



Year 1

Private & Co

| Projected Cashflow | Q4 - 05 | | | | Q1 - 06 | | |
|-----------------------------------|---------|---------|---------|-----------|-----------|------------|--|
| | Oct-05 | Nov-05 | Dec-05 | Jan-06 | Feb-06 | Mar-06 | |
| Inventory | | | | | | | |
| Total Video views (m) | 16 | 60 | 123 | 308 | 517 | 775 | |
| Video Embed views (m) | 2 | 9 | 18 | 44 | 74 | 111 | |
| Site Video views (m) | 14 | 51 | 105 | 264 | 443 | 664 | |
| Views per day (m) | 1 | 2 | 4 | 10 | 17 | 26 | |
| Page Impressions (m) | | 90 | 185 | 461 | 775 | 1,162 | |
| Growth rate | | 275% | 105% | 150% | 68% | 50% | |
| Total Bandwidth TB | | | 988 | 2470 | 4150 | 6224 | |
| % Domestic Traffic | 45% | 45% | 45% | 45% | 45% | 45% | |
| # of unique viewers (m) | 0.1 | 0.5 | 1.0 | 2.6 | 4.3 | 6.5 | |
| Income | | | | | | | |
| Revenue Streams | | | | | | | |
| Banner Ads - Watch Page | | | | | | | |
| % of inventory sold | 0% | 0% | 0% | 65% | 65% | 65% | |
| eRPM | \$ - | \$ - | \$ - | \$ 0.25 | \$ 0.25 | \$ 0.25 | |
| Revenue - Banner Ads | \$ 0 | \$ - | \$ - | \$ 49,969 | \$ 83,948 | \$ 125,921 | |
| Banner Ads - Results Page | | | | | | | |
| % of inventory sold | 0% | 0% | 0% | 55% | 55% | 55% | |
| eRPM | \$ - | \$ - | \$ - | \$ 0.25 | \$ 0.25 | \$ 0.25 | |
| Revenue - Banner Ads | \$ - | \$ - | \$ - | \$ 42,281 | \$ 71,033 | \$ 106,549 | |
| Pre-roll (partner content) | | | | | | | |
| % of inventory sold | 0% | 0% | 0% | 0% | 0% | 0% | |
| eRPM | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Revenue - Pre-roll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Embed Text Ads | | | | | | | |
| % of inventory sold | 0% | 0% | 0% | 0% | 0% | 0% | |
| eRPM | \$ - | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | |
| Revenue - Embeds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Promoted Videos | | | | | | | |
| % of inventory sold | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| eRPM | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | |

Confidential

| | Q2 - 06 | | | | | Q3 - 06 | | | | | Q4 - 06 | | | | |
|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------|--|---------|--|--|--|--|
| | Apr-06 | May-06 | Jun-06 | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | | | | | | |
| 1,065 | 1,257 | 1,427 | 1,571 | 1,691 | 1,787 | 1,863 | 1,923 | 1,969 | | | | | | | |
| 152 | 180 | 204 | 224 | 242 | 255 | 266 | 275 | 281 | | | | | | | |
| 913 | 1,078 | 1,223 | 1,347 | 1,449 | 1,532 | 1,597 | 1,648 | 1,688 | | | | | | | |
| 36 | 42 | 48 | 52 | 56 | 60 | 62 | 64 | 66 | | | | | | | |
| 1,598 | 1,886 | 2,141 | 2,357 | 2,536 | 2,681 | 2,795 | 2,885 | 2,954 | | | | | | | |
| 38% | 18% | 14% | 10% | 8% | 6% | 4% | 3% | 2% | | | | | | | |
| 8559 | 10099 | 11462 | 12623 | 13582 | 14355 | 14968 | 15448 | 15819 | | | | | | | |
| 45% | 45% | 45% | 45% | 45% | 45% | 45% | 45% | 45% | | | | | | | |
| 8.9 | 10.5 | 11.9 | 13.1 | 14.1 | 14.9 | 15.5 | 16.0 | 16.4 | | | | | | | |
| | | | | | | | | | | | | | | | |
| 65% | 65% | 65% | 65% | 65% | 65% | 65% | 65% | 65% | | | | | | | |
| \$ 0.25 | \$ 0.25 | \$ 0.50 | \$ 0.95 | \$ 0.75 | \$ 0.75 | \$ 0.75 | \$ 1.00 | \$ 1.00 | | | | | | | |
| \$ 173,142 | \$ 204,307 | \$ 463,777 | \$ 970,396 | \$ 824,278 | \$ 871,223 | \$ 908,438 | \$ 1,250,054 | \$ 1,280,089 | | | | | | | |
| 55% | 55% | 55% | 55% | 55% | 55% | 55% | 55% | 55% | | | | | | | |
| \$ 0.25 | \$ 0.25 | \$ 0.50 | \$ 0.50 | \$ 0.75 | \$ 0.75 | \$ 0.75 | \$ 1.00 | \$ 1.00 | | | | | | | |
| \$ 146,505 | \$ 172,875 | \$ 392,427 | \$ 432,160 | \$ 697,466 | \$ 737,189 | \$ 768,678 | \$ 1,057,738 | \$ 1,083,152 | | | | | | | |
| 0% | 0% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | | | | | | | |
| \$ - | \$ - | \$ 7.00 | \$ 7.00 | \$ 7.00 | \$ 7.00 | \$ 7.00 | \$ 7.00 | \$ 7.00 | | | | | | | |
| \$ - | \$ - | \$ 85,620 | \$ 94,290 | \$ 101,450 | \$ 107,227 | \$ 111,808 | \$ 115,390 | \$ 118,162 | | | | | | | |
| 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | |
| \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | | |
| 0.00% | 0.00% | 0.00% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | | | | | | | |
| \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | | | | | | | |

Private & Confidential

| | Q4-05 | FY-05 | Q1-06 | Q2-06 | Q3-06 | Q4-06 | FY-06 |
|----|-------|-------|---------|------------|--------------|--------------|--------------|
| | 199 | | 1,599 | 3,750 | 5,049 | 5,756 | 16,154 |
| | 28 | | 228 | 536 | 721 | 822 | 2,308 |
| | 171 | | 1,371 | 3,214 | 4,328 | 4,934 | 13,846 |
| | 2 | | 18 | 42 | 56 | 64 | 179 |
| | 275 | | 2,399 | 5,625 | 7,574 | 8,634 | 24,231 |
| | 190% | | 89% | 23% | 8% | 23% | 36% |
| | 988 | | 12,844 | 30,120 | 40,560 | 46,235 | 129,759 |
| | 45% | | 45% | 45% | 45% | 45% | 45% |
| | 1.03 | | 6.5 | 11.9 | 14.9 | 16.4 | 16.4 |
| | 0% | | 65% | 65% | 65% | 65% | 65% |
| \$ | - | \$ | 0.25 | \$ 0.33 | \$ 0.82 | \$ 0.92 | \$ 0.58 |
| \$ | - | \$ | 259,838 | \$ 841,226 | \$ 2,665,898 | \$ 3,438,581 | \$ 7,205,542 |
| | 0% | | 55% | 55% | 55% | 55% | 55% |
| \$ | - | \$ | 0.25 | \$ 0.33 | \$ 0.67 | \$ 0.92 | \$ 0.54 |
| \$ | - | \$ | 219,863 | \$ 711,807 | \$ 1,866,815 | \$ 2,909,568 | \$ 5,708,053 |
| | 0% | | 0% | 0% | 1% | 1% | 1% |
| \$ | - | \$ | - | \$ 2.33 | \$ 7.00 | \$ 7.00 | \$ 4.08 |
| \$ | - | \$ | - | \$ 85,620 | \$ 302,967 | \$ 345,359 | \$ 733,946 |
| | 0% | | 0% | 0% | 0% | 0% | 0% |
| \$ | 0.13 | \$ | 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 |
| \$ | - | \$ | - | \$ - | \$ - | \$ - | \$ - |
| | 0% | | 0% | 0% | 1% | 1% | 0% |
| \$ | 2.00 | \$ | 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ 2.00 |

| | | | | | | | | | | |
|----------------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue - Promo Videos | | | | | | | | | | |
| Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cost of Revenue | | | | | | | | | | |
| ServerBeach | | | | | | | | | | |
| # of machines | | 136 | | | 136 | | | | 296 | 296 |
| Base Cost (\$250/machine) | | | \$ 34,000 | | \$ 34,000 | | | \$ 74,000 | \$ 74,000 | \$ 74,000 |
| ServerBeach Bandwidth (TB) | | 988 | | | 2470 | | | 4150 | 4668 | 4668 |
| Total SB Cost | \$ 5,333 | \$ 87,395 | \$ 167,724 | \$ 532,268 | \$ 911,091 | \$ 911,091 | \$ 70,000 | \$ 70,000 | \$ 1,015,727 | \$ 70,000 |
| Rackspace | | | | | | | | | | |
| Data Center | | | | | | | | | | |
| Data Center Bandwidth (TB/Month) | | | | | | | | | 1556 | 1556 |
| Tbits/Day | | | | | | | | | 414.96 | 414.96 |
| Mbits/Hr | | | | | | | | | 18129879.04 | 18129879.04 |
| Mbits/Sec | | | | | | | | | 5036.08 | 5036.08 |
| Peak Mbits/Sec (30% greater) | | | | | | | | | 6546.90 | 6546.90 |
| Data Center Bandwidth (Mbits/s) | | | | | | | | | 5036.08 | 5036.08 |
| Cage/Power | | | | | | | | | \$ 44,000 | \$ 44,000 |
| Fiber | | | | | | | | | \$ 13,000 | \$ 13,000 |
| Bandwidth Cost | | | | | | | | | \$ 75,541 | \$ 75,541 |
| Total Data Center Costs | \$ 5,333 | \$ 107,825 | \$ 213,302 | \$ 602,268 | \$ 981,091 | \$ 981,091 | \$ 826,111 | \$ (826,111) | \$ (826,111) | \$ (826,111) |
| Cost of Revenue | \$ (5,333) | \$ (107,825) | \$ (198,302) | \$ (510,018) | \$ (510,018) | \$ (510,018) | \$ (826,111) | \$ (826,111) | \$ (826,111) | \$ (826,111) |
| Gross Margin | | | | | | | | | | |
| Gross Margin % | | | | | | | | | | -533.0% |
| eRPM | | | | | | | | | | |
| Cost per 1000 video views | \$ - | \$ - | \$ 0.12 | \$ 0.30 | \$ 0.30 | \$ 0.30 | \$ 0.30 | \$ 0.30 | \$ 0.30 | \$ 0.30 |
| Gross Margin eRPM | \$ 0.33 | \$ 1.80 | \$ 1.73 | \$ 1.96 | \$ 1.96 | \$ 1.96 | \$ 1.90 | \$ 1.90 | \$ 1.57 | \$ 1.57 |
| Op Ex CPM | \$ (0.33) | \$ (1.80) | \$ (1.61) | \$ (1.66) | \$ (1.66) | \$ (1.66) | \$ (1.60) | \$ (1.60) | \$ (1.27) | \$ (1.27) |
| Breakeven CPM Target | \$ (4.97) | \$ (3.36) | \$ (1.73) | \$ (1.03) | \$ (1.03) | \$ (1.03) | \$ (1.81) | \$ (1.81) | \$ (0.55) | \$ (0.55) |
| | \$ (5.30) | \$ (5.16) | \$ (3.46) | \$ (2.99) | \$ (2.99) | \$ (2.99) | \$ (3.71) | \$ (3.71) | \$ (2.12) | \$ (2.12) |
| Staff Costs | | | | | | | | | | |
| CEO | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| <i>Engineering</i> | | | | | | | | | | |
| CTO | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Engineers | 3 | 5 | 5 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Program Manager | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

