

EHOUSE GLOBAL PLC

**Building Russia's Internet and Mobile Powerhouse
September 2010**





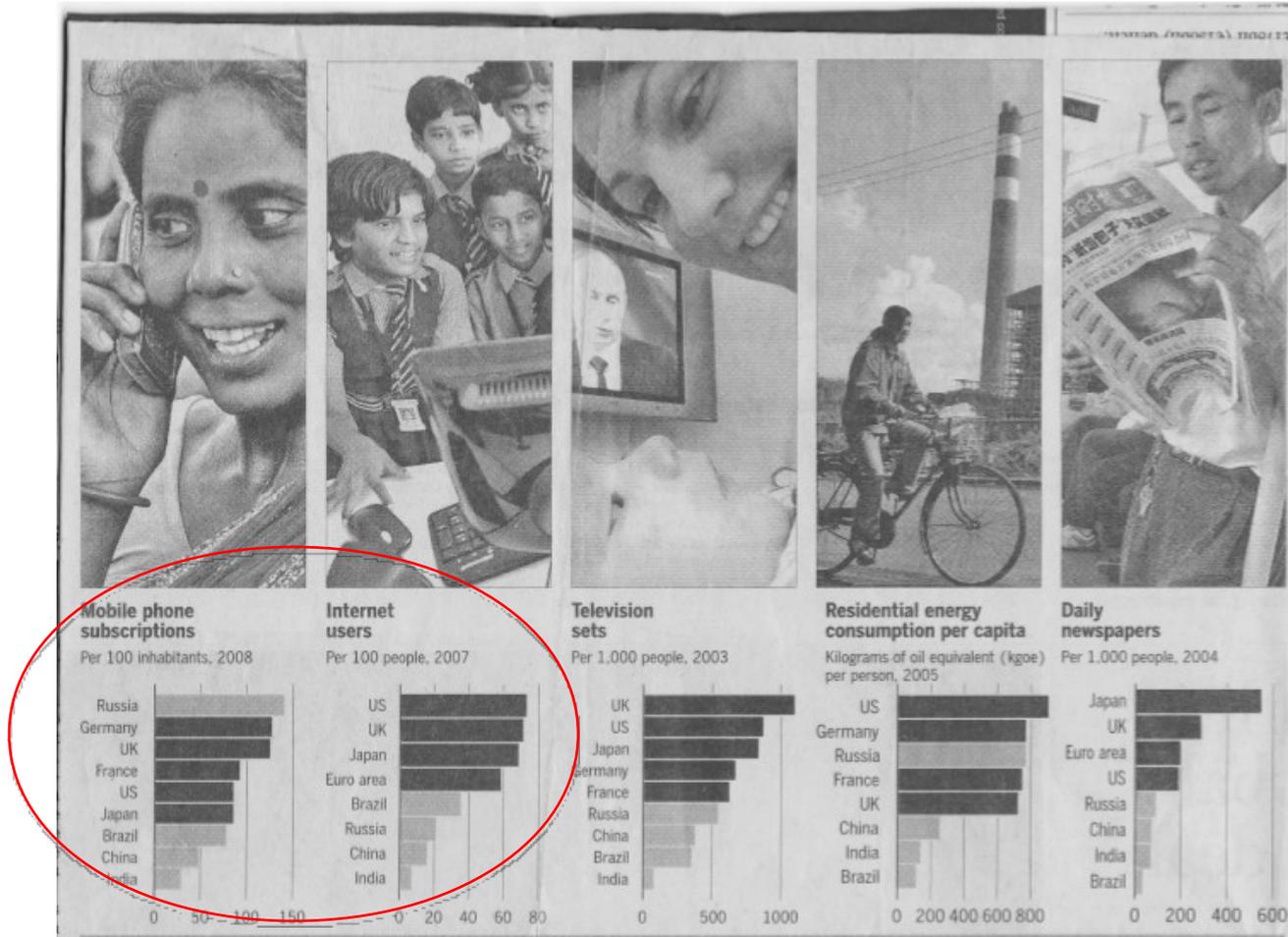
Comparison of Economies:

Russia has a higher GDP /Capita than any other developing BRIC country

Country	Population (Millions)	GDP (US\$Billion)	GDP/ Capita	Internet Users (Millions)	Mobile Subscribers (Millions)
Brazil	199	\$2,030	\$10,200	67.5	150.6
Russia	142	\$2,120	\$15,000	45.3	187.5
India	1,157	\$1,100	\$1,000	81.0	584.0
China	1,339	\$8,790	\$6,600	384.0	634.0
UK	61	\$2,150	\$35,200	47.6	75.6
US	307.2	\$14,260	\$46,500	220.1	270

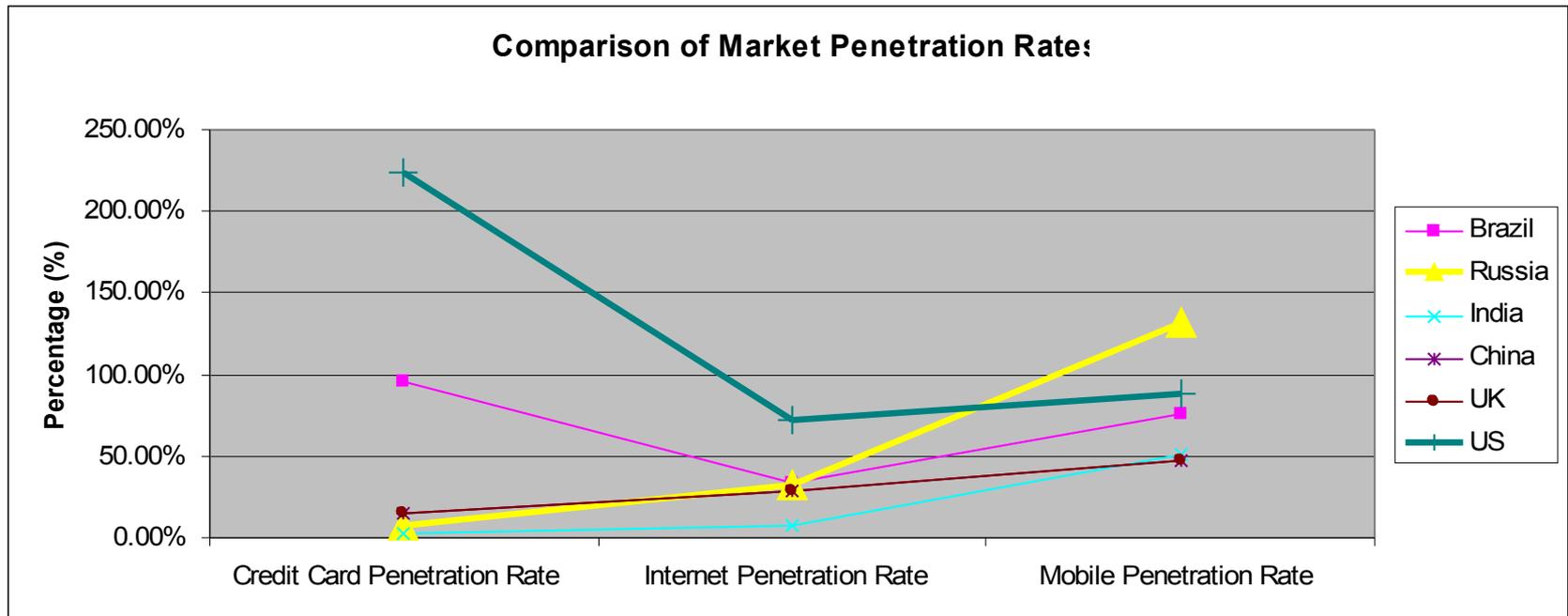


Internet & Mobile Penetration in various countries





Comparison of Market Penetration Rates



Russia has a low credit card penetration rate, a growing Internet penetration rate and one of the highest mobile phone penetration rates in the world.



Key Russian Digital Market Drivers

59% of online purchases were paid via Cash-On-Delivery (COD) compared to just 20% via Credit Cards.

\$500 million was spent on Internet advertising in 2008. This sum is projected to increase to US\$2 billion+ by 2012. As a comparison, \$25 billion was spent in online advertising in the USA in 2008.

Given the nation's large mobile phone penetration, Russia's mobile advertising market is expected to grow from just \$60.0 million to U\$1.1 billion by 2013.

Per comScore, Russians spend more time online on social media sites than any other country (6.6 hours/month vs. global average of 3.7 hrs) .



Ehouse Global PLC Overview

Ehouse's operations in Moscow span 3 segments that capitalize on Russia's rapidly growing internet and mobile commerce markets. Ehouse has impressive market shares, blue chip customers & strong intellectual property

- Internet Logistics/Advertising

- Skorohod
- ADT.ru
- Manifest.ru
- Allshops.ru
- Asia.ru

- Online Dating platforms

- Maybe.ru
- Damochka.ru

- Mobile Advertising platform

- MobAdventure





Internet Logistics/Advertising Services

Skorohod: Courier & Payment Service Provider

- One of the largest internet courier and payment service providers in Russia.
- Exclusive logistics and payment provider to Boleru.ru, a leading e-commerce site partially owned by leading Russian retailer X5 (\$10 billion revenues).
- Due to Russia's low credit card penetration rate, Skorohod's COD payment solution is a huge competitive advantage for Ehouse.
- Currently, Skorohod does not offer its services to third-party web portals other than X5's sites.

ADT.ru, web design, content manager and analytics provider

- One of the top 10 web and content providers in Russia: clients include **Xerox, Pepsi and Unilever**.

Manifest.ru, full-service e-commerce advertising agency

- One of Russia's original Internet advertising agencies (founded in 1999).
- Clients include **Sony, Ericsson, HP, Intel, Nissan** among others.



Internet Logistics/Advertising Providers

- Manifest has developed several in-house technologies, including:
 - **BannerBank[®], creation/management virtual banner networks. BannerBank[®] delivers over 1.5 billion ad impressions/month to 1.3+ million unique users (over 50% market share), the largest network in Russia.**
 - Pixelaudit™, end user monitoring response tool
 - Brandnet™ System, a strategic marketing tool
 - Easyrich™ Service, a tool to manage Rich Media Format

Allshops.ru: an e-commerce portal service provider

Provides marketing and advertising services to other web portals, including SEO, e-coupons and loyalty/discount cards, etc.

- 1.4 million consumers have an Allshops' loyalty/discount card.

Asia.ru, a B2B web portal connect Russian and Asian customers

The largest database of Asian-based export oriented companies including 10,000+ companies with over 1.4 million products.



Online Dating Platform Providers

MayBe.ru, social dating and network platform

- MayBe is Russia's oldest social media provider with 630,000 active users
- Optimized for mobile communications & communities
- In August 2010, the MayBe.ru site had 988,000 visitors who spent an average of 21.5 minutes on the site

Damochka.ru, social network and shopping channel platform

- 2.2 million active users (85% females age 22 - 29)
- In August 2010, damochka.ru site had 501,000 visitors who spent an average of 10.2 minutes on the site
- Combined Maybe/Damochka has ~ 10-15% market share of the Russian online dating market. Maybe/Damochka currently earn only advertising revenues from the websites



MobAdventure: Proprietary Mobile Ad Platforms

2 US patents pending on Ehouse's unique mobile internet Ad Display technology with GLOBAL POTENTIAL

1. Inserts a full-screen ad while the User waits for their mobile phone web browser to open up
2. Enables Customers and Advertisers to change and optimize size of an ad on a mobile web page

KEY TECHNOLOGY ADVANTAGES: NO customization for each mobile phone model, NO download of application

PREMIUM mobile advertising experience versus current text SMS ads and small mobile web banners



Moving



Zoom Out



Final



Growth Strategy

Logistics & Internet infrastructure

Skorohod

Expansion of business by offering logistics and COD services to 3rd party web portals, a critical infrastructure need in Russia

ADT.ru

Introduce new e-coupons service offerings to blue chip customer base

Manifest.ru

Accelerate BannerBank Mobile Advertising roll-out and use MobAdventure as a proprietary technology to enhance Bannerbank's positioning.

Allshops.ru

Start charging customers an annual fee for their discount card and introduce loyalty cards to increase share of wallet.

Asia.ru

Convert customers to transaction based revenue model.

