

1. The Genesis of the company

Name –	„SIP, Ziemowit Gólski” Limited Partnership
Date of activity commencement –	14 of July 2008
TIN, Business Registration Number –	7811823271,3
Type and domain of activity –	Publishing and editorial activity in the sphere of software
Situation at –	1.07.2010
Adopted Exchange rate –	1000 PLN = 333 \$

Previous activities of the company

Our business has been officially established on July 14th 2008. Until then our activity was focused on conceptual, financial, and organizational preparations. This led to the implementation of a concept called ”Portal Otwartej Informacji” (Open Information Portal), known also as POI or Ea as its abbreviations. The initial preparations contained:

- Creating the portal's prototype and conducting tests on the Internet with the preliminary research on currency, functionality, and the portal's effectiveness with the usage of various media,
- Realization of technological audit (the contractor: Akademickie Inkubatory Przedsiębiorczości Ośrodek Krajowej Sieci Innowacji ul. Piękna 68, II p. 00-672 Warszawa),
- Obtaining a registration in the Newspapers and Magazines Register carried on by the District Court in Poznań,
- Signing „Agreement on subsidies number UDA-POIG.08.01.00-30-219/09-00 within the framework of operation 8.1 Supporting Business Activity in the field of electronic economy- Information Society, improving economy innovation; Operational Program Innovative Economy 2007-2013”
- Selection and verification of the companies to become the project's subcontractors using substantial and organizational criteria
- Preparation of legal expertise in the area of copyrights and possibility of placing information about products, brands, services, and companies,

- Proceeding works on visual and functional aspect of the portal.

Due to its distinct nature and its implementation time frame, the project has not generated positive revenues.

The foundation of the company was preceded by the long-standing analysis and tests of different models for technical and conceptual solutions. Conducted since 1998, these assessments resulted in forming of the contemporary functional shape of the portal. Thus the idea of creating the portal has a long origin and the current noticeable effect is the result of years of intensive research. The creation of this composed portal's structure was a result of work done by many, including experts in various branches of business. Due to all of these factors, the risk of the project's failure has been eliminated.

Shareholders' characteristics

Ziemowit Gólski (45) - the portal's originator since 1998, graduate of University of Poznan, co-owner the PLANet company, where the idea was conceived in 1997-1998. Nowadays the Planet Company arranges activities on the Ea portal's initiative- management of the project, system hosting, and moderating Ea news in the prototype. Ziemowit Gólski is the ex owner and co-owner of several small businesses, the natural and tourist excursion guide, ex foundation president. As a worker: the marketing and advertising manager of Centra/Exide Poznań, a worker of three advertising agencies, a worker of purchasing department of Quelle and Lidl Polska. The Planet Company and Advis Company, an Internet- programming activity.

Adam Algierski (45) - the originator. The IT specialist and the main strategy and investor relations advisor. A strong personality and the main web application tester over the years. He has been connected with POI since 1999.

Bolesław Dębowski (44) - the originator. He is responsible for the future human resources department.

2. The enterprise description

The main goal of this project is to build, implement, and develop „The Open Information Portal” (POI or Ea). Now **Expertpie.com**

The portal is supposed to constitute a systematized set of knowledge and information connected

with all aspects of human life, both theoretical (definitions, scholarly knowledge, etc.) and practical (advices, Internet forums, exchange of observations and opinions between internauts, etc.). Due to these functions, the portal will become a center for converging practical knowledge, which until now has been scattered on countless of numbers of thematic portals existing on the Internet.

The starting point was the idea that each word or topic that is searched on the Internet should have its own individual web page. A “Name Park”- NP, containing the description, definition and footnotes to all associations must be connected with various forms of activity functioning on the Internet related to a particular issue (for example auctions, forum, products and services presentations, newsgroups, etc.). Summarizing, this portal will be an unprecedented, pioneering and revolutionary form of integration and communication, not only of already existing e-services, but also of users who are gathered around them. An individual page (“Name Park”) can be compared to a chapter of book, in which a title informs about its content; if the book did not have the table of content, searching for a specific information would be much more difficult. In such a way the Internet functions nowadays. It is a set of disordered and chaotic information; moreover, search results are in 95 % unrelated with a sought phrase. The POI is an idea to organize the Internet resources.

A very significant characteristic of this project is the manner of economic maintenance and functioning. Apart from the wide range of e-services, the driving force guaranteeing the portal's development is the opportunity of earning for active and partially passive participation of users, who compose the basic items that create the whole portal. The users are responsible for supervision on particular pages (“Name Parks”) and updating the information presented on their websites. The typical source of income in this case is an advertisement, but it is highly contextual, so its potential recipient is precisely selected. The effectiveness of this mechanism is based on ideas different from so far understandable notion of earning on the Internet. Namely, this is the first portal that is intended to distribute its incomes between itself and its users. An active user contributing to the portal's development by improving its popularity (user who builds an interesting, frequently visited page) or by offering e-advertising services (the custodian of the page takes part in the allocation of this page advertising incomes, furthermore, he is allowed to become a sales representative and manage its sale) will receive a reward. Those presented examples are the basic forms of POI users' earnings due to the portal, but there are more possibilities to achieve this aim.

Summing up, the portal's main functions are:

- To systematize and organize information available on the Internet by creating thematic sets

„Name Parks”(NP) gathering contents directly or indirectly connected with a particular issue. The NP, which framework can be compared to catalogues/chapters, is intended to be extended directly by users. They will also contain links to related information existing outside the portal. The crucial element ensuring the POI competitive supremacy is its innovative and simultaneously simple way of needed information search, eliminating the necessity of browsing numerous related results in the searches, the outcomes that are often not connected with needed phrase.

- To gather users who are interested in a particular thematic set. POI is supposed to be a kind of social networking website enabling mutual interaction between users (i.e. information exchange, remarks giving, reciprocal assessing of NP, voting, exchange opinions on forums, chatting, files exchange)
- To enable its active users to earn income on the Internet. This function is one of the main forces of the portal's development. A financial reward is expected both for the activity in the portal (giving comments, assessing other NP, participation in questionnaires, etc.) and for offering the space on the website for advertising (the distribution of advertisements incomes between the portal and the user is one of the social function element of POI).
- To minimize the gap between business (the companies that are interested in promotion their services/products) and the final receiver (the user). Achieving this effect is possible due to the unprecedented idea that the user will struggle to gain an advertisement on his NP site (and simultaneously he will tend to build an interesting and popular website) because some part of advertisement benefits will constitute his source of income. This direct interaction between the user and the business brings expected benefits to both sides. This model constitutes a kind of revolution on the so far existing Internet advertisement's market, where advertisement incomes were transferred from the business client directly to the portal's owner and an ordinary user who was only the advertisements' receiver. The unprecedented conception of the POI constitutes the motivation to activate a common user also in the business relation.
- To maximize the portal's profits deriving from business advertisements and paid services for users. The idea also assumes that all incomes will be invested in the portal's development. The notion „portal's development” is implied as an infrastructure and technical improvement but also as an enhancement to its attractiveness by increasing the pool of distribution funds (a reward for various form of users activity on the portal).

Some Wiki, some Google and much more....

We want to present you the new community service:

The best possibility to make
your own small business
on-line or as an investor.



examples of words and phrases searched with google **every month**, in 2010.



1. Become a part of e-commerce

People want to make money, including e-commerce. For most of the users becoming a part of the e-commerce is complicated.

How? What? Where? For whom?

