the internet, 24 minutes per day
- 2) Checking social networks, 16 minutes per day
- 3) Listening to music, 15 minutes per day
- 4) Playing games, 13 minutes per day
- 5) Making calls, 13 minutes per day
- 6) Text messaging, 11 minutes per day
- 7) Checking/writing emails, nine minutes per day
- 8) Reading books, eight minutes per day
- 9) Watching TV/films, seven minutes per day
- 10) Taking photographs, three minutes per day

source: O2



Source: Mobile Life" report O2 & Samsung 2013

### Time spent online per day (approximate)

| Mobile Browsing   |        | Desktop/Laptop Browsing |        |
|-------------------|--------|-------------------------|--------|
| Browsing Internet | 24 min | Social Networks         | 15 min |
| Social Networks   | 16 min | Search                  | 4 min  |
|                   |        | Online Games            | 10 min |

|       |        |                     |        |
|-------|--------|---------------------|--------|
|       |        | Classified/Auctions | 7 min  |
| Total | 40 min |                     | 36 min |

Source: Desktop/Laptop: Ofcom2012  
Mobile: Mobile Life Report Samsung & O2 2013

### Total time spent online

| Timescale | Total Minutes  | Total Hours |
|-----------|----------------|-------------|
| Daily     | 76 minutes     | 1h 16min    |
| Weekly    | 532 minutes    | 8h 52min    |
| Monthly   | 2,128 minutes  | 35h 28min   |
| Yearly    | 25,536 minutes | 425h 36min  |

### 3.2 Types of Customer

The ideal customer profile is of someone who considers this saving relevant and meaningful, yet also has some spare income to make purchases on line and who also sees the advertising as useful and relevant. They will also be open to change and innovation and aware of social and environmental factors that are shaping the world at the moment.

If we break it down the ideal profile is as follows:

- Men and women
- Age 21-50
- Income: mainly lower-middle and higher-middle income individuals
- Singles, Married couples & families
- Socially aware

Families, although may not have as much disposable income as singles & married couples, are shorter on time and likely to use the internet to make purchases.

The internet has a major advantage over the high street in that you can search and find the product for the lowest price available in minutes. Nobody these days wishes to spend hours walking or driving from shop to shop to find the best deal, when it can be accessed at home or at a hotspot almost instantly.

Integration Alliance (*CENTIA: Cyber Enhanced Networks and Telecommunications Integration Alliance*)

CENTIA is scheduled to launch in August 2013. This team of approximately 200 advertisers, ISP's and developers will consist of some of the biggest movers & shakers within the industry.

The partners will all be charged a monthly subscription fee in return for input, exclusive use of the platform before public release, partnership deals and shares in the company. These partners will also have the opportunity to tender for any of the project mandates in the next few months and following release.

Pre sign up, each partner agree to be bound by our terms and conditions, which will include an NDA that will protect our business and any projects that are discussed and produced within CENTIA.

The alliance itself will stabilise and change con-currently with the business evolution. For example, as we move the focus from the launch of our free internet service to the development of the Wave App Store, the advertising agencies and ISP's will unsubscribe and new, more relevant businesses and developers will take their place. These alternative partners will work with us to bring the next roll out to market and the WT customer base.

The number of members will stay constant throughout the lifespan of the business as the main objective is to keep bringing our customers the most innovative technology possible.

### Competitors

This is currently an untapped niche market, which means competitors do not currently exist in the UK. Indeed, up until now, we have only found one other business that is operating within our sector in California but there are still major differences in our business models.