Ehouse's e-commerce logistic capabilities are a strategic advantage



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MARCH 18, 2010 THURSDAY



Nestle Increases Sales, Local Presence

Its Russian unit has a 12 percent sales bump in 2009. **Page 5**

Yukos Legal Problems Hit Rosneft's Exports

The dissolved oil firm wins injunctions on foreign

Online Shopping Mired in Shipping

By **Maria Antonova**
THE MOSCOW TIMES

Foreign-based Internet shopping sites are drawing increasing numbers of Russian consumers looking for deals, but as delays mount at the country's notoriously inefficient postal service, many are finding that securing delivery of their items is no simple task.

Complaints have surfaced over the past several weeks that internationally shipped packages from popular online shopping sites such as eBay are taking

an inordinate amount of time to reach their destination in Russia.

"It seems as though packages have stopped moving altogether since the New Year's holidays," said Alexander, an avid online shopper who keeps a popular blog on the subject at <http://t-itanium.livejournal.com>.

"I have convinced two people to sell to me, though they were against shipping to Russia, and now their worst fears have been realized — two months later I am still waiting," he said by telephone, requesting that his last name not be used.

Internationally posted letters and parcels are supposed to be delivered via Russian Post within 13 and 20 days, respectively, according to the company's web site. EMS Russian Post, its express subsidiary, says parcels must be delivered within two days from most European countries and three days from the United States, but parcels delivered by EMS post have also been missing for weeks, shoppers said.

And the packages' electronic tracking system indicates that the delays are happening on both sides of the customs posts, Alexander said.

But there is some evidence that part of the problem may be holdups in customs processing. Well-known international carriers such as UPS and DHL have seen the amount of time it takes to process packages at customs recently increase to 10 days from the standard four days, Kommersant reported Wednesday.

DHL said in a statement last week that parcels destined for Moscow "are currently incurring clearance delays as a result of recent changes in customs

See SHIPPING, Page 2

Growth Strategy

Social Dating & Mobile Internet Advertising



MayBe.ru & Damochka.ru

- Monetize service offering by introducing unique premium content and charging members via mobile phone text messaging.
- Launch invitation only shopping clubs that sell exclusive clothing lines and accessories into the Russian marketplace. The shopping club is anticipated to generate especially high gross margins in Russia and has been a high growth space in Europe.
- Leverage Ehouse's market share in social dating with other monetization tools including social gaming.
- License and partner to distribute Ehouse's social dating and private shopping club infrastructures to other developing countries

MobAdventure

- Leveraging BannerBank (largest Russian Web Ad network) to aggressively launch Mobadventure in Russia.
- Leveraging Intellectual Property and global partnerships with international carriers and mobile advertising networks to launch MobAdventure internationally.

The rise of online shopping in Europe (SOURCE: FT LONDON)



Europe's venture capitalists make a play for shopping clubs

INVESTMENT COMPANIES

News analysis

The success of the online groups is drawing attention in funding rounds, says **Maija Palmer**

European venture capital companies are making a bet on online shopping clubs, with more than €300m (\$377m) invested in the fledgling sector over the past three years.

The latest addition to the growing list of buying club start-ups is Keynoir, a UK-based business launched by former Kelkoo executives Phil Wilkinson and Glen Drury at the end of March.

Keynoir, which focuses on discount offers for "experiences" such as spa days and restaurant meals, raised £1.3m (\$1.9m) from investors including Index Ventures and ProFounders Capital, whose founders include UK technology entrepreneurs Brent Hoberman and Michael Birch, the founder of Bebo. Keynoir says 5,000 users have signed up in their first full month since the launch.

Online shopping clubs offer exclusive discounts on items from designer clothes or holidays to members who sign up on the internet. It is often a way for brands to dispose of excess stock in a discreet way, or for companies to drum up new business through special offers.

The recession has helped boost business for many of these clubs. Not only are more people looking for a bargain, but designer brands have had more unsold merchandise to sell off through channels like these.

By far the biggest of the European shopping clubs is Vente Privee of France, which raised €180m from the sale of a 20 per cent stake to Summit Partners in 2007. It now has revenues in excess of €650m, and its success has spurred a number of companies to emulate their business model.

Most other funding rounds have been more modest, around €10m to €20m, but many are making good progress on sales.

