

FlyTunes is now FlyCast

Press Guide

September 2008

Why did FlyTunes change its name to FlyCast?

- Over the past 8 months as we've built out our content network, we've included a lot of content other than music – for example talk radio, on-demand video, podcasts, and other content that doesn't fit the "tunes" moniker. We changed the name to better reflect our position as a broadcasting network that is optimized to deliver to mobile devices.
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What is FlyCast?

- FlyCast is the 1st next generation mobile broadcast network that is directed at the portable devices that are already in people's pockets - 3G-capable cell phones, such as the Apple iPhone.
- FlyCast offers users an improved "satellite radio" like experience that they can enjoy anytime, anywhere they go.
- FlyCast brings broadcasting to an entirely new audience – people on the go. We've built the mobile IP broadcast network of the future, while simultaneously delivering a unique monetization platform for large and small broadcasters and webcasters.

How is FlyCast "better" than satellite radio?

FlyCast gives users more of everything they want (more channels, more personalization, and more "uptime") without the negatives associated with satellite radio (costly dedicated hardware, extra receivers to carry around, and monthly fees).

- Satellite radio services can only operate a limited number of channels (fewer than 200), and they do not work well inside buildings, trains or planes. FlyCast currently offers over 1000 channels, including virtually every genre of music, news, sports and talk. Unlike satellite radio, FlyCast also offers on-demand video and podcasts.
- Satellite radio services don't work with the cell phones and music players consumers already own. Instead, they require the purchase of special receiver hardware costing up to \$300 (in the case of hardware manufacturer Slacker).
- Satellite radio services charge a monthly fee up to \$13, and \$7 for each additional listener.

By delivering a “mobile user-friendly” version of digital broadcasts and webcasts to portable devices that the user already owns, FlyCast has crafted a user experience that works everywhere, has no or very low cost, and offers unlimited listening selections.

How is FlyCast different personalized radio and “free music” sites?

FlyCast is a content network, not a broadcaster or a download site. Once you are signed up, you gain access to over a 1000 digital channels of your favorite content.

Free (legal and illegal) music sites require you to do a lot of advance work in finding and downloading the songs you want (possibly risking RIAA lawsuits), then building playlists of the music and finally syncing the music to your portable player.

Personalized Radio sites, (like Pandora and Last.FM) use a variety of methods to determine what you will like, and provide you a never-ending stream of music that fits your profile. They require a bit of work to get started and are generally not designed to deliver a variety of music for discovery, (the specialty of professional DJs who program “real” radio).

Most people just want to listen to music they like, once in a while hear new things, and be able to switch channels when the mood strikes them. That’s the “enhanced radio experience” FlyCast provides.

How does FlyCast work?

Unlike satellite radio, which is a broadcasting service, FlyCast can be considered a network of broadcasters. This means that FlyCast has a great deal more freedom in what it can and can’t do than broadcast services. By being in the middle, between tens of thousands of stations and the mobile listener, FlyCast can offer a broadcaster-agnostic experience that is tailored exactly to the listener’s tastes.



From a technical standpoint, our “middle” position allows FlyCast to optimize the streaming media for consumption by a mobile device. Our server software provides a “QoS” (Quality of Service) capability that helps keep FlyCast streams avoid broadcast interruptions (the most common complaint by consumer when asked about streaming media).

Initially launched in January 2008, as “FlyTunes”, our network was offered as an iPhone web application, which allowed us to provide limited functionality. It quickly became the #2 streaming application on the iPhone platform, second only to YouTube.

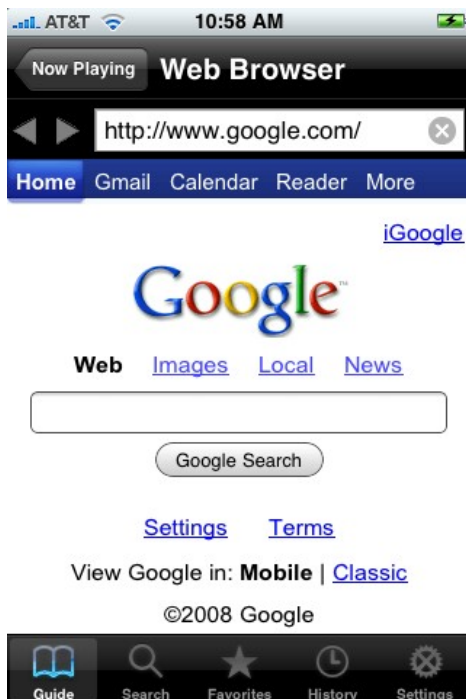
With the launch of the new native iPhone application, FlyCast is once again leading the way with groundbreaking new features never before seen on any streaming platform.