| | | | | | | | | | | | | | | | |
|----|-------------|----|--------------|----|--------------|----|--------------|----|--------------|----|--------------|----|--------------|----|--------------|
| \$ | - | \$ | - | \$ | 13,470 | \$ | 14,493 | \$ | 15,318 | \$ | 15,973 | \$ | 16,484 | \$ | 16,880 |
| \$ | 319,646 | \$ | 377,183 | \$ | 1,510,316 | \$ | 1,637,687 | \$ | 1,730,958 | \$ | 1,804,896 | \$ | 2,439,666 | \$ | 2,498,284 |
| | 296 | | 296 | | 296 | | 296 | | 296 | | 296 | | 296 | | 296 |
| \$ | 74,000 | \$ | 74,000 | \$ | 74,000 | \$ | 74,000 | \$ | 74,000 | \$ | 74,000 | \$ | 74,000 | \$ | 74,000 |
| | 888 | | 888 | | 888 | | 888 | | 888 | | 888 | | 888 | | 888 |
| \$ | 253,134 | \$ | 253,134 | \$ | 253,134 | \$ | 253,134 | \$ | 253,134 | \$ | 253,134 | \$ | 253,134 | \$ | 253,134 |
| \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |
| | 7671 | | 9211 | | 11735 | | 12694 | | 13467 | | 14080 | | 14560 | | 14931 |
| | 2045.48 | | 2456.29 | | 3129.34 | | 3384.96 | | 3591.23 | | 3754.75 | | 3882.62 | | 3981.60 |
| | 89368384.85 | | 107316965.10 | | 136723133.73 | | 147891192.27 | | 156903292.01 | | 164047317.24 | | 169634203.11 | | 173958604.17 |
| | 24824.55 | | 29810.27 | | 37978.65 | | 41080.89 | | 43584.25 | | 45568.70 | | 47120.61 | | 48321.83 |
| | 32271.92 | | 38753.35 | | 49372.24 | | 53405.15 | | 56659.52 | | 59239.31 | | 61256.80 | | 62818.38 |
| | 24824.55 | | 29810.27 | | 37978.65 | | 41080.89 | | 43584.25 | | 45568.70 | | 47120.61 | | 48321.83 |
| \$ | 44,000 | \$ | 44,000 | \$ | 44,000 | \$ | 44,000 | \$ | 44,000 | \$ | 44,000 | \$ | 44,000 | \$ | 44,000 |
| \$ | 13,000 | \$ | 13,000 | \$ | 13,000 | \$ | 13,000 | \$ | 13,000 | \$ | 13,000 | \$ | 13,000 | \$ | 13,000 |
| \$ | 372,368 | \$ | 447,154 | \$ | 569,680 | \$ | 616,213 | \$ | 653,764 | \$ | 683,530 | \$ | 706,809 | \$ | 724,828 |
| \$ | 429,368 | \$ | 504,154 | \$ | 626,680 | \$ | 673,213 | \$ | 710,764 | \$ | 740,530 | \$ | 763,809 | \$ | 781,828 |
| \$ | 682,503 | \$ | 757,288 | \$ | 879,814 | \$ | 926,348 | \$ | 963,898 | \$ | 993,665 | \$ | 1,016,944 | \$ | 1,034,962 |
| \$ | (362,856) | \$ | (380,106) | \$ | (380,106) | \$ | (380,106) | \$ | (380,106) | \$ | (380,106) | \$ | (380,106) | \$ | (380,106) |
| | -113.5% | | -100.8% | | 41.7% | | 43.4% | | 44.3% | | 44.9% | | 58.3% | | 58.6% |
| \$ | 0.30 | \$ | 0.30 | \$ | 0.66 | \$ | 0.97 | \$ | 0.97 | \$ | 0.97 | \$ | 1.27 | \$ | 1.27 |
| \$ | 0.64 | \$ | 0.60 | \$ | 0.58 | \$ | 0.55 | \$ | 0.54 | \$ | 0.53 | \$ | 0.53 | \$ | 0.53 |
| \$ | (0.34) | \$ | (0.30) | \$ | 0.08 | \$ | 0.42 | \$ | 0.43 | \$ | 0.44 | \$ | 0.74 | \$ | 0.74 |
| \$ | (0.39) | \$ | (0.34) | \$ | (0.32) | \$ | (0.64) | \$ | (0.26) | \$ | (0.27) | \$ | (0.25) | \$ | (0.25) |
| \$ | (1.03) | \$ | (0.94) | \$ | (0.89) | \$ | (1.19) | \$ | (0.80) | \$ | (0.80) | \$ | (0.78) | \$ | (0.77) |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 9 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 11 | 11 | 11 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

| | | | | | | | | | | | |
|----|-----------|-------|-------------|----|-----------|----|-----------|----|-----------|----|------------|
| \$ | - | \$ | - | \$ | - | \$ | 43,281 | \$ | 49,337 | \$ | 92,618 |
| \$ | 15,000 | \$ | 479,700 | \$ | 1,638,654 | \$ | 4,878,961 | \$ | 6,742,845 | \$ | 13,740,160 |
| | 136 | | 296 | | 296 | | 296 | | 296 | | 296 |
| \$ | - | \$ | 182,000 | \$ | 222,000 | \$ | 222,000 | \$ | 222,000 | \$ | 848,000 |
| | 988 | | 11,288 | | 2,664 | | 2,664 | | 2,664 | | 19,280 |
| \$ | 260,452 | \$ | 2,459,085 | \$ | 759,403 | \$ | 759,403 | \$ | 759,403 | \$ | 4,737,296 |
| \$ | 66,008 | \$ | 210,000 | \$ | - | \$ | - | \$ | - | \$ | 210,000 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| \$ | - | \$ | 44,000 | \$ | 132,000 | \$ | 132,000 | \$ | 132,000 | \$ | 440,000 |
| \$ | - | \$ | 13,000 | \$ | 39,000 | \$ | 39,000 | \$ | 39,000 | \$ | 130,000 |
| \$ | - | \$ | 75,541 | \$ | 1,332,862 | \$ | 1,839,657 | \$ | 2,115,167 | \$ | 5,363,227 |
| \$ | - | \$ | 132,541 | \$ | 1,503,862 | \$ | 2,010,657 | \$ | 2,286,167 | \$ | 5,933,227 |
| \$ | 326,460 | #REF! | 2,801,627 | \$ | 2,263,265 | \$ | 2,770,060 | \$ | 3,045,571 | \$ | 10,880,522 |
| \$ | (311,460) | #REF! | (2,321,927) | \$ | (624,611) | \$ | 2,108,901 | \$ | 3,697,275 | \$ | 2,859,637 |
| | | #REF! | | | -38.1% | | 43.2% | | 54.8% | | 20.8% |
| \$ | 0.12 | \$ | 0.30 | \$ | 0.66 | \$ | 0.97 | \$ | 1.27 | \$ | 1.27 |
| \$ | 1.73 | \$ | 1.57 | \$ | 0.58 | \$ | 0.54 | \$ | 0.53 | \$ | 0.53 |
| \$ | (1.61) | \$ | (1.27) | \$ | 0.08 | \$ | 0.43 | \$ | 0.74 | \$ | 0.74 |
| \$ | (1.73) | \$ | (0.55) | \$ | (0.32) | \$ | (0.26) | \$ | (0.25) | \$ | (0.25) |
| \$ | (3.46) | \$ | (2.12) | \$ | (0.89) | \$ | (0.80) | \$ | (0.77) | \$ | (0.77) |
| 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | | 9 | 9 | 9 | 10 | 11 | 11 | 11 | 11 | 11 | 11 |
| 1 | | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

| | | | | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 29 | 30 | 30 | 32 | 32 | 32 | 32 | 32 | 32 | 34 | 34 | 34 | 34 |

| | | | | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 14 | 14 | 14 | 15 | 15 | 15 | 15 | 15 | 15 | 16 | 16 | 16 | 16 |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 2 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 |
| 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 29 | 30 | 30 | 32 | 32 | 32 | 32 | 32 | 32 | 34 | 34 | 34 | 34 |

| | | | | | | | | | | | | |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 8500 | 8500 | 8500 | 9000 | 9000 | 9000 | 9000 | 9000 | 9000 | 9000 | 9000 | 9000 | 9000 |
| 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |

| | | | | | | |
|-----------------------------------|--------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| Salary | \$ 56,000 | \$ 96,000 | \$ 120,000 | \$ 168,000 | \$ 212,500 | \$ 229,500 |
| Benefits | \$ 8,400 | \$ 14,400 | \$ 18,000 | \$ 42,000 | \$ 53,125 | \$ 57,375 |
| Rent | | \$ 10,576 | \$ 10,576 | \$ 10,576 | \$ 10,576 | \$ 10,576 |
| Executive Recruitment | | | | | | \$ 30,000 |
| Intern | \$ 600 | \$ 600 | \$ 600 | \$ 1,200 | \$ 1,200 | \$ 1,200 |
| Professional & Legal Fees | \$ 7,500 | \$ 7,500 | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 |
| Patents/Legal | | \$ 4,500 | \$ 4,500 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Business Insurance | | | | | | |
| Travel | \$ - | \$ - | \$ 2,500 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Office Expenses | \$ 7,000 | \$ 7,000 | \$ 7,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Sales & Marketing | | | | | | |
| Marketing | | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 10,000 | \$ 10,000 |
| Public Relations | | \$ 12,000 | \$ 12,000 | \$ 12,000 | \$ - | \$ - |
| Research & Development | | | | | | |
| Lab Equipment | | | | | | |
| Computer/Software - EE | | \$ 25,000 | \$ 15,000 | \$ 30,000 | \$ 20,000 | \$ 10,000 |
| Equipment Loan Payments | | | | | \$ 28,212 | \$ 28,212 |
| Total Op Ex | \$ 79,500 | \$ 185,576 | \$ 213,176 | \$ 311,776 | \$ 375,613 | \$ 416,863 |
| OpEx / Person | \$ 11,357 | \$ 15,465 | \$ 14,212 | \$ 14,846 | \$ 15,025 | \$ 15,439 |
| Expenses by Category | | | | | | |
| General & Administrative | \$ 79,500 | \$ 140,576 | \$ 178,176 | \$ 261,776 | \$ 317,401 | \$ 368,651 |
| Sales & Marketing | \$ - | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 10,000 | \$ 10,000 |
| Research & Development | \$ - | \$ 25,000 | \$ 15,000 | \$ 30,000 | \$ 48,212 | \$ 38,212 |
| Total Operating Expenses | \$ 79,500 | \$ 185,576 | \$ 213,176 | \$ 311,776 | \$ 375,613 | \$ 416,863 |
| Other Income | | | | | | |
| Interest Income | | \$ 5,809 | \$ 5,293 | \$ 4,608 | \$ 3,230 | \$ 1,215 |
| Net Gain/Loss | \$ (84,833) | \$ (287,592) | \$ (406,185) | \$ (817,186) | \$ (1,198,494) | \$ (1,401,446) |
| Cap X | | | | | | |
| Furniture | | \$ 10,000 | | | | |
| Lease Deposit | | \$ 7,500 | | | \$ 555,000 | |
| Data Center | | | | | | |

| | | | | | |
|--------------|--------------|----------------|----------------|--------------|--------------|
| \$ 272,000 | \$ 610,000 | \$ 756,500 | \$ 864,000 | \$ 918,000 | \$ 3,148,500 |
| \$ 40,800 | \$ 152,500 | \$ 189,125 | \$ 216,000 | \$ 229,500 | \$ 787,125 |
| \$ 21,152 | \$ 31,728 | \$ 31,728 | \$ 31,728 | \$ 31,728 | \$ 126,910 |
| \$ - | \$ 30,000 | \$ 30,000 | \$ - | \$ - | \$ 60,000 |
| \$ 1,800 | \$ 3,600 | \$ 3,600 | \$ 3,600 | \$ 3,600 | \$ 14,400 |
| \$ 30,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 180,000 |
| \$ 9,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 120,000 |
| \$ 2,500 | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 60,000 |
| \$ 21,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 120,000 |
| \$ 16,000 | \$ 28,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 118,000 |
| \$ 24,000 | \$ 12,000 | \$ - | \$ - | \$ - | \$ 12,000 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 40,000 | \$ 60,000 | \$ 15,000 | \$ 10,000 | \$ 10,000 | \$ 95,000 |
| \$ - | \$ 56,424 | \$ 84,636 | \$ 84,636 | \$ 84,636 | \$ 310,332 |
| \$ 478,252 | \$ 1,104,252 | \$ 1,260,589 | \$ 1,359,964 | \$ 1,427,464 | \$ 5,152,267 |
| \$ 398,252 | \$ 947,828 | \$ 1,130,953 | \$ 1,235,328 | \$ 1,302,828 | \$ 4,616,935 |
| \$ 40,000 | \$ 40,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 130,000 |
| \$ 40,000 | \$ 116,424 | \$ 99,636 | \$ 94,636 | \$ 94,636 | \$ 405,332 |
| \$ 478,252 | \$ 1,104,252 | \$ 1,260,589 | \$ 1,359,964 | \$ 1,427,464 | \$ 5,152,267 |
| \$ 11,101 | \$ 9,053 | \$ (7,362) | \$ (12,091) | \$ (6,875) | \$ (17,275) |
| \$ (778,611) | #REF! | \$ (3,417,125) | \$ (1,892,562) | \$ 736,846 | \$ 2,262,936 |
| \$ 10,000 | \$ 10,000 | \$ - | \$ - | \$ - | \$ 10,000 |
| \$ 7,500 | \$ 7,500 | \$ - | \$ - | \$ - | \$ 7,500 |
| \$ - | \$ 555,000 | \$ - | \$ 615,000 | \$ - | \$ 1,170,000 |

| | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Website | \$ - | \$ 4,500 | \$ 4,500 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Sub Total - Cap X | \$ - | \$ 22,000 | \$ 4,500 | \$ 10,000 | \$ 565,000 | \$ 10,000 | \$ 10,000 |
| Running Cap X | \$ - | \$ 22,000 | \$ 26,500 | \$ 36,500 | \$ 601,500 | \$ 611,500 | \$ 611,500 |
| Depreciation | \$ - | \$ 611 | \$ 736 | \$ 1,014 | \$ 16,708 | \$ 16,986 | \$ 16,986 |
| Gross Burn (excluding rev & CGS) | \$ (79,500) | \$ (201,767) | \$ (212,383) | \$ (317,168) | \$ (937,383) | \$ (425,648) | \$ (425,648) |
| Funding / Debt | \$ 3,570,000 | | | | \$ 555,000 | | |
| Cash Balance | \$ 3,485,167 | \$ 3,175,575 | \$ 2,764,889 | \$ 1,937,704 | \$ 729,210 | \$ (682,236) | \$ (682,236) |
| Employee Related Expenses | | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |
| HC | | 15 | 21 | 25 | 27 | | |
| Avg cost per employee | | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! |

| | | | | | | | | | | | | |
|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 625,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| \$ 621,500 | \$ 631,500 | \$ 641,500 | \$ 651,500 | \$ 1,276,500 | \$ 1,286,500 | \$ 1,296,500 | \$ 1,306,500 | \$ 1,316,500 | \$ 1,326,500 | \$ 1,336,500 | \$ 1,346,500 | \$ 1,356,500 |
| \$ 17,264 | \$ 17,542 | \$ 17,819 | \$ 18,097 | \$ 35,458 | \$ 35,736 | \$ 36,014 | \$ 36,292 | \$ 36,569 | \$ 36,847 | \$ 37,125 | \$ 37,403 | \$ 37,681 |
| \$ (419,250) | \$ (426,178) | \$ (452,522) | \$ (474,329) | \$ (1,079,069) | \$ (463,657) | \$ (495,651) | \$ (485,125) | \$ (483,562) | \$ (482,036) | \$ (480,510) | \$ (478,984) | \$ (477,458) |

\$ 615,000

| | | | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|------------|
| \$ (1,464,342) | \$ (2,270,627) | \$ (2,604,798) | \$ (2,448,625) | \$ (2,201,355) | \$ (1,897,952) | \$ (1,582,372) | \$ (644,775) | \$ 334,984 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|------------|

1000000
0.0357
35700
1285200

| | | | | | | |
|--------------|----------------|----------------|----------------|----------------|----------------|--------------|
| \$ 9,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 120,000 |
| \$ 26,500 | \$ 585,000 | \$ 30,000 | \$ 645,000 | \$ 30,000 | \$ 30,000 | \$ 1,290,000 |
| \$ 1,347 | \$ 34,708 | \$ 52,625 | \$ 89,292 | \$ 108,875 | \$ 285,500 | |
| \$ (493,651) | \$ (1,680,199) | \$ (1,297,951) | \$ (2,017,055) | \$ (1,464,339) | \$ (6,459,543) | |
| \$3,570,000 | \$ 555,000 | \$ - | \$ 615,000 | \$ - | \$ 1,170,000 | |
| \$2,764,889 | \$ (682,236) | \$ (2,604,798) | \$ (1,897,952) | \$ 334,984 | \$ 334,984 | |

Cell: A6

Comment: Brent Hurley:
Chad Hurley
Steve Chen

Cell: A12

Comment: Brent Hurley:
Based on December 2005 actual results

Cell: A16

Comment: Brent Hurley:
Chris Maxcy

Cell: I42

Comment: Brent Hurley:
2yr commitment to push 3TB/machine per month

Cell: A43

Comment: Brent Hurley:
Assumed that 6% of traffic goes to CDNs at \$.15/GB rate, while all other traffic is billed at \$.20/GB rate

| Assumptions | per month | per year |
|---------------------------|------------------------------|------------|
| Average Salary (Oct 05) | \$ 8,000 | \$ 96,000 |
| Average Salary (Nov 05) | \$ 8,125 | \$ 97,500 |
| Average Salary (Dec 05) | \$ 8,250 | \$ 99,000 |
| Average Salary (Jan 06) | \$ 8,500 | \$ 102,000 |
| Average Salary (Feb 06) | \$ 8,500 | \$ 102,000 |
| Average Salary (Mar 06) | \$ 8,500 | \$ 102,000 |
| Benefits (pre 7/1/05) | 0.15 | |
| Benefits (post 7/1/05) | 0.25 | |
| Equipment | 10000 per HC (all inclusive) | |
| Office Expense | 200 per HC per month | |
| Employee Morale | 200 \$50/ week per HC | |
| Equipment - new employees | 5000 | |
| Interest Rate | 0.02 | |



Waterfall - Video Views and Revenue

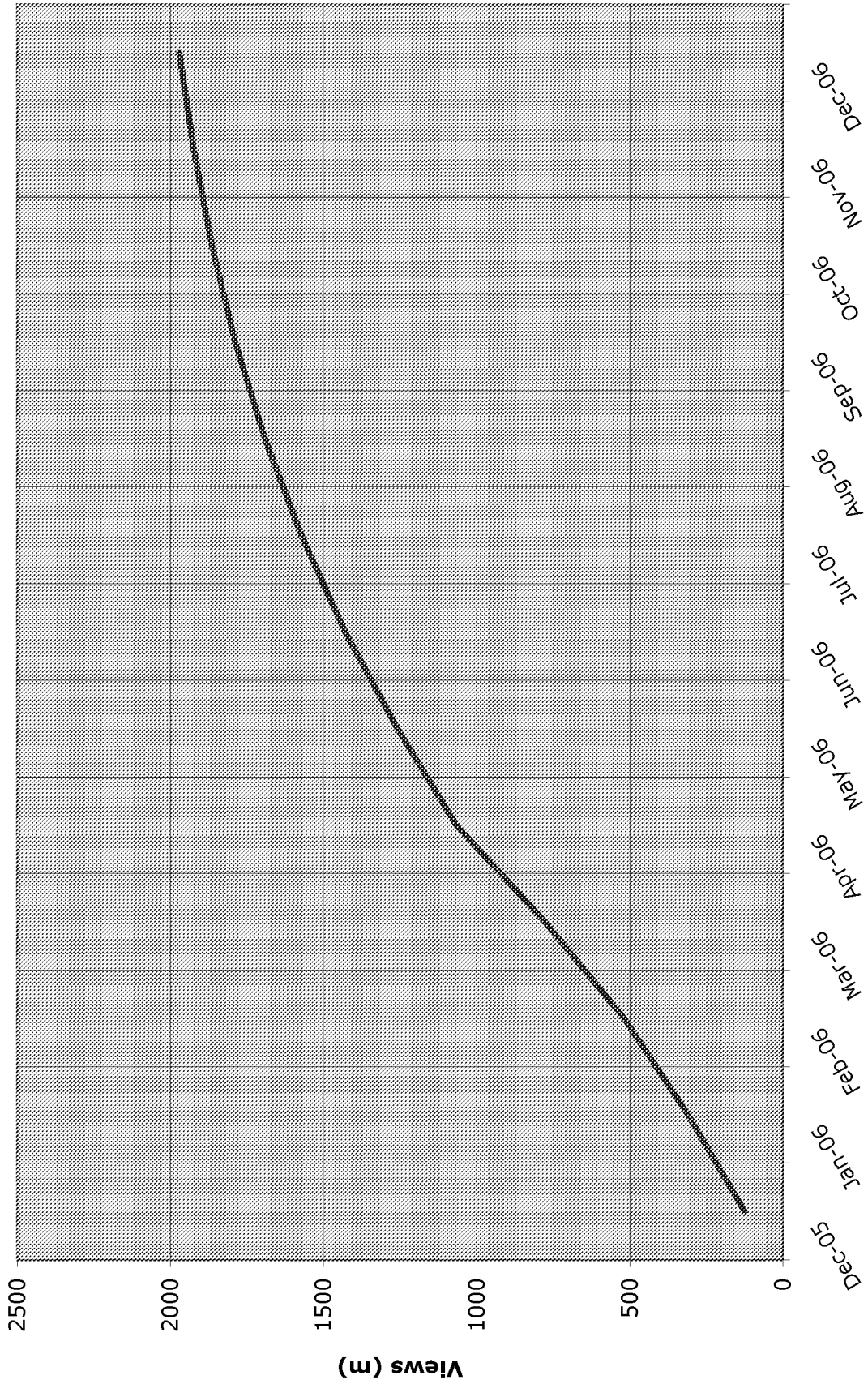
| Video views (m) | Oct-05 Forecast | Nov-05 Forecast | Dec-05 Forecast | Jan-06 Forecast | Feb-06 Forecast | Mar-06 Forecast |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sep-05 | 15 | 30 | 54 | 81 | 109 | 138 |
| Oct-05 | 16 | 30 | 54 | 81 | 109 | 138 |
| Nov-05 | | 60 | 108 | 162 | 219 | 276 |
| Dec-05 | | | 133 | 308 | 517 | 775 |
| Jan-06 | | | | | | |
| Feb-06 | | | | | | |
| Mar-06 | | | | | | |
| Apr-06 | | | | | | |
| May-06 | | | | | | |
| Jun-06 | | | | | | |
| Jul-06 | | | | | | |
| Aug-06 | | | | | | |
| Sep-06 | | | | | | |
| Oct-06 | | | | | | |
| Nov-06 | | | | | | |
| Dec-06 | | | | | | |
| Cumulative Views (m) | 16 | 76 | 199 | 199 | 199 | 199 |