2. Get your page with easy

People want to have their own webpages. For most of them it is the easiest way to present their products as well as the first step into the on-line business.



the number of searches for a keyword or a phrase corresponds to the number of **potential users**. One word or phrase = only **one user**.

One click to your e-commerce



3. ... a user gets the webpage with one click

This is very complicated SIP page (not surfboard, but cruiser) and very easy to use (step by step). The page consists of several widgets, each of 3 types:

TOP, FREE and AUTO

SIP – Standard for Information Presentation.

So, at this moment expertpie provides the users a place- and working-tool.

What is the task of an user (with the web page SIP) ?

"Your slice of information"

The numbers showed by keywords and phrases give you hints how many users are interested in these subjects.



Users have now the possibility to create web pages and fill them up with content of their choice. It can be a keyword or a phrase which they **know something about**. Web pages can be created also on demand. Therefore we offer statistics of the most searched words and phrases in different time spans.

Each keyword or phrase will be described on one single page in expertpie (like in Wikipedia, **1 page = 1 theme**). Of course one article can exist in different languages.

In expertpie, there are some options for a user who wants to create a page for a keyword or phrase which has been reserved by another user already. The options "Under-view-zones" or "Cloned pages" give more accumulated information.

Users **become moderators** of Information, but the information is created and **supervised by everyone**.

This is the task - being a moderator can be work or fun.

Big Mosaic of all words, phrases, numbers, names

The numbers by words and phrases corresponds to the numbers of real users who will help moderator make better quality of information.

5. Because each page is unical all the users build a big mosaic of **practical** and **actual knowledge** and each other information's, like: streets, numbers, product symbols and domain names. But it is not Encyclopedia. Moderators are interested in promotion of their own pages, show them to friends, link to them on blogs, write comments, mails, and create additional web pages.



The numbers by words and phrases shows the possibility for each moderator in making the own page popular under his visitors. Good moderated Theme can rapidly win a popularity. The numbers shows also how fast the moderator can **earn money** because of audience and placement of additional's services on the SIP page.

6. Statistics of community services show that users are much more interested in editing useful services (**1 page = 1 theme**) than services for fun or hobby.

Earn money by the way.

7. However the platform **expertpie** have to make money for itself and for its users. Because of universality, accessibility, and acceptability **expertpie** has a big potential of growth, so it will move towards and compete with Internet giants. We have described in **expertpie** over 20 sources of income, partially innovative. They will be introduced and implemented not at once but in several years during the portal and its community grow. It is not possible today to say how many **expertpie** brings income in 3 years?

We have make three independent business plans, prepared from Internet and financial specialist. All three calculation's were different, but more then positive.

% editors per 100% users
YouTube 0,16 %
Flickr 0,2 %
Wikipedia 4,6 %

source : Hitwise



Until now we spend over 60 000 EUR in research. We build 3 prototypes and one of them we tested over half a year with the first group of recipients. For today we finished all tests, functional and technical descriptions, research and preparation and looking for support.

Now we are looking for investors and programmers who can help us make **expertpie** real.



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each domain name
ebay.com
google.pl
alegro.pl
wp.onet.pl
sympatia.pl
gry.pl
tlen.pl
facebook.pl
zumi.pl
tube.pl
poczta.wp.pl
tvn24.pl
vod.onet.pl
cencor.pl
poczta.pl

Below is a diagram of the portal's structure:

Explanation of the picture:

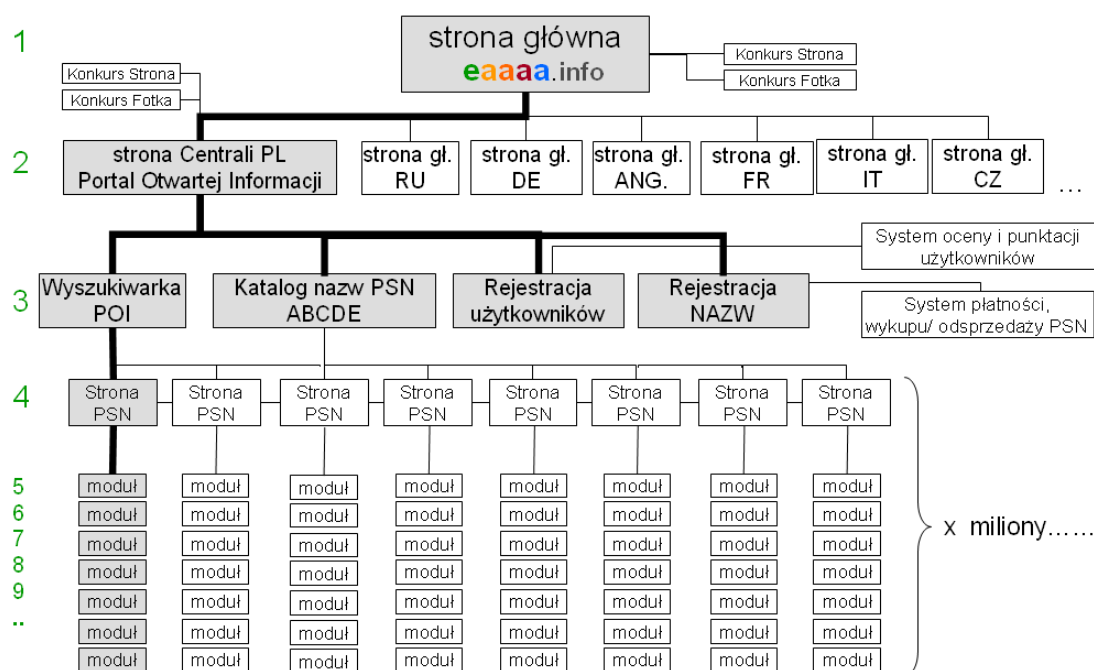
Level 1: home page eaaaa.info (today expertpie.com)

Level 2: homepage of POI Polish headquarter, Russian homepage, German homepage, English homepage, French homepage, Italian homepage, Czech homepage

Level 3: the POI search engine, POI names catalogue, the users registration, the names registration, the system of users assessment, the system of payment

Level 4: a particular "Name Park"

Level 5: modules



The project's realization plan

The 1st stage: The software creation and residence organization. (Forecasted at about 3 months - now in the course of organization)

The first stage focuses on building the framework of contents and creating the thematic structure according to relations with a particular topic. It is connected to formation thematic branches starting from main subjects, such as music, film, travel, sport, finances, properties, motorization, etc.

As a part of this stage the following assignments are expected to be completed:

- Researches on eye tracking and users' behavior towards graphics and site contents,

- Purchase of theme structure elaboration- branches of theme relationships of the most popular topics (music, travel, motorization, etc.),
- Purchase of the software manual elaboration with the description of its functionality,
- An installation, implementation, maintenance and warranty conservation of the software,
- An environmental interview before constructing the software to optimize the choice of proper subcontractors, applied programming, and equipment techniques,
- Purchase of preliminary software verification before the final launch of the application,
- The analysis of the recipient groups. This will entail a verification of the factual state of created graphics and the programmed functionality and will be checked by the group of testers whether conducted works fulfilled the expectations of the first group of receivers - the analysis is to enable the final correction of the strategy plan after conducting safety and beta tests.
- Legal expertise and consultation in the field of copyright and usage of trade marks, names and symbols in the portal,
- Purchase of the application's statute including the cession,
- Promotional campaign (a marketing strategy unified with the software, graphics, and text). The campaign will include the actual market's status, update trends and expectations, existing and potential competition, ways of promotion, used graphic elements and slogans, and distribution strategy for slogans, banners and mailings,
- Preliminary on-line notifications, banners, and mailings for the most active group of internauts who will be searching for the new portals and new ways of expressing themselves on the Internet,
- Purchase of the main software of the portal's application in the rough version- without graphics and text,
- Purchase of 4 sets of computers, 2 laptops, a copier, a scanner, and a projector.