Brands4Friends, the largest buying club in Germany and Austria, has revenues of €80m, and was profitable within two years of its 2007

Groupon raised \$135m in funding in April... implying a valuation of \$1bn for the company

launch. David Carratt, managing director of venture capital company Kennet, said Spain's BuyVIP, in which he is an investor, was expecting €95m in revenues this year.

Investors have also been encouraged by the success of Groupon, a US-based

online buying club, which raised \$135m in funding in April from Russia's Digital Sky Technologies, implying a valuation of more than \$1bn for the company.

Another US shopping club, Rue La La, was acquired by GSI Commerce for \$350m in October - around three times its annual sales. Although the European private sale market is estimated to be worth around €3bn, it is becoming increasingly crowded. In France there are now at least five companies battling it out with Vente Privee, including BrandAlley, AchatVIP, BazardChic, and Andrino Group.

Consolidation is already beginning. Germany's Brands4Friends recently acquired TripHunter, a two-

year-old shopping club focused on offering luxury holidays. It also invested an undisclosed amount in SecretSales in the UK.

In Italy, the number three and four companies in the market, Saldi Privati and Born4Shop merged this year to strengthen their position in the market.

Immediately after launch, Keynoir hoovered up two smaller competitors, Dealbunch and Snippa. "There is probably room for two significant players in each market," Mr Carratt said.

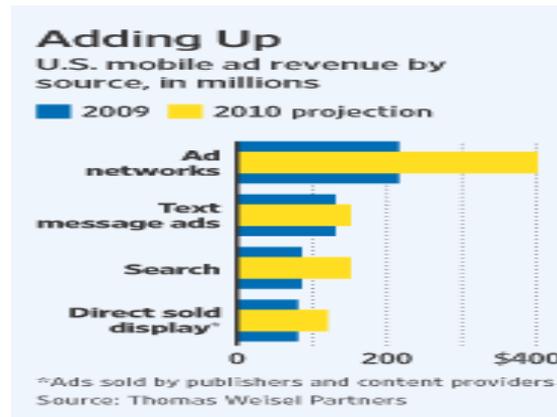
Patti Freeman Evans, analyst at Forrester, said: "We will end up seeing some degree of consolidation in the sector. Bigger buying clubs could end up aggregating the more specialised ones."

At the same time, Amazon and Ebay are eyeing the shopping club market with some interest. Ebay has recently begun selling discount designer goods on its own site in the US and UK, putting it in direct competition with the buying clubs.

Analysts remain sceptical over how big a category shopping clubs will be within the retail sector.

"It is not the easiest way to shop, you have to plan things out and it will not appeal to everyone. It is still pretty early and the penetration among shoppers is low," said Ms Freeman Evans. "I am not convinced it will have a disruptive role in retail, but it will be a viable business model for some companies."

Apple to charge premium for mobile phone ads



THE WALL STREET
JOURNAL.

- “Setting a high bar for its debut in the advertising business, Apple Inc. aims to charge close to \$1 million for ads on its mobile devices this year and perhaps even more to be among the first, ad executives say.”
- “Apple is hitting the road to showcase its new mobile-device advertising capability, dubbed iAd, and has indicated it could charge as much as \$10 million to be part of a handful of marketers at the launch.”
- “A handful of other companies sell ads that appear in Apple device applications, including AdMob Inc., which Google Inc. announced it would acquire last year for \$750 million. AdMob says Apple's entry into ad selling is going to boost competition and development in the space, says Jason Spero, vice president of AdMob “
- “But, ad executives say that if Apple nails its pitch, it could open up the gates for mobile advertising.”
- “I think the tipping point has come,” says Mark Read, chief executive of WPP Digital. “The absolute revenues now are tiny, but you can see how these things are starting to fit together.”

Recent Internet Transactions in Russia



Ad Platform Providers

In July 2009, Russian web portal, Rambler, sold contextual ad firm ZAO Begun to Google for \$140 million.

Social Media/Networking

In August 2008, Mail.ru, a major portal in Russia acquired a 30% stake in online dating site Mamba for about \$15 million. Mamba served 10 million users at the time.

Internet Portals

In 2008, Digital Sky Technology purchased a 15% stake in Mail.ru for \$300 million, valuing Mail.ru at over 35 times previous year revenues.



