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Overview

Founded in 2006 by Jack Dorsey, Biz Stone and Evan Williams, Twitter is an online social networking and micro- blogging service that enables its users to send and receive text-based posts called ‘tweets’ of up to 140 characters via Twitter’s website, SMS, instant messaging, or email. Twitter is a real-time information network that allows its users to connect to the latest information about anything they find interesting. Twitter also allows businesses to connect to customers in real-time. Businesses use Twitter to quickly share information with followers interested in their products and services, gather real-time market intelligence and feedback, and build long-term relationships with customers, partners and influential people. Twitter is based in San Francisco and is used by people in nearly every country in the world.

In the last five years, Twitter has gained a critical mass of over 200 million users and a central role in the micro-blogging segment. Twitter generates over 200 million tweets and over 1.6 billion search queries a day. The majority of Twitter’s revenues are driven by advertisements. In 2010, Twitter generated \$45 million in advertising revenue and is expected to generate \$139.5 million in advertising revenue in 2011. In 2011, 96% of Twitter’s advertising revenues will derive from the U.S. however that figure is expected to decrease as the company’s international advertising revenue becomes a greater revenue stream. According to Twitter’s Chief Revenue Officer, Adam Bain, the company has 1,600 advertisers using their platform to reach customers and currently has an 80% retention rate with those advertisers.

Twitter continues to experience remarkable growth in registered users, tweets, and advertising revenues. Twitter was valued at \$8 billion in a recent funding round (\$400 million) led by Russia’s DST.

Preliminary Strategic Insights And Analysis on Twitter

Twitter Quick Stats

2011E Revenues: **\$140 million**
2012E Revenues: **\$260 million**

Last **Institutional** Direct
Valuation (Over \$400 million
round): **\$8 billion**

A more detailed analysis of
Twitter is available to MidasLP
accredited investors. For
accreditation see:
investors.midaslp.com

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Business Model(s)

Twitter generates revenues through various sources such as promoted tweets, promoted trend, licensing data streams, and promoted accounts.

Promoted Tweets – Promoted Tweets are ads in the form of tweets. Promoted Tweets appear (1) on top of search results, (2) on top of a user’s Twitter timeline,(3) in the timelines of users who are not following the brand’s account and (4) in timelines of users who aren’t following the advertiser’s account.

Promoted Trend – Promoted Trends are a sponsored version of Twitter’s “trending topics,” which are lists of what Twitter users are talking about at that moment. Brands buy placement at the top of the trending topics section per day, per geography. At one point Twitter was reportedly selling Promoted Trends for \$120,000 per day, per geography. The appeal of Promoted Trends is that they create discussion among consumers to enhance the brand’s image. They also allow advertisers to drive Twitter users to their web sites and collect new Twitter followers. Advertisers can directly communicate with followers until the user un-follows the brand.

Licensing Data Streams – Twitter licenses its full feed of tweets for a fee to major search engines such as Google, Bing and Yahoo as well as real-time discovery services. The fees are priced on basis of the license acquirer’s business scale.

Promoted Accounts – Promoted Accounts allow brands to gain followers on Twitter and give brands the opportunity to purchase their way into Twitter’s suggestion box and gain followers. Twitter prices the ad per new follower and the price is set at auction. Promoted Accounts work well because Twitter heavily promotes it’s “who to follow” feature, so Promoted Accounts are always in view of users.

Advertiser Analytics – Twitter provides two functions of analytics to advertisers, providing in-depth insight into both paid and unpaid activity on Twitter. Advertisers have access to dashboards that display fundamental metrics including impressions, retweets, click, replies, and follows. Additionally, the Timeline Activity feature allows advertisers to see how every single tweet is performing in terms of mentions, follows, unfollows, and reach. Lastly, the Followers Dashboard offers insight about followers over time and their composition by interest, geography, gender and engagement.

According to eMarketer, global advertising spending on Twitter hit an estimated \$45 million in 2010 and is expected to reach \$139.5 million in 2011. By 2013 eMarketer expects worldwide ad revenues at Twitter to reach nearly \$400 million. Additionally, 96% of Twitter’s ad revenues are expected to come from the U.S. in 2011 and by 2013 U.S. ad revenues are expected to drop to 88% of revenues, as worldwide ad revenues will provide a more substantial revenue stream.