The 2nd stage: Launching the Ea. (Forecasted at 6 months)

The second phase is based mainly on creating the content – text and graphics. The increase of “Name Parks” number is supposed to grow to over 20 thousand (this is the number that satisfies a passive user who searches mainly for the substance). The aim will be achieved by the paid creators of “Name Parks” and by the first group of receivers interested in earning on the Internet. This group was selected and tested by the prototype. A functionality research of Beta-testers will be conducted. The research is based on the common use of the application used by a group of specialized people who

test and simulate the typical, fast, distracted, interrupted and other users' behaviors. The research is to detect the functionality gaps, such as too long wait, loading of the data, limitation of intuitive behavior, etc. The examination of the final software safety on the Internet conducted by an independent company will be crucial. These are efficiency, server's burden, vulgarisms, graphics, and cracking protection tests. The promotional campaign will be continued, such as banner advertisements and by sending emails to users in other portals associated with the topic either professionally and unprofessionally. Additionally, five sets of computers will be purchased at this time.

The 3rd stage- the portal's development with users. (Forecasted at 6 months)

The stage of passive users' access to the Ea, those who seek information and contact. The most important aspect on this level will be the actions related to the promotional campaign. Additionally, in 10 big cities local conferences will be organized. The meetings will sum up the actions. There will be presented national and local statistics of popularity, number of users in particular topics, development of the portal's content, and the participation of business. In a separate part a more sophisticated functionality of the portal and the possibilities of an individual career or cooperation with the Ea headquarter will be discussed. The conferences will be recorded and made accessible on-line. Moreover, appliances necessary to realization of the investment will be purchased.

3. The project's environment analysis

The specific character of the project, especially its two fundamental aspects, the advertisement and community functions, will help further examine the market environment of the company.

Recent years have witnessed a dynamic development and utilization of the Internet, both in global and local sense. According to findings carried out by several independent companies in 2009, an average percentage of internauts in Poland was amounted to 51 % of the population. Moreover, the number of internauts above 15 years old was estimated at 15 millions. It can be assumed, that a subsequent dynamic development of this branch is inevitable. Furthermore, the observed tendencies do not show any signs of decrease (the increase of users amount for the last 5 years has been higher

than 10 % per year). Presumably, the similar trends will be maintained also in the nearest future. The factors that stimulate the continuous Internet use can be linked to:

- Vast access to the Internet (cost-competitiveness of suppliers),
- Growing popularity of the mobile access to the Internet (due to the development of wireless networks and superseding personal computers by laptops and other mobile devices),
- Improvement of the quality of information and its functionality and availability on the Internet,
- Demographic changes (adolescence of the Internet-brought society and growing percentage of elderly who use the Internet)

The growing popularity of the Internet is crucial for the economy, where e-businesses achieve bigger importance. Apart from the improvement of online sales, the rise of the advertisement service sales is also observable. As researches show, these forms of advertisements embrace more and more branches of the market, and locate them on the second position (after the Television) of advertisement medium. According to Zenith Optimedia's evaluations, the structure of advertisement expenditure in 2010 should be formed as follows:



1. The Television
2. The Internet
3. Magazines
4. An outdoor advertisement
5. Newspapers
6. The radio

7. The cinema

The source: Zenith Optimedia

According to the forecasts coming from the same sources, the Internet's importance in the field of business advertisement will continue to expand in the future.

Market shares- particular media (%):

–Daily papers

–Magazines

–The TV

–The radio

–The cinema

–The Outdoor

–The Internet

Udział rynkowy – poszczególne media (%)

	2008	2009	2010	2011	2012
Dzienniki	25.3	23.3	22.2	21.1	20.0
Magazyny	11.6	10.3	9.8	9.3	8.9
TV	38.2	39.2	39.7	40.0	40.2
Radio	7.7	7.7	7.5	7.4	7.4
Kino	0.5	0.5	0.5	0.5	0.5
Outdoor	6.6	6.6	6.7	6.8	6.8
Internet	10.1	12.4	13.7	14.9	16.2

It is worth mentioning that even in the time of economical crisis, between 2008-2009, the recorded level of online ads' expense succeeded to maintain the growing trend as the only one among all advertisement mediums.

The advertisement market: the 1st quarter of 2009 vs. 1st quarter of 2008

Wydatki na reklamę w mediach: I kw 2009r. versus I kw 2008r.						10218
	telewizja	internet	magazyny	outdoor	gazety	radio
Szacunki wg domu mediowego Starlink	-5,9%	17,0%	-10,4%	-10,6%	-13,1%	-7,1%
Szacunki wg domu mediowego MPG	-6,2%	7,0%	-16,6%	-8,0%	-18,7%	-6,0%

Źródło: Starlink, MPG; maj 2009 www.internetstats.pl

The second area connected indirectly with the online advertisement market is the development of the

social-networking websites in Poland. The following statistics present their role in the virtual world. According to researches conducted by PBS DGA for UKE in December 2009, nearly 81 % of Polish internauts use the social-networking websites:

- 31 % declare visiting the social-networking websites everyday,
- 16 % 3-5 times a week,
- 16 % 1-2 times a week,
- 10 % 1-3 times a month.

The most popular among the social-networking websites is Nasza-Klasa.pl. This portal is known nearly by each Internet user (90%), and 73 % of Polish internauts use it actively. The next places are occupied by Fotka.pl (48% of respondents have heard about the website, 20 % have used it), Sympatia.pl (appropriately- 28% and 7%), and Grono.pl (26% and 11%). The research of D-Link Technology Trend in the field of Internet communities was carried out on 15-20 of May 2008 on the representative group of 1008 individuals in age of 15-75.

The dynamics of each enumerated portals' development was similar. The only difference was the scale of users growth. The following chart illustrates the users increase of nasza-klasa.pl



Source: the author- Małgorzata & Bartosz Maleccy UBIK Business Consulting Sp. z o.o.

Press information results show that every fourth respondent admits that such portals help to kill time. The same number of respondents search for new acquaintances, and 18 % use these portals to discuss about particular subjects of interest. Moreover, Polish Internauts believe that the most interesting information available on the Internet come from users. This opinion is shared by 46 % of

respondents, and only every fifth finds text written by professional journalists the most interesting. Merely 4 % of internautes assess positively contents placed by commercial companies.

However, the social-networking websites do not offer only a way to spend a free time. These sites can be also used to promote products, to create the company's image, or to search for new employees. Social-networking websites are a kind of interactive www pages that are created by groups of people sharing variety of interests.

„The 2008 Tribalization of Business” report indicates that virtual communities enable an effective promotion aimed to creating and improving the brand awareness among customers. Conducted researches show that a great number of internautes take a decision of purchase on the basis of opinions derived from the social-networking websites. It is a result of the trust between members of Internet community.

Following contemporary trends, many companies monitor on-line discussions about their products on various social-networking forums in order to become acquainted with clients' opinions and introduce eventual improvements. Researches conducted in September 2008 by Opinion Research show 85 % of social-networking websites' users believe that the enterprises should cooperate with their customers by using Internet communities.

And although social-networking websites are entertaining, and more importantly, inexpensive way of advertisement, in Poland, they are still used by business in a very small percent.

On the basis of above information it can be stated that the portal implementation's project perfectly fits to the niche of the market. It simultaneously uses the crucial elements of social-networking websites' success and while gearing users around the particular topics. On the other hand, the perspective of the advertisement market on the Internet enables to make assumption that the risk of the unfavorable changes of appearance seems to be minimal.

The product

Analysis and observations preceding the project's implementation led to the recognition of consumers' behaviors and expectations. The customers have been divided into 2 groups:

- The ordinary and individual users of the Internet. This group consists of 2 subgroups:
 1. - **Active users** (in the project they are called the Name Custodian or the Park Name Custodian) who build the portal creatively and are interested in different forms of earning on the Internet
 2. - **Passive users** - products' receivers who use the Internet for cognitive aims (searching for knowledge, information, text, products, entertainment, etc.)
- Business users for whom the Internet is one of the means to realize business goals. Analyses

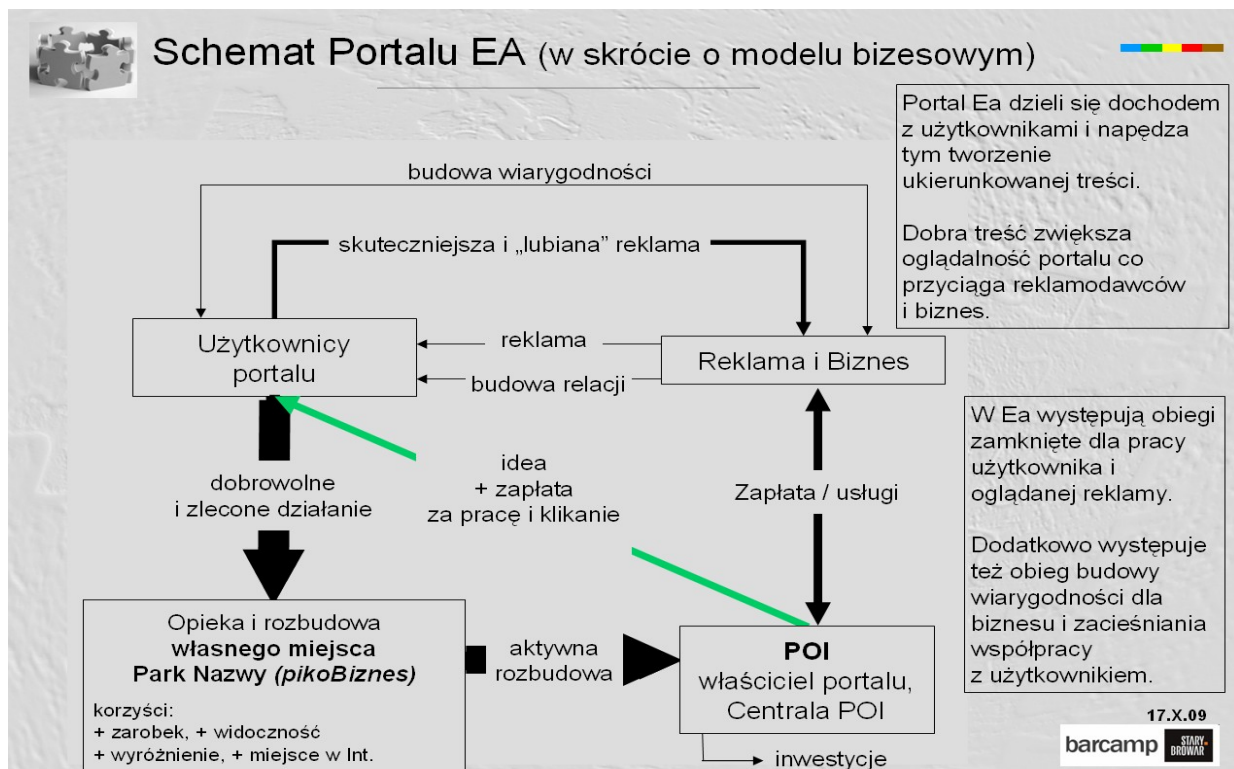
show that in the field of customer service exists a niche that has not been used effectively so far. Small and middle enterprises especially, have had difficulties with existence on the Internet because of still somewhat difficult process of building the homepages and associated costs. The structure, functionality, and the intuitive structure of the portal are supposed to enable smaller companies to promote and advertise on the Internet with much greater ease. A particular page is also expected to be more developed (the possibility of visualization- pictures, photos, etc.) than for example pages of Panorama Firm, where content's poverty influences negatively the popularity of the page.

The basic product of the project is the Portal itself, which will consist of particular “Name Parks”- pages that gather data connected with one specific theme. However, both the portal's structure and the functionality will enable it for addressing the more detailed final products, which will be the direct source of income. These are:

- Contextual advertisement, existing in different forms, suited to needs of business users and fulfilling expectations of its addressees. Obviously, this portal is technically and essentially prepared to offer any kind of advertisements available on the Internet, however, for business purposes its main types have been differentiated among:
 - ✓ -Banner advertisement
 - ✓ -Billboard – rectangle Navibox
 - ✓ -Billboard- scroll Skyscraper
 - ✓ -Links to commercial sites
 - ✓ -Sponsored links- Google Ad words' equivalents
 - ✓ -Mailing- an electronic letter
 - ✓ -Others- sponsored articles, logo, etc.
- Services connected with business client:
 - ✓ -Basis of companies homepages' business cards (small and big enterprises),
 - ✓ -Resale of “Name Parks” (np.) to business customers,
 - ✓ -Other basis generating month payment, mostly not higher than 10 PLN (basis of brands, job offers, products, auctions, etc.)
- Paid services related with “Name Parks” functioning:
 - ✓ Maintaining the NP site (the so called fee for parking),
 - ✓ Sale of points being the portal's internal means of payment exploited to any forms of users activity. These points can be purchased, but also can be obtained as a form of reward for performed actions. The systems of collecting points is one of the main driving mechanisms of the

portal and one of the dominant forms of active users earning,

- ✓ Participation in “Name Parks” resale between private and business users (50% of obtained sum is destined for the user, the other 50 % constitutes the portal's income), the preferred form of NPs sale is an auction (one of the portal's functionality),
- ✓ Confirmation of credibility- an innovative service based on the voluntary charge in order to testify the commitment and the portal's community support. The information of discharging or not discharging this payment (the DUO fee) will be placed as a graphics next to the content linked with a particular business user. It is an innovative form of loyalty payment creating an image of particular business user to the portal's community,
- ✓ Transfer of login and advertisement continuation on the outside portals and www pages,
- ✓ Trade mediation on the Internet- an individual symbolic fee associated with transactions drawn up through the medium of the portal,
- ✓ A service that enables restraint or entire closure of the advertisement projection for a particular user at his request
- ✓ Other services generating incomes for the portal and, in some cases, also for the user. The portal's functionality and multiplicity of application is so broad, that together with the Internet rapid development the ever-new possibilities, the sources of income expand. Thus the list of the portal's services is open.



The scheme of Ea portal

The assumptions concerning the dimension and the value of particular product's sale have been described in the latter part of the business plan.

As it can be seen, the great amount of the portal's possibilities is distinguished by their uniqueness among other Internet's products. This fact, in connection with the founded niche, where it is expected to work, increases the possibility of realization not ever exercised, involving business and social aims.

The price

Concerning the product offered by the company, three strategies of establishing its price can be applied:

- Prices established according to costs
- Prices established according to demand
- Prices established according to competition

Taking into consideration the products' character, the cost formula cannot be based on the very basic method used for calculation. In the first stages of the project, the formula of price evaluation based on the average market prices (mainly with reference to advertisement and business services) was accepted. The price policy is oriented toward obtaining a cost of 40 % lower than the average market price, providing the same or higher quality. This is attainable due to the exploitations of the portal's functioning mechanisms and specific distribution channels. A unit expense of gaining an advertisement is relatively low, provided that the main objective distribution channel will be constituted of active users themselves (the guardians of "Name Parks"). Obviously, in the first months the additional means of distribution will be comprised of the full-time sales employees. However it has been assumed that their effectiveness will not increase with the portal's development. Due to this the enterprise will eventually eliminate the low effectiveness of tradesman in the traditional perception (the cost of the permanent sales employees compared with their limited sale possibilities). Summing up, the direct cost of gaining the advertisement through the medium of active users will become exclusively the advertisement income distribution, which will facilitate the reduction of its price.

The unique character of the portal and its offer leads then to the assertion that the ideal mechanism of price shaping is the calculation according to the demand. Therefore prices of the services related to "Name Parks" and particular charges will undergo a periodic verification, to assure the expected

profits and to maintain the demand.

The distribution

To accomplish the sales expectancy the portal will use three main distribution channels:

- The full-time sale employees (mainly in the first stage of project's realization),
- The active users (this distribution channel will improve its importance with the portal's development, that is with the increase of the "Name Parks" pages amount, the popularity of sites, and the rise of users)
- Due to its uniqueness the portal itself will constitute the distribution channel among the services connected with "Name Parks" functioning.

The promotion and marketing

The company has conducted a detailed research of the different forms of advertisement effectiveness, the traditional, the outside (placards, seminars and theme meetings, press advertisements), and the advertisement on the Internet. According to the results, the marketing strategy and professional promotional campaign will be conducted by the outside marketing agency. The funds reserved to this aim, in amount of 250 000 PLN (70 000 \$) come from the European Union subsidy.

The basic strategic goals of the portal's advertisement:

- Creating a strong position of the portal

Through the image promotion the basic strategic aim is to build a strong position of the portal, both in confrontation with the competition, and in the common and business users' awareness. To achieve this goal, the company will use logotypes, trademarks, and the portal's unique description appearing in various medias.

- Expanding the number of common and business users

This aim will be realized in the first level through users who will be paid for building "Name Parks" (20 000 items) commissioned by the company. In the next stages the amount of users should grow at a fast rate due to the promotional campaign and also as a result of so called „whispered” advertisement (the commencement of the new portal usually evokes raised interests, and in this particular case the additional mechanism will be the opportunity of „earning for clicking”). The increase of common users amount (and the popularity of the portal) will be used as one of the instrument to raise the number of business clients.

- Creation of strong sense of identity and identification with the portal

One of the portal's main expectations is its social character. Due to the portal the user:

- ✓ Gains its own place on the Internet, creates and manages his own website (he is the host of

this page),

- ✓ Acquires the audience (users who visit his page),
- ✓ Has the opportunity to express his opinions due to the system of assessment of other sites or the participation in thematic forums,
- ✓ As an active user, can become a leader or a moderator (the person who supervise other “Name Parks” considering the compliance with rules established by the portal)
- ✓ Has the opportunity of earning on the Internet. It is a strategic feature, until now reserved only for the portals' owners. A “Name Park” is a user-friendly site, which provides easy tools allowing gaining revenues regardless the levels of user's Internet skills. Also, the user who does not have his own “Name Park” can earn income by being simply active on the Internet (for example by pasting links, assessing and commenting other users' sites, pictures, products, or advertisements)

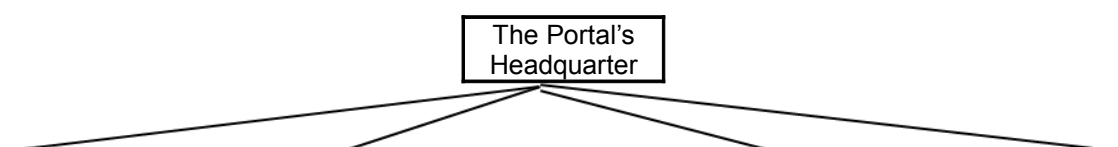
These foregoing features cause that the user of POI is no longer anonymous, but he regains his place and identity on the Internet.

The employment structure and contributors

The basic idea of the company owners is to entrust the tasks to people who are specialized in dealing with related issues. Therefore a part of programming and implementing works has been handed over to the outside companies. Due to the present early stages of the project realization progress, the recruitment is in the initial phase (according to the schedule the first enrollments should start around July). Until recently the activity of the company was based on its owners engagement and the cooperation with individuals/companies that would provide expert technical support. Moreover, most of these fellow-workers participated in creating the portal's prototype as volunteers, simply appreciating its uniqueness and pioneering solutions.

It has been assumed that most of the contributors and volunteers will become to co-create and to implement the project as full-time employees.

A simplified organizational structure of the company is presented in the diagram below. In the first level of realization the crucial issue is the adjustment of employment status to the progress of development and growth. Therefore the extension of presented structure will develop gradually and at intervals.



Sales
Department

Advertisement

NP. pages

Links

Others

Development
Department

Product

System

Interactivity

Internationalization

Marketing
Department

Product -promotion

Users

Teleworkers

NP's
Administrators-
Moderators

Business clients

Administration

Accountancy

Human
Resources
Department

The assumptions concerning the number of permanent employees in particular departments and the dynamics of employment have been presented in attachments.

4. The structure of users and the portal's content management

The previous part of the business plan presented the simplified representation of the portal's structure. The central part of the portal is the home page gathering most important functionality (such as widgets or links). Apart from the main search engine, there will be modules facilitating the mechanisms of searching the sites/issues (types of links- “recently parked NPs”, “recently published NPs”, recently updated NPs”, “NPs for sale”, “highest rated NPs”, “most visited NPs”, etc.), modules of users and names' registration, modules of points, etc. Obviously, these are only the main functions.

The next very important part of the portal are the “Name Parks”- the sites that are created and managed by the users. Particular websites (NP) will also have the modular structure and the simplicity of creation, based on the high intuitive, in which even users with low level of IT will be able to create and develop NP sites on their own. The user will have at his disposal a form of the NP prepared by the portal's staff. These forms will constitute a basis, due to which the users will be allowed to adjust, fill with the text, and personalize their own “Name Park” sites.

The project is administered and managed by partnership (it is assumed that with growth and progress the users will have a bigger influence on administrating it). The structure of the partnerships' headquarters presented above is typical for portal companies. Apart from the basic departments of support, the management of this portal will be based on hierarchical system of entitlement, where the role of supervisor is meant for the portal and NP’s administrators. They will be employed in the headquarter, allowed to register and grant the authorization to users. Furthermore, they will be responsible for proper functioning of the portal and eliminating possible overuses. The next group contains moderators and so called “cleaners” working on-line. The cleaners will be selected among the most active users and they will be responsible for supervision and management (on lower level) of particular theme groups and their custodians.

It has been assumed that with the further development of the portal, the hierarchical structure of administrators and moderators will be expanded successively, both horizontally and vertically, which is typical for the social-networking portals where the most active users support the management of the portal.

5. The finance

The sources of the project's funding:

- The ownership capital in the amount of 64.570 PLN (21 000\$)
- The subsidy of 776.671 PLN (258 000\$) under the contract of “Agreement on subsidies number UDA-POIG.08.01.00-30-219/09-00 within the framework of operation 8.1 Supporting Business Activity in the field of electronic economy- Information Society, improving economy innovation; Operational Program Innovative Economy 2007-2013”- the agreement is in the course of realization, the first advance payment of the subsidy has been already disbursed.
- The bridging loan in the amount of 450 000 PLN (150 000\$) . This loan is expected to be a supplement of funding mentioned above, used in periods preceding the disbursement of particular installments of the subsidy.
- The participation of an outside investor in the amount of about 400 000 PLN (optimally from 0,4 mln PLN to 2 mln PLN [133 000 \$ - 66 000\$]) with expected repayment period of 36 months (recommended quarterly repayment in the last, the third year of funding, together with capitalized interest). The interest rate will be determined by individual negotiation (on investor's request there is a possibility of superseding the interest with equivalent in a form of advertisement in the portal). A recommended form of capital share is a loan. A limited issue of corporate bonds is also admissible, but considering the low amount of subsidy, high operating expenses charged by banks, and long period of preparing the eventual issue, this option is not an optimal.

In the day of the formation of present business plan the company has three initial sources of funding. According to the assumptions, the meetings with potential investors will be conducted starting in July 2010.

6. Financial forecasts

Presented financial forecasts are aimed to define the effectiveness of the enterprise within three successive years, both for the portal's authors and the outside investors.

The assumptions

The probability of the project's realization even in unfavorable circumstances was the basic assumption set in creating the projection of economic-financial situation. Therefore the amounts taken by calculation were lower than those originally expected by the company. On one hand this

increases the possibility of the forecasts' realization in terms of quantity and quality. On the other hand it is a test of the project's sensitivity, which, as has been indicated, is able to “defend” itself even with the low demand and extremely low sales. The caution taken in the particular assumption can reflect the fact that in the first year of realization the total value of expected feasible income is about 20 % lower than the sum of advertisement and marketing expense in this period.

The projection of financial situation of the company was reduced to 3 years because from the third quarter of 2011 the achieved amount of NP pages and number of users will enable the spontaneous development of the portal and its financing. Thus the period of approaching to expected dimensions and values.

In the attachments showing the detailed analysis of separate sources of incomes and expenses, the project's realization period was divided into quarters. However, considering the real date of beginning the investment realization, accepted quarterly period do not coincide with calendar quarters.

Rok 1				Rok 2				Rok 3			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		12				12				12	
		2010 -				2011 -				2012 -	
06-08	09-11	01-02	03-05	06-08	09-11	01-02	03-05	06-08	09-11	01-02	03-05
2010	2010	2011	2011	2011	2011	2012	2012	2012	2012	2013	2013

After achieving the full “maturity” and accumulating necessary financial reserves, the portal is expected to expand on chosen foreign markets and to be duplicated in several languages. However, for the business plan clarity and considering the fact that the realization perspective will probably exceed the analyzed period of three years and eventual expansion will compose the copy of realized project, the benefits of market expansion are not included in this business plan.

The expenditure

According to the prepared projection, the total value of financial expenditure (essential to exist until achieving incomes from operations) amounts to 1 240 000 PLN. This amount consists of capital expenditure (IT appliances) and the costs of project's implementation in the period of 12 months.

The sale

Due to the significant number of products and services offered by the portal, a rule of relevance was used in the business plan. Revenues from sales of products and services that are crucial to the company were taken into account by preparing the projection.

Five main sources of income have been identified, differentiated in terms of products and distribution channels:

1. Advertisement on the "Name Park" sites, sold by the company employees, advertising agencies, or medial houses. This source of income will be essential in the first phase of the portal's development when the users activity will be on the rise. As mentioned before, the range of the offered products will be enormously wide. For more precise view the company have prepared a sample package, namely a profile of the offer and the average value of different configurations depending on the pages' popularity degree. The average value of the sample package was estimated at 4 896 PLN monthly (14 688 PLN quarterly). Clearly, it is a kind of simplified assumption because in fact the selection and value of particular forms of advertisement will be subordinated and matched to the business receiver's needs. However, both unit values and costs relations between a page popularity an its price were based on the analysis of the competitive advertisement offers existing in the market. In determining the advertisement sales degree it was assumed that the first (nominal) receipts will appear before the third quarter of the project's realization and its value will come to 20% of the package value quarterly. It was presumed that in the end of the fourth quarter the company will sold 2 packages per quarter, and the successive rise of sale will be proportional to the number of employed salesmen (the sale of packages will not exceed 10 items, that is 30 items quarterly).

Total sale:

In the 1st year of the project realization= 29 081 PLN

In the 2nd year of the project realization= 3 042 981 PLN

In the 3rd year of the project realization= 12 809 074 PLN

2. Revenues due to the commercial presence of business users in POI. These receipts contain i.e. remuneration for paid companies' websites, visiting cards of companies' pages, the presence in bases of products/services/companies/brands, voluntary payments DUO, placing advertisements in products basis, job announcement, etc. Considering the wide range of activity offered by the portal, the specification of items constituting this source of income is quite expanded. However, it is worth to mention that the idea of the portal's authors is the

income generated due to the quantity of a particular activity, and not its price. Moreover, this service is not strictly aimed to earn money, but to popularize the portal and its ideas among business receivers. Therefore, unlike the competition, the unit value of service is estimated at very low level- average 2,83 PLN per month (8,48 PLN quarterly). This value was taken into account as a starting point in assessing income of this source. The service distribution channel in the first stage of realization will belong to the salesmen, but in the following quarters the action supporting sales are expected to be nonexistent because of the price attractiveness. It was assumed that scattered character of the service and the price breaking the barrier of the market entry would contribute to great activity in sales. Nevertheless, for safety reasons, it was presumed that the first income of this source will appear not before the fourth quarter of the project realization, that is 6 months after the portal's launch on the Internet. Also, in terms of quantity, the sales has been estimated very cautiously because in the end of the 2nd year of realization only 2000 items per month are planned to be sold (considering the offered price, it is nominal estimation). Yet in fact it is presumed that the sale quantity will accomplish level ten times higher. One of the main ideas of business plan however is to demonstrate the success of the project even in the extremely unfavorable conditions.

Total sale:

In the 1st year of the project realization= 381 PLN

In the 2nd year of the project realization= 110 728 PLN

In the 3rd year of the project realization= 282 549 PLN

3. Revenues due to the paid services connected with "Name Parks" and the whole portal's functioning, provided for the common and business user. This source has also scattered character considering the various amounts collected for particular activities. Similarly to revenues in point 2, the scale effect was also used. The value of income is a function of the amount of active users, both the common and business. Considering the precursory character of services not having the reflection on the Internet, the unit prices taken into account in the business plan are on respectively low level (with the assumption that the verification will be held with the growing popularity of the portal). The value of particular services will also be used as a tool to control the demand on individual portal's products. Therefore, the accepted values and amounts are set at the minimum and on the basis of conducted simulations their realization is highly possible. Revenue growth of this service group is proportional to the amount of users and NP sites, therefore in the first level of realization the approximate numbers of sold individual services had been deliberately underestimated.

Total sale:

In the 1st year of the project realization= 26 279 PLN

In the 2nd year of the project realization= 746 142 PLN

In the 3rd year of the project realization= 1 993 693 PLN

4. Advertisement on "Name Park" acquired by users. This is a duplicate of the product described in point 1 with the difference of the distribution channel- the active users. The presented source of income is supposed to supersede the sales by the company's employees. As it was described before, the possibility of earning money while using the portal, apart from other portal's function, is expected to be a driving engine of autonomous development of the portal. The unprecedented idea presenting that each user can become a salesman exceeds the boundaries of earning on the Internet known to these days. The starting point in preparing the projection is the number of websites created on the portal's request. The subsidy obtained from the EU covers the costs of preparing 20 000 of NP sites within 2 quarters. Realization of this extent is supposed to be the portal's driving force, due to which the portal will be filled with content in the starting phase. Further forecasts concerning the rise of sites have been deliberately reduced since their realization will depend on the activity of users and further motivated by the additional financial reward. This mechanism is described here due to the fact that the assumption concerning the sale of ads by users is linked to quantity. On the basis of observation, it was found that the quarterly number of sites possible to be created by the users can reach (by full maturity of the portal) even tens of thousands. However, for safety reasons it was assumed that upward growth will be much lower and will not exceed 2,000 pages per month in the third year of the project. It is most likely that the assumptions will be significantly exceeded, but the financial structure of the business model propelling the additional growth of emerging sites will always generate a positive flow (i.e. the income derived by the creation of additional pages will always be considerably higher than costs for their creation and maintenance). In the calculation of this income source it was assumed that only 0.3% of users / sites will be active for advertisement acquisition. This means that the number of advertising packages sold by this distribution channel should be 10 per quarter (3.3 per month) at the end of the first year of the project further to increase to 133 per quarter (over 44 monthly) at the end of three years of the project. The assumption is very cautious, taking into account the number of pages in that period (over 64,000). In the forecasts the total sale revenue was included as income, but according to the presumptions the 50% of this revenue will be transferred to users as a gratification for completed

acquisition (cost included in payment).

Total sale:

In the 1st year of the project realization= 146 891 PLN

In the 2nd year of the project realization= 2 364 766 PLN

In the 3rd year of the project realization= 6 198 235 PLN

5. Revenues from commercial presence in POI- generated by users activity. As in the previous revenues the product described in point 2 but distributed by a different channel – it is assumed that active users will have greater capacity and efficiency of market penetration than a full-time salesmen. The forecast assumes that only 5% of users will sell a product with a unit value of 8.48 PLN per quarter. The value of the revenue obtained in this way is not inherently high, but, as it was previously mentioned, distribution of this product in bulk has additional value for the company- the portal's popularity growth.

Total sale:

In the 1st year of the project realization= 1 413 PLN

In the 2nd year of the project realization= 42 684 PLN

In the 3rd year of the project realization= 119 286 PLN

A distinct source of revenue included in the profit and loss account is reported as the grant (subsidy), with a total value according to the contract concluded for a subsidy of 776,671 PLN. The subsidy from EU funds will be disbursed after the end of particular phase of the project (excluding the first payment, which has been already received in the form of advance). Described form of support is a key element for the project's success, providing defrayal of the project's implementing expenses and operations until achieving the first significant revenues.

Analyses of the income from the operations during the examined periods indicate the strong dynamics of growth throughout the development of the portal. However, it has been assumed that over the next three years the growth will show a downward tendency (in the first quarter the growth rate of over 100%, gradually reduced to about 20% in 4th quarter of the 3rd year). This assumption results from the company's intent to a gradual change in the structure of sales; that is, as it was previously mentioned, the participation of the ownership sale will constitute a significant percentage of total revenues in the first years of the project. While the portal grows, and after reaching its full "maturity", the participation of the distribution channels based on users participation will increase. Further, the spontaneous development of the portal will enable better exploitation of the company's human resources by changing their position from the direct sales to the supportive sales realized by

the users.

The high level of growth in the particular periods results from increasing employment in the company within the available resources and the development of the portal itself (number of pages, users and audience). On the other hand, it arises from the specifics of the Internet market where the growth phase of a product is usually very intensive (especially among the social networking sites)

The costs

The forecast of costs includes various costs related to the project's realization. The aggregate values of particular group costs were estimated as a result of detailed analysis and forecast of unit costs associated with obtaining particular types of income.

1. Depreciation – considering the fact that the unit value of the majority of equipment and assets purchased by the company within the project is relatively low, it was assumed (according to the tax regulation), that the total value would be subjected to 100% amortization at the time of purchase. Thus, the amount of depreciation corresponds to the value of investment purchases (mainly computer hardware and office equipment).
2. Materials and energy consumption- the position covering all costs associated with the office supplies purchase and other minor costs of the office operations. It was assumed that the value of these costs would gradually increase with every year, together with the expansion of the company structures.
3. Outside Services – the structure of cost during the project will gradually change, that is in the first phase of the project an outside service will have a greater share in general costs, including commissioned works largely related to construction and development of the site (mainly programming services) as well as the expertise, services, advertising and marketing. However, in the subsequent phases of the project, the company employees will perform a part of the work previously outsourced to outside companies. Therefore, the participation of outside services does not increase in the forecast period (the exception is the third year of the project, which is planned to carry out another advertisement campaign of the portal).
4. Salaries - considering the nature of the company (services), this is one of the most important cost items in the projection. It is assumed that salaries at the end of the forecast will constitute over 70% of the total costs. However, in the early stages of the project the value of salary costs will be significantly low due to the assignments of tasks to the external companies (outside service) and only a small fraction to the inside employees, the number of which will be increased with development of the portal. Considering the ultimately high share

of salary costs in the cost structure, a strict control of their growth's rationality is required. In the attachments the salary costs have been projected in connection with the sources of income (total 5 groups of salary costs) and support of sale (Back-Office - 3 groups of salary costs). According to employees' wages, a rate slightly higher than the market's average has been assumed (with the presumption of its annual indexation with the development of the portal). Objectively, the planned level of wages will be about 30% higher than the average market values, which is supposed to strengthen the loyalty of employees to the company and to reduce the fluctuation of personnel. The full-time workers will be also allowed to work on-line – based on the selection from the most active users, acting as moderators and "cleaners" of the content area.

Apart from the salaries paid to the full-time employees, the contracts of mandate and contracts to perform a specified task will constitute an essential element of salary costs. It is assumed that both forms will be used to reward users, who, according to the portal's rules will be entitled to such compensations. This is referred to:

- Active users dealing with "acquisition" advertising on the NP sides (the cost of salaries constitutes 50% of the acquired advertisement)
- Active users who gain other forms of business activity in the portal (commercial presence in the portal - an average salary cost of the 50% of revenue)
- Active users who accomplish a minimum limit of the ceiling subjected to the disbursement in connection with the exchange of scored points for cash. The level of limit allowing for disbursement has not been definitively established yet (legal and tax consultation are in the course), but considered limit level shall not be less than 125 PLN. The projection assumes that the daily average number of points due to the users activity will be 5 points, which will reflect on the daily value of payments in the third year of the project - approximately 2,000 PLN
- Payments due to construction of NPs, which have been included as a separate item. Assuming the base value of the salary as PLN 3 per page (this position was deliberately isolated in order to emphasize the importance of this form of activity, despite the fact that the disbursement will depend on the achievement of the required limit). After reaching full maturity, increased awareness of the portal's users, and taking notice by users of other forms of earning or the portal's value, it is considered to waive charges for creating the PN sites.

5. Social insurance and other benefits - because of the high degree of salary dispersion, as well

as applied various forms of employment, the projection assumed an average level of costs as 12% of gross wages

6. Other costs- this item includes premises rental costs, the delegation with related costs, telephone costs, the costs of using private cars for business, cost of training and other related expenses.

Regarding the salary costs, it should be noted that the existing business operations in the areas of the development of the concepts, building and testing the prototype portal, (excluding the involvement of the shareholders) were based mainly on the work of volunteers and enthusiasts who understand the uniqueness of the portal's idea and were willing to devote their time and knowledge to contribute to the portal. It can be assumed that in the course of the project realization, a group of people "infected" with passion of building the portal and creating "their piece of the Internet" will grow. Therefore, the accepted assumptions on salary costs may be too high, but for the project's financial consistency and due to the precautionary attitude in preparing forecasts, their levels were used as a basis.

Profit and loss account

The detailed assumptions in the area of shaping the revenue and operating costs during the project's realization outlined in the previous section were the starting points for creating a projection of profit and loss account. Data included in the profit and loss account are formulated based on the annual periods in ascending order, however, particular periods do not coincide with the calendar quarters.

Analysis of profit and loss indicates that the project implementation period (until the first significant revenues generation) would last less than a year. In fact, this period may be shortened, because the forecast takes into account possible deviations from the implementation plan, as well as very cautious assumptions in the field of the sales development pace. Nevertheless, it is not assumed that in the first year of the project the threshold of profitability will be exceeded, and therefore the level of costs in the period up to the May of 2011 exceeds the value of generated revenue, which in turn reflects the generated ascending net losses. The threshold of profitability, according to the assumptions should be exceeded in the third quarter of 2011, during which period the level of the net losses should be decreased, whereas in subsequent periods first profits should be generated. Presented structure of profit and loss account is specific for the new implemented projects and the fact of the loss occurrences in the initial periods do not call for the investment risk, especially when

bearing in mind that the company has secured financial support from grants of the EU project.

In the following periods (from the fourth quarter of 2011) the generated revenue, as the effect of the dynamic development of the portal, will be large enough to ensure generating a surplus and to enable the portal's self-financing. Achieved surplus will be assigned to cover previous year losses and to repay the long-term liabilities, leading to a successive repayment of various investors' loans and investments.

Detailed analysis of particular income and expenses components was made in the earlier part of the business plan. Values presented in profit or loss accounts result from the sum of the individual analytical components and therefore the vertical analysis does not contribute to any additional cognitive value.

The balance

The starting point for the balance forecasts were the actual data of March 2010. In the subsequent periods included were the events, arising from the project and directly corresponding with material-financial schedule (which is an annex to the agreement for financing from EU funds).

I. The assets

- 1) Fixed assets - considering the nature of the project and the fact that most investment purchases will be subjected to 100% amortization at the time of takeover, the value of material fixed assets was not indicated. The only item that is subjected to depreciation is the main application of the portal software purchased with grant funds from the external supplier. This item has been indicated in the values of intangible and legal assets.

2) Current assets

2.1. Supplies- they are not supposed to be maintained

2.2. Accounts receivable- charge forecast includes receivables from customers such as advertisers. According to the assumption that 20% of the monthly service sales to business customers will be realized with a deferred payment of 30 days, the remaining 80% of sales will be subjected to prepayment.

In connection with the limited amount of income in the first periods of the project realization with simultaneous bearing of the capital expenditure, the existence of outstanding VAT refund shown on the line of duty in respect of taxes was assumed.

- 3) Cash - estimated amount of cash in the first quarters of the project implementation results from the balances, which are the effect of the subsidy installments' disbursement and the payment of particular amount of the bridging loan. These resources will be used for purposes related to the project implementation. Only increase of cash value after the third quarter of 2011 can be interpreted as a cumulative surplus of money.

II. The liabilities

1. Equity - capital of the company amounts to 64,570 PLN but due to the incurred expenditures for the preparation of the project's implementation and generated losses, the value of equity is negative. This situation, a characteristic feature of the new project's implementation, will be under control and well maintained before November of 2011, that is, until the financial autonomy of the project and the successful recovery of the losses from previous periods with acquired revenue will be met.

It is important to understand that the negative equity should not effect significantly the deterioration of the financial position and liquidity of the company, due to the secured bridge financing associated with the implementation of the grant agreement with the EU (the subsidy is a major source of covering the costs of the project implementation).

2. Liabilities and provisions for liabilities.

2.1. Long-term liabilities- this position includes:

- Bridging loan in the amount of 450,000 PLN granted for the implementation of the subsidy agreement, of which terms and amount of the partial disbursement were suited to the planned expenditures incurred by the company according to the schedule attached to the grant agreement. However, dates and amounts of payments correspond to the disbursement schedule of the particular amount of the subsidy. Despite the fact that the credit amount is nearly half the value of the grant, it does provide an accurate and forward realization of the grant agreement
- Capital expenditure of an investor or several smaller external investors in the total amount of approximately PLN 400,000. Obtained resources will enable to accelerate the project's implementation and will provide a funding source and specific safety buffer until the company and the portal reach the full financial autonomy. A recommended form of external investor's equity is a medium-term loan (about 24-36 months). The forecast assumes a period of 24 months in order to demonstrate the firm's ability to repay such a commitment in time. However, as all of this particular business plan assumptions are characterized by a high degree of caution, it is assumed that the optimal period of gradual recovery of borrowing will be a third year of the

project.

2.2. Short-term liabilities- this position entails the liabilities forecast towards suppliers and results from the assumption that the approximately 20% of the monthly costs due to the external services will have 30 days of due date and an estimate of liabilities to the budget due to the ZUS contributions paid in the months occurring after the payment of salaries in accordance with the statutory terms.

Cash flow account

Cash flow analysis indicates that the company should be able to generate favorable flows from the operating activities from the third quarter of 2011. Favorable flows at this level will constitute a source of funding for further capital expenditure and additional funding source for expenses at the level of financial activity. According to the assumptions, the balance of the cumulative cash should gradually increase (except for IV quarter of 2011 when a repayment of bridging loan is expected), which additionally confirms the stability of the project and provides the necessary safety buffer in case of the divergence occurrence during the process of realization. The high increase of cash during the analyzed period reflects the high financial efficiency of the project.

The profitability calculation of the investment project

The level of NPV is dependent both on the dimension and the material apportionment of the net cash flows, as well as on the accepted interest rate for the calculation. Shortening of the analysis period to three years leads directly to lower actual value of cash flows. The basis of the conducted efficiency calculations of the project and its assumptions are included in the attachments of this business plan. Considering the described project, the discount rate of 20% was adopted for calculations- accepted rate is the average expected rate of return from the projects carried out by the start-up.

Year	Nominal cash surplus (profit+depreciation) NCFt	Discount coefficient for 20%	Discounted net cash surplus
2010	- 1 240 000	1,00	- 1 240 000
	- 302 047	0,83	- 251 705

2011	464 679	0,69	322 694
2012	4 409 374	0,58	2 551 721
	4 572 007		2 622 710
-	1 240 000	-	1 240 000
	3 332 007		1 382 710

The project receives a favorable flow value in the third year of implementation. This fact indicates that in terms of three years, from the financial point of view, undertaking its realization is profitable, because the value of acquired financial surplus is greater than the resources involved in its implementation.

FINAL PROJECT EVALUATION

The presented elaboration confirms the purposefulness of the project and its economic justification. From an external investor's point of view it also provides the information about its financial effectiveness in the context of return and of the incurred expenditure and equity. It is also important to mention the question that appear several times in this business plan in context of projections - both assumptions considering the period of achieving a certain dimensions of sales, and the size and value of sales were presented with a very careful approach. Therefore, the period of investment return can be much shorter than the one assumed in this business plan.