

LYFE Competitive Advantages

BETTER PRODUCT



LYFE will be able to deliver live Television anywhere using existing networks where others must upgrade their networks. **LYFE has developed the technologies necessary for the next generation of Television.**

LOWER COST



LYFE will have operating margins for live Television, Internet, and Telephone that are lower than traditional providers because it **uses existing networks** including Internet Protocols.

NEEDED CHANGE



Dynamic, IP based Linear Television is critical to next generation- **IT IS THE FUTURE OF TV** and the major TV operators are scrambling to figure it out.

Recent Transactions: Operators (2010)

- RCN Corp: 364,000 subscribers – 1.2B
- Bresnan: 306,000 subscribers – 1.36B

Technologies (last 6 months):

- Move Networks, Jan '11: 50 MM to Dish
- Inlet, Feb '11: 95 MM to Cisco
- Widevine, Dec '10: Undisclosed to Google
- Extend Media, Aug '10: \$60 MM to Cisco

Underserved Markets: up to 30% of US market doesn't have digital triple play

- 20 Million homes do not have access to a digital triple play: Television, Internet, and Telephone. LYFE can deliver these service in those areas.

Broad patent potential:

- The technologies required to deliver Television over standard data connections is a new field. Adaptive Multicast, Content Striping, Meta-Data Driven Operations, and Multi-Point Controllers are all new ideas with an open field for Intellectual Property development.



"The way that consumers will interact on the big screen will be similar to the way they interact on a laptop screen."

-Netflix CEO Reed Hastings

LYFE Engineering has developed an **adaptive multicasting system** (provisional patent has been filed) that enables Live Television to be delivered using existing Networks. Video can follow VOIP (Voice Over IP), distributed over standard IP connections. So, who might care about that?

- *Cisco* - Provides technologies for media operations. We are the innovators of the next generation of some of those technologies: adaptive network distribution to a secure and authenticated vSTB (software or virtual Set Top Box).
- *Direct TV* -Satellite TV operator. All satellite providers around the world have a one way path; they can't provide interactivity. Without a dedicated terrestrial connection to the home, they need an adaptive technology to distribute video over existing IP connections.
- *Comcast, Time Warner Cable* - Incumbents are encumbered. They have billions sunk in legacy systems and STBs (Set Top Boxes) that cannot provide interactivity or scale.
- *Qwest / Century Link, ATT, Verizon, and hundreds of small Telcos* - Phone providers who want to provide TV but have diverse network connections. Most existing connections are not capable of delivering traditional IPTV, but could be usable with an adaptive technology.

Minor penetration leads to huge value: 300K subscribers is 1.2 BN in value and less than .3% of US markets.

- Subscribers are worth \$3-4,000 each, which are 9 times earnings for each subscriber.
- Small operators can be purchased for less than \$1,000 per subscriber because their operations can not scale or add new services without new technologies.

Each Digital Triple Play Subs = \$4,000 in Enterprise Value:

Users from one acquisition translates to \$100 million in value.

- LYFE has two acquisitions identified that can add over 50,000 users, which could be worth \$200M.

Changing rights landscape:

- Until now, TV shows could not be delivered to anything but a TV. In 2010, Disney and Time Warner reportedly signed Multi-platform rights. Consumer demand is driving change.
- Netflix announced they would create their own content, available on all devices. Pressure from viable providers pushes change in traditional rights.
- LYFE believes that consumers will have the right to watch where, when, and how they want (Notebooks, Pads, Smart phones). The final barrier to real service will be **technologies** to enable a Quality viewing experience on those devices, which **LYFE has developed**.



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