



## Leaders in IPTV Systems to Broadcasters

### Sector

Media Hardware and Software

### Location

UK

### Established

2004

### Raising

£3,000,000

### EIS Approved?

Yes

### Equity Offered

27.3%

### Minimum Investment

£25,000

### Pre-Money Valuation

£8m

### Target IPO

2010

### Website

www.completetv.com

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### Why we chose Complete TV:

USP	****	OTT approach in the IPTV market
Management	*****	Credible track record in the telecommunications industry
Exit	*****	IPO or trade sale in 2010
Scalability	*****	Growing worldwide market with exposure in UK, Europe & US
Valuation	****	Realistic valuation with good upside for the investor
Revenue	****	Steadily increasing revenues with strong order book

### Introduction

CompleteTV (CTV) is an IPTV hardware and software systems integrator - designing and supplying advanced IPTV products including set top boxes (STBs), middleware and service delivery systems for the emerging IPTV and other broadcast quality, content delivery market.

The company is focussed on:

- the "Over the Top" (OTT) market i.e. over the top of existing broadband networks
- Other markets such as hospitality, retail and government sectors, including social housing and education markets addressed through distribution agreements with selected partners.

CTV designs products based upon best of breed technology and supplies OEM's (including badge engineered), Internet TV service providers and equipment manufacturers (under licence).

### The Market

The way TV is delivered is changing, and IPTV is expected to bring the biggest shift in viewing choice and habits since satellite television was introduced in the 1970's paving the way to 'what I want to watch when I want to watch it' TV.

The analogue switch off and concerns about the 'digital divide' are also causing operators and governments to consider new and innovative ways to deliver relevant content to the right target market in order to ensure that no one group in society is disadvantaged.

The worldwide IPTV Forecast from MRG, Inc, based on over 600 IPTV Operators worldwide in over 70 countries, confirms

that the increased revenues of Telco's and IPTV Operators remain in positive financial territory, unaffected by the slowdown in global economy. The new forecast, based on most recently verified subscriber and revenue growth data, shows IPTV subscribers growing from 24.4 million to 92.8 million 2008-2012; and service revenue totalling \$37.1 billion by 2012, with CapEx growing to \$5.5 billion. While Europe's subscriber size in 2012 will remain dominant, Asia's subscriber base will nearly equal Europe's in 2012, followed by North America. (Source: Multimedia Research Group, Inc)

### Competitors

#### Asian Manufacturers

There are a few Asian manufacturers (Cema, Coship and Celrun) but they specialise in high volume, low margin STB's and are struggling to come to grips not only with the complexities of IPTV, but also the fact that every customer has different requirements, something that does not suit the mass production model.

#### Bluechip multinationals

**Cisco/Scientific Atlanta:** To date has been focussed on satellite TV, and whilst promoting IPTV, the company targets Tier 1 carriers and are not seen as direct competitors at the moment

**Motorola:** Recently acquired Krealte to establish a presence in the IPTV market. Whilst historically being successful in the Scandinavian market, CTV has recently been able to position the company as a second source.

**Philips:** Sold it's IPTV unit to Pace. Pace is the vendor at Viasat (see customers) and did not make the current shortlist

**Sagem:** Large volumes sold into France Telecom, but no success outside of France to date.



### In Between

Early stage and electronic companies whose primary business is elsewhere, currently dominate the IPTV market.

**Amino PLC:** Most prominent of these companies in the UK. First generation IPTV players based on MPEG2 format, but struggling to establish themselves in the OTT space.

**AVM:** A German company that specialises in Data networking equipment but designed a box for One-and-one, a target company for CTV.

The IPTV market is fragmented at the moment with no one player managing a dominant position presenting an opportunity for CTV to rise above the bunch.

### Customers

CTV currently has three contracted customers:

**Viasat:** A Scandinavian satellite operator operating out of London with operations in Sweden, Norway, Denmark, Finland and Russia has selected CTV as its primary STB supplier for a new IPTV and Video on demand service.

**Simply TV:** An original content broadcaster (5 channels on Sky) with an IPTV division offering 'ethnic community' TV over the internet. The first 5,000 units are on order, with a minimum of 10,000 units expected in the current year.

**Cytec:** A US customer which developed its own software platform based on a CTV application programme interface. Their fulfilment channel is WalMart's Sam's Club warehouse subsidiary.

The current sales pipeline is strong, with only working capital requirements holding back CTV from entering into more contracts at the moment.

### Key Management

**Graham Skelton - Chief Executive Officer** - Serial entrepreneur with over 25 years senior executive experience in the consumer electronic products, software and telecoms industries across the US, Asia and Europe together with considerable expertise in establishing worldwide sales and manufacturing channels.

**Julien Snell - Chief Technology Officer** - Outstanding product design skills and responsible for creating leading products for Sony, Ericsson, Nokia, 3Com, Siemens and Canon as well as first generation IPTV STBs which represented about 50% of the IPTV deployments in Europe at the time.

**Ian Moir: - Director of Development** - Significant experience in managing large, multi-regional hardware and software development teams creating both consumer electronics and complex data communications products. Founder

and CTO of Xstreamis. Held positions as head of development and CTO at Tut Systems, ECI Telecom and Telematics.

**Philip Smith - Chief Marketing Officer** - Significant expertise in Marketing and Product Management having held numerous international senior positions including Director of Telco Marketing for Cisco Europe.

**Andrew Norton - Chief Financial Officer** - Chartered accountant and managing partner of a medium sized accountancy firm with considerable experience in guiding high growth companies in the TMT sector. Previously, with PricewaterhouseCoopers and Ernst and Young.

**Rob Wirszytcz - Non-Executive Director** - 25 years experience working in the broad IT global industry as entrepreneur, marketer and strategist. Ran UK IT Industry Trade Association (now Intellect) and EMEA Marketing Director for EDS Corp. Now non-exec on a number of public, venture backed and privately held companies.

**Tom Dudbridge - Non-Executive Director** - Investor and director of Potalach Limited a consultancy firm specialising in the media and entertainment sector. Previously with PartyGaming plc as UK director. Also ran the London office of CAL-IT, the Californian technology company. He has also held positions at Evolve Software and HSBC James Capel.

### Investment Opportunity

Complete TV is looking to raise £3m on a £8m pre-money valuation. The funding will be utilised to expand the product development team, the sales and marketing team and enable the company to increase stock levels and production orders to meet strong customer demand.

CTV has a very good product offering and is well positioned to take advantage of the IPTV market that is set to explode. The injection of funding will enable CTV to become a dominant player in the market and with customers already based in the UK, Europe and the US the platform has been laid to become a truly global player in the IPTV space.

For a full business plan please contact John Blowers on 020 7382 4562 or email johnb@pre-x.com

£'m	2008	2009	2010
Turnover	1.50	15.52	69.38
EBITDA	(1.30)	0.66	16.45
EBITDA %	N/A	4.25	23.71

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