| Revenue | Oct-05 Forecast | Nov-05 Forecast | Dec-05 Forecast | Jan-06 Forecast | Feb-06 Forecast | Mar-06 Forecast |
|---------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sep-05 | 0 | 0 | 0 | 121,500 | 164,025 | 207,082 |
| Oct-05 | 0 | 0 | 0 | 121,500 | 164,025 | 207,082 |
| Nov-05 | | 0 | 0 | 243,000 | 328,050 | 414,163 |
| Dec-05 | | | 14,969 | 92,250 | 154,980 | 232,470 |
| Jan-06 | | | | | | |
| Feb-06 | | | | | | |
| Mar-06 | | | | | | |

Apr-06
May-06
Jun-06
Jul-06
Aug-06
Sep-06
Oct-06
Nov-06
Dec-06

| | | | | | | | | |
|---------------------------|---|---|--------|--------|--------|--------|--------|--------|
| | 0 | 0 | 14,969 | 14,969 | 14,969 | 14,969 | 14,969 | 14,969 |
| Cumulative Revenue | | | | | | | | |

Project Video Views Per Month





Statement of Operations

| | Q4 - 05 | | | |
|---------------------------------|--------------------|--------------------|--------------------|-----------------------|
| | Oct-05 Forecast | Nov-05 Forecast | Dec-05 Forecast | Jan-05 Forecast HC |
| Revenue | #REF! | #REF! | #REF! | Jan-05 Forecast HC |
| Cost of Revenue | #REF! | #REF! | #REF! | |
| Gross Margin | #REF! | #REF! | #REF! | |
| Gross Margin % | #REF! | #REF! | #REF! | |
| Operating Expenses | | | | |
| General & Administrative | \$ 79,500 | \$ 140,576 | \$ 178,176 | |
| Sales & Marketing | \$ - | \$ 20,000 | \$ 20,000 | |
| Research & Development | \$ - | \$ 25,000 | \$ 15,000 | |
| Total Operating Expenses | \$ 79,500 | \$ 185,576 | \$ 213,176 | |
| Interest Income | \$ - | \$ 5,809 | \$ 5,293 | |
| Net Gain/Loss | #REF! | #REF! | #REF! | |



| | November 30, 2005 | December 31, 2005 |
|---|---------------------|---------------------|
| Current Assets | | |
| Company Cash | \$ 3,485,167 | \$ 3,175,575 |
| FBO Cash | | |
| Accounts Receivable | | |
| Prepaid expenses and other current assets | | |
| Total current assets | \$ 3,485,167 | \$ 3,175,575 |
| Property & Equipment, net | \$ - | \$ 22,000 |
| Other Assets | | |
| Total assets | \$ 3,485,167 | \$ 3,197,575 |
| Current Liabilities | | |
| Accounts payable | | |
| Accrued expenses | \$ 79,500 | \$ 185,576 |
| Deferred revenue | | |
| Total liabilities | \$ 79,500 | \$ 185,576 |
| Stockholders' Equity | | |
| Preferred stock | | |
| Common stock | | |
| Accumulated deficit | | |
| Year to date net loss | | |
| Total stockholders' equity | \$ - | \$ - |
| Total liabilities and stockholders' equity | \$ 79,500 | \$ 185,576 |

YouTube, Inc. Balance Sheet As of January 25, 2006

Balance Sheet

ASSETS

Current Assets

Checking/Savings

1000 · Checking - SVB
1001 · Checking (Old)
1010 · Money Market

Total Checking/Savings
Accounts Receivable

1200 · Accounts Receivable

Total Accounts Receivable
Other Current Assets

1500 · Prepaid Expenses

Total 1500 · Prepaid Expenses

Total Other Current Assets

Total Current Assets
Fixed Assets

1600 · Fixed Assets

1610 · Computer Equipment
1620 · Office Equipment
1630 · Furniture and Fixtures

Total 1600 · Fixed Assets

Total Fixed Assets
Other Assets

1800 · Deposits and Intangible Assets

1810 · Deposits

Total 1800 · Deposits and Intangible Assets

Total Other Assets

YouTube, Inc. Balance Sheet As of January 25, 2006

Balance Sheet

ASSETS

Current Assets

Checking/Savings

1000 · Checking - SVB
1001 · Checking (Old)
1010 · Money Market

Total Checking/Savings
Accounts Receivable

1200 · Accounts Receivable

Total Accounts Receivable
Other Current Assets

1500 · Prepaid Expenses

1510 · Prepa
1580 · Prepa
1590 · Other

Total 1500 · Prepaid Expenses

Total Other Current Assets

Total Current Assets
Fixed Assets

1600 · Fixed Assets

1610 · Computer Equipment
1620 · Office Equipment
1630 · Furniture and Fixtures

Total 1600 · Fixed Assets

Total Fixed Assets
Other Assets

1800 · Deposits and Intangible Assets

1810 · Deposits

Total 1800 · Deposits and Intangible Assets

Total Other Assets

YouTube, Inc. Balance Sheet As of January 25, 2006

Balance Sheet

ASSETS

Current Assets

Checking/Savings

1000 · Checking - SVB
1001 · Checking (Old)
1010 · Money Market

Total Checking/Savings
Accounts Receivable

1200 · Accounts Receivable

Total Accounts Receivable
Other Current Assets

1500 · Prepaid Expenses

1510 · Prepa
1580 · Prepa
1590 · Other

Total 1500 · Prepaid Expenses

Total Other Current Assets

Total Current Assets
Fixed Assets

1600 · Fixed Assets

1610 · Computer Equipment
1620 · Office Equipment
1630 · Furniture and Fixtures

Total 1600 · Fixed Assets

Total Fixed Assets
Other Assets

1800 · Deposits and Intangible Assets

1810 · Deposits

Total 1800 · Deposits and Intangible Assets

Total Other Assets

YouTube, Inc. Balance Sheet As of January 25, 2006

Balance Sheet

ASSETS

Current Assets

Checking/Savings

1000 · Checking - SVB
1001 · Checking (Old)
1010 · Money Market

Total Checking/Savings
Accounts Receivable

1200 · Accounts Receivable

Total Accounts Receivable
Other Current Assets

1500 · Prepaid Expenses

1510 · Prepa
1580 · Prepa
1590 · Other

Total 1500 · Prepaid Expenses

Total Other Current Assets

Total Current Assets
Fixed Assets

1600 · Fixed Assets

1610 · Computer Equipment
1620 · Office Equipment
1630 · Furniture and Fixtures

Total 1600 · Fixed Assets

Total Fixed Assets
Other Assets

1800 · Deposits and Intangible Assets

1810 · Deposits

Total 1800 · Deposits and Intangible Assets

Total Other Assets

YouTube, Inc. Balance Sheet As of January 25, 2006

TOTAL ASSETS LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Total Accounts Payable
Other Current Liabilities

Total Other Current Liabilities

Total Current Liabilities

Total Liabilities

Equity

3000 · Series A

3010 · Series A Issuance Cost
3000 · Series A - Other

Total 3000 · Series A
3900 · Retained Earnings
Net Income

Total Equity

TOTAL LIABILITIES & EQUITY

YouTube, Inc. Balance Sheet As of January 25, 2006

**TOTAL ASSETS
LIABILITIES & EQUITY**

Liabilities

Current Liabilities

Accounts Payable

2000 · Accou

Total Accounts Payable
Other Current Liabilities

2300 · Accru

Total 2300 · ,

Total Other Current Liabilities

Total Current Liabilities

Total Liabilities
Equity

3000 · Series A

3010 · Series A Issuance Cost
3000 · Series A - Other

Total 3000 · Series A
3900 · Retained Earnings
Net Income

Total Equity

TOTAL LIABILITIES & EQUITY

YouTube, Inc. Balance Sheet As of January 25, 2006

TOTAL ASSETS LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable
Total Accounts Payable
Other Current Liabilities

2000 · Accou

2300 · Accru

Total 2300 · ,

Total Other Current Liabilities

Total Current Liabilities

Total Liabilities Equity

3000 · Series A

3010 · Series A Issuance Cost
3000 · Series A - Other

Total 3000 · Series A
3900 · Retained Earnings
Net Income

Total Equity

TOTAL LIABILITIES & EQUITY

YouTube, Inc. Balance Sheet As of January 25, 2006

TOTAL ASSETS LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable
Total Accounts Payable
Other Current Liabilities

2000 · Accou

2300 · Accru

Total 2300 · ,

Total Other Current Liabilities

Total Current Liabilities

Total Liabilities Equity

3000 · Series A

3010 · Series A Issuance Cost
3000 · Series A - Other

Total 3000 · Series A
3900 · Retained Earnings
Net Income

Total Equity

TOTAL LIABILITIES & EQUITY