Digital Technology/Internet Investments

Digital Sky Technologies has become the largest digital holding company in Russia with ownership of Mail.ru and other Russian properties in additions to investments in US digital properties including Facebook and Zynga. It is expected to do an IPO in 2011 valuing the group in the billions.

Google, Yahoo and other western groups have low market shares in Russia.

Further consolidation in the Russian digital space is anticipated with high multiples expected to be paid for market share.



Management Team

VLADISLAV OULENDEEV, Board Member & Co-Founder

Mr. Oulendeev has 20-years of experience of growing and managing companies, and has led EHouse since its inception. Prior to EHouse, Mr. Oulendeev was the President of Steepler, a large Russian computer reseller.

ROUSTEM AKHIAROV, CEO & Co-Founder

Mr. Akhiarov has a proven track record of significantly growing bottom-line performance through development and implementation of cutting-edge technology systems. Prior to EHouse, Mr. Akhiarov was the co-founder and GeneralManager of several Russian hardware/software resellers.

Both Mr. Oulendeev and Mr. Akhiarov have been named among the “TOP 100” most powerful people in the Russian computer industry, according to Dator and other various rating agencies.



Financial Projections

Revenue (US\$000s)	2009A	2010E	2011E
Logistics & Advertising Services	\$ 8,300	\$ 8,100	\$ 21,500
Social Media/Networking	\$ 300	\$ 1,000	\$ 3,000
MobAdventure	\$ -	\$ 2,000	\$ 10,000
Total Revenue	\$ 8,600	\$ 11,100	\$ 34,500
EBITDA (US\$000s)	2009A	2010E	2011E
Logistics & Advertising Services	\$ 400	\$ 1,250	\$ 2,950
Social Media/Networking	\$ 20	\$ 50	\$ 225
MobAdventure	-\$ 300	-\$ 1,000	\$ 200
Total EBITDA	\$ 120	\$ 300	\$ 3,375



Comparative Western Valuations

Company	Symbol	Company Description	Market Cap (USD M)	P/E	Price/Sales
IAC/InterActiveCorp	IACI	The company operates in four segments: Search, Match, ServiceMagic, and Media and Other.	\$ 2,550.0	21.06X	1.75X
GSI Commerce	GSIC	The company provides E-Commerce; Interactive Marketing, and Consumer Engagement Services.	\$ 1,720.0	78.91X	1.53X
ValueClick, Inc.	VCLK	ValueClick provides online advertising campaigns and programs for advertisers.	\$ 908.4	17.45X	2.16X
InterClick	ICLK	interCLICK is an online display advertising network with proprietary data-enrichment technology platform.	\$ 97.2	27.33X	1.53X
Marchex	MCHX	Marchex is a performance marketing company, provides call and click-based advertising services	\$ 173.4	25.95X	1.85X
Velti PLC	VEL.L	Velti is a global provider of mobile marketing and advertising solutions	\$ 246.5	24.65X	2.74X



Executive Summary

- Ehouse is a world-class platform that leverages the growth of Russia as well as the Russian internet. Despite Russia's high GDP/Capita, Russia's internet penetration is low but e-commerce has huge growth potential due to high mobile phone penetration and the ability to charge service fees to mobile phones.
- Ehouse's advertising, internet logistics and payment delivery services should expect a significant boost as online commerce is set to ramp up amid low credit card penetration and weak logistical infrastructure.
- Ehouse's 3 million online dating subscribers (10+ % market share) will be better monetized via launching premium services billed to mobile phones, private shopping clubs and other valued-added services (social gaming). These platforms can also be launched in other developing countries via partnerships.
- MobAdventure's innovative patent pending mobile web advertising technologies will have an immediate impact in Russia via E House owned BannerBank (largest web banner network in Russia). MobAdventure's technology also has huge international license potential in global markets where mobile web penetration expects to exceed computer internet penetration in coming years.
- **EHOUSE GOES PUBLIC ON THE FRANKFURT STOCK EXCHANGE IN SEPTEMBER 2010 AND OFFERS AN ATTRACTIVE & DIVERSIFIED EXPOSURE TO THE HIGH GROWTH RUSSIAN DIGITAL MARKET.**