What makes the FlyCast mobile application so great?

No one feature defines the FlyCast experience, but there are quite a few features that we have added that we believe will change the way consumers think about mobile entertainment. The original web-based FlyTunes streamed millions of hours of entertainment to iPhone users and we've learned a lot doing it.

Unique features of FlyCast's Native Iphone app

Without spending time on the basic features common to every iPhone radio player (play station, show artist and song title, allow purchase from iTunes, volume and mute controls), we'll touch on FlyCast's leading features:



Browse the web while listening to music

iPhone users want continuous access to their web browser. FlyCast provides this capability by including an embedded Safari browser. Users have full access to the browser while continuing to listen to music in the background.

Use other apps while listening to your favorite stations

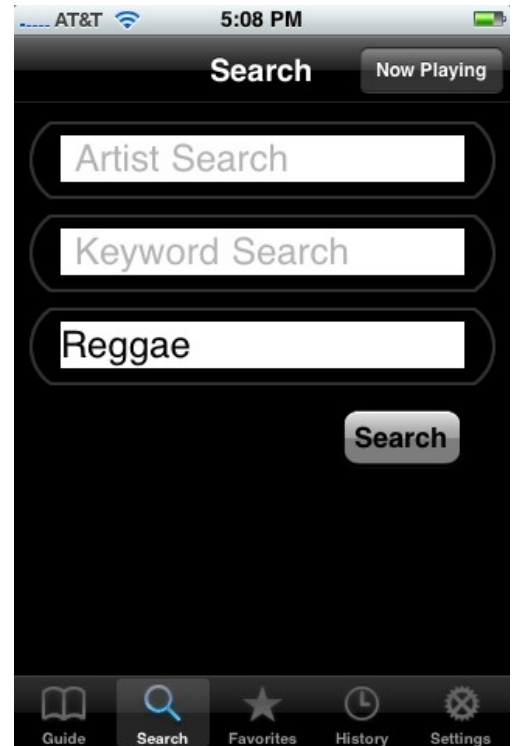
FlyCast also includes a feature in high demand by iPhone users – Background Play mode. With this feature, users can actually start a station and then leave the application to do other things with their phone, like use Google maps, check email, or send an instant message. This is a breakthrough feature for FlyCast users.

“Search” capability

Because of the increasing number of channels offered on FlyCast, the service offers the ability to search for content by artist, keyword, or genre. If you like “Elton John”, the search will turn up the stations that play Elton John the most, in order, and you can sample the results to find exactly which ones interest you most.

“Battery Saver” mode dramatically increases listening time

Everyone who has used the iPhone 3G knows battery management is very important but until now, none of the radio applications have offered any solution to the problem. FlyCast’s Battery Saver mode leverages our QoS music streaming technology to deliver content in faster than real-time increments, and then powers down the 3G radio until the system needs more data. This feature gives users a 50+% increase in listening time.



Song Skip Feature

One of the nice features of “personalized” radio broadcasts is that they allow you to occasionally skip over the songs that you don’t like. FlyCast offers this capability on many of the channels it carries, as allowed by copyright law. FlyCast stations that broadcast in playlist format (for example, the 320+ stations in all genres from AccuRadio) can be skipped forward. FlyCast’s streaming architecture allows it to “Catch up” while you listen, in case you want to skip again. Again, the number of skips allowed is only limited by copyright regulations. Skipping is not available on terrestrial stations carried by FlyTunes because it would violate provisions of their music licensing.

“Top of the Hour” feature

FlyCast lets you join talk radio shows at the beginning, regardless of when you begin listening. If you get into your car at 8:45 and want to listen to your favorite talk show that began at 8:00, you can quickly jump back to the Top of the Hour to listen from the start.

Active Listening History

FlyCast keeps track of the songs you listened to during each session, and you can easily go back in time, audition the song to make sure it’s what you want, and then purchase it on iTunes.

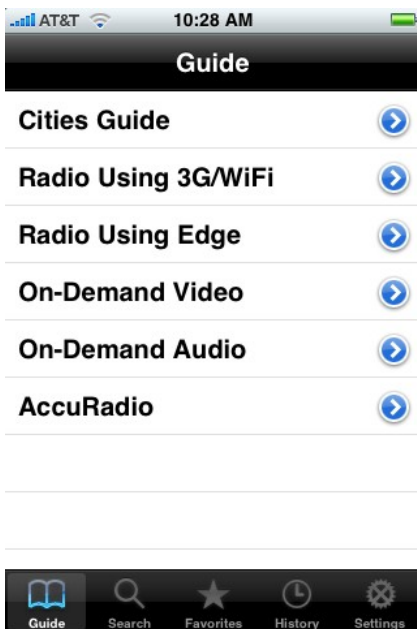
Listen to any of 25,000+ shoutcast stations worldwide

Beyond the top stations in the FlyCast network, the native application allows you to stream from any station available on the shoutcast directory.

About the available content on FlyCast

We've worked hard to create a compelling media offering for our listeners and we believe it's by far the most comprehensive mobile entertainment service. Here are a few reasons why.

FlyCast includes radio from the best of both webcasters and terrestrial broadcasters. Our partners include many of the top broadcasters in each category – AccuRadio, Radio Paradise, 1.FM, SKY.FM, Digitally Imported, 977 Music, SmoothJazz.com, 1Club.FM, theradio.com, 181.com and more. We are adding over 100 stations in most major US markets from Entercom, as well as local traffic and weather reports. We have quite a few deals in the pipeline and expect to be adding hundreds more channels by the end of 2008.



FlyCast Content guide supports different types of users equally well

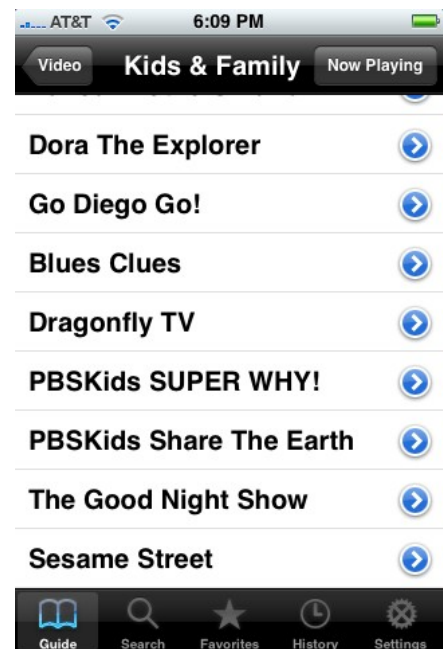
FlyCast's unique guide function allows you to quickly find the channels you want, make them into your "favorites" if you like. The music channels are organized by genre, but if you are interested in a particular station from your hometown, you can find it with the geographically keyed City Guide.

This brings up a key difference between FlyCast and all other iPhone radio applications. FlyCast is a content network, bringing you unique channels from dozens of content providers, including the top webcasters, many of the top terrestrial radio stations, on-demand video providers, and even

network TV news and entertainment sources.

FlyCast for Kids

We have included a great selection of children-friendly content, perfect for keeping your kids occupied for the drive home or to school. These shows include Blues Clues, Dora the Explorer, Go Diego, PBS Kids, iCarly, and High School Music. More content for children is being added weekly.



Where is FlyCast headed?

In the near future, we'll be supporting lots of additional devices – we chose the iPhone as our launch vehicle because of its extremely high sales ramp and the amount of interest surrounding it, but FlyCast intends to support all capable mobile devices, including those from RIM, those using the Symbian and Windows Mobile operating systems and the upcoming Android.

We'll also be adding lots of new content – We're already working on interesting deals with content providers to feature their content on FlyCast.

How does FlyCast stack up against satellite?

Here's a little competitive grid that covers all the big points.

	Sirius	XM	Slacker	FlyCast
Channels	125	170	100	1000+
Works indoors?	No	No	Yes	Yes
Personalization?	No	No	Yes	Yes
Receiver Required?	Yes-\$79+	Yes-\$79+	Yes-\$199+	No
Activation Fee?	\$15	\$15	None	None
Monthly Fee?	\$13	\$13	\$7.50	None
Business Model	Broadcaster	Broadcaster	Broadcaster	Broadcast Network

Some interesting numbers for this space

Total number of Internet radio stations worldwide: more than 25,000 (source: Arbitron/Edison Media)

Sales of iPhones in first year: 8M (Source: Apple)

Sales of iPhone 3G in first 8 weeks: 8M (Source: Apple)

Number of iPhones in use (9/1/08): 12 Million (source: TechCrunch)

Total number of cell phones in use worldwide: 3.3B (Source: NT)

Sirius radio subscribers: 8.3 Million (source: Bridge Ratings)

XM radio subscribers: 9.1 Million (source: Bridge Ratings)

FlyCast CEO Sam Abadir is available for interviews – please contact Roy Smith, VP Marketing at 717-846-0499 or by email pr@FlyCast.fm.