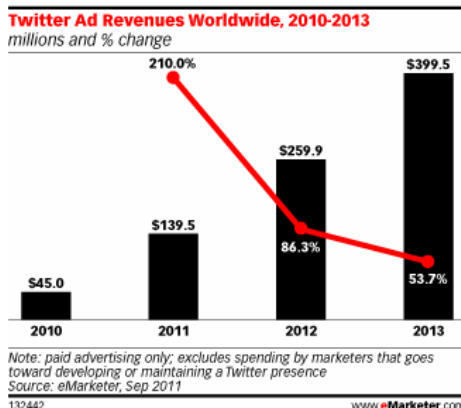
Twitter expects to release a product focused on political tweeting towards the end of 2011 to coincide with political season.

Twitter's revenues are projected to grow significantly once its group of promoted products becomes fully operational. Reports estimate that Twitter will reach over \$300 million in revenue in 2012 and over \$500 million by 2013. Twitter's revenue models are based on new service offerings and as such remain nascent at scale. However, we believe that growing acceptance of Twitter's advertising offerings will drive significant growth and scale. Various estimates suggest that the cost of lead acquisition on the Twitter platform is as low as 14 cents per lead driving significant ROI for marketers.

Scale

Twitter is accessible to billions of users because the service does not require a user to have a PC or smartphone. With the global population gaining access to mobile devices, Twitter has the ability to leverage its convenience to gain new users of mobile devices. Twitter has continued to grow its registered user base on a quarterly basis and has no signs of slowing down. Twitter is ranked as one of the ten-most-visited websites worldwide according to Alexa's web traffic analysis. Twitter's CEO, Dick Costolo, announced that the company has 100 million active users, 400 million monthly unique visitors, 230 million tweets are sent per day, and 3 million websites have the Tweet button of their sites. Additionally, the company estimates that it drives 100 million clicks to websites per month. Twitter is on track to add as many active users in the next 4 months as it added in 2006, 2007, 2008 and 2009 combined.

Twitter also moved up to the second-highest social networking site of unique visitors according to Compete.com.

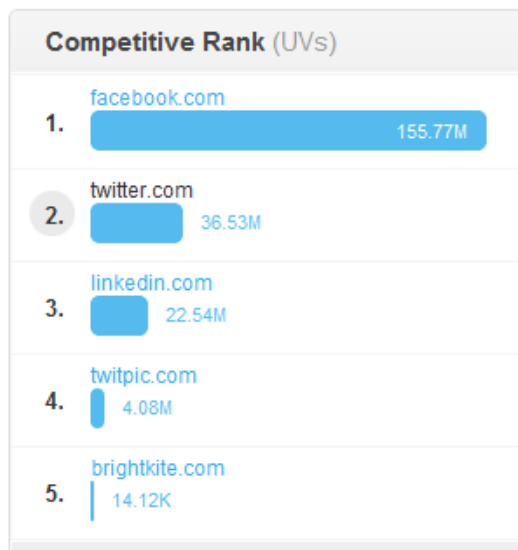


Twitter Ad Revenues Worldwide, US vs. Non-US, 2010-2013
millions and % of total

	2010	2011	2012	2013
US	\$44.1	\$133.9	\$233.9	\$351.6
% of worldwide total	98%	96%	90%	88%
Non-US	\$0.9	\$5.6	\$26.0	\$47.9
% of worldwide total	2%	4%	10%	12%
Worldwide	\$45.0	\$139.5	\$259.9	\$399.5

Note: paid advertising only; excludes spending by marketers that goes toward developing or maintaining a Twitter presence
 Source: eMarketer, Sep 2011

132443 www.eMarketer.com



Management Team

Dick Costolo | CEO

- Dick is the current CEO of Twitter and also invested in the company back in 2007. Before Twitter, Dick was the founder of Feedburner, a media distribution and audience engagement service. Feedburner was later acquired by Google in 2007.

Evan Williams | Co-Founder and Product Strategy

- Evan Williams is one of the co-founders of Twitter along with Biz Stone and Jack Dorsey. He was CEO of Twitter before stepping down in October 2010. Before Twitter, Evan co-founded Pyraa Labs to make project management software. He also co-founded Odeo in October 2004.

Biz Stone | Co-Founder and Creative Director

- Biz is one of the co-founders of Twitter and is currently focusing on creative designs for the social networking service. In 2003, Biz was invited to join Google at a recently acquired company called Blogger.com. Biz helped re-launch the service and significantly grow Blogger worldwide.







Ali Rowghani | Chief Financial Officer

- Ali was hired as Twitter's first CFO. Before Twitter, Ali was finance chief and senior VP of strategic planning at Walt Disney Co.'s Pixar animation unit.

Greg Pass | Chief Technology Officer

- Greg is the current CTO of Twitter and was previously the VP of engineering. Before Twitter, Greg was the CTO and co-founder of Summize, which was later acquired by Twitter in July 2008. Greg also co-founded and was the CTO of ToFish.

Investors And Valuation

Firm	Board Member	# Shares	Unit Share Price	Investment Amount	Valuation Est.	Date	Notes
	Marc Andreessen Dick Costolo Naval Ravikant Ron Conway Chris Sacca Greg Yaitanes Brian Pokorny	49.32 Million	\$0.11	\$5 Million		July 2007	Series A financing from VC firms and individual investors
	Kevin Rose Timothy Ferriss	62.93 Million	\$0.34	\$15 Million		May 2008	Series B financing, added Bijan Sabet to the board
	Peter Fenton	50.98 Million	\$0.72	\$35 Million +	\$250 Million	Februar y 2009	Series C financing, Peter Fenton from Benchmark joined the board
		38.43 Million	\$2.66	\$100 Million		Septem ber 2009	Series D financing
		N/A	N/A	\$5.2 Million		January 2010	Series E financing
	Mike McCue and David Rosenblatt	26.20 Million	\$7.63	\$200 Million	\$3.7 Billion	Decemb er 2010	Series F financing and added two board members, Mike McCue and David Rosenblatt
		N/A	N/A	\$400 Million	\$8 Billion	August 2011	Series G financing from DST

Board Of Directors

Jack Dorsey – Co-founder and Chairman

David Rosenblatt – Group Commerce Chairman

Mike McCue – Co-founder and Chairman of Flipboard

Ronald Conway – SV Angel Founder

Peter Fenton – General Partner at Benchmark Capital

Management Equity/Commitment

Current CEO Dick Costolo was part of the \$5 million Series A financing for the company on July 2007. Costolo's exact portion of the investment is unknown.

Selected Acquisitions And M&A Risk Assessment

Twitter has been targeting small, local acquisitions to expand their core assets and improve monetization efforts through advertising.

September 2011 – **Julpan** – Analyzing social information

August 2011 – **Bagcheck** – Sharing and discovery platform

July 2011 – **BackType** – Marketing intelligence platform

May 2011 – **AdGrok** – Automates the process of advertising

May 2011 – **TweetDeck** – Adobe Air desktop application. \$40 Million.

December 2010 – **Fluther** – Free Q&A collective web

June 2010 – **Smallthought Systems** – Web-based database application

June 2010 – **Dabble DB** – Database application development

April 2010 – **Cloudhopper** – Mobile messaging technology

April 2010 – **Atebits** – Software development

December 2009 – **Mixer Labs** – Location engine for developers. \$5.2 Million.

November 2008 – **Values of n** – Social software design

July 2008 – **Summize** – Online review search

Acquisition/Partnership/Investment/Integration Opportunities

Twitter has the opportunity to substantially expand with acquisitions and business development partnerships. Additional acquisitions could add customers, technology, product development and management teams. Twitter recently acquired TweetDeck, the most popular third party client to access Twitter. TweetDeck's application allows users to organize their social media profiles on a single platform. In addition to acquisitions, Twitter should continue to develop strategic partnerships to expand their Tweet views on web sites. In 2009, Twitter partnered with Microsoft and Google to allow tweets to show up in Bing and Google search results. Twitter also announced its integration into Apple's iOS5 to increase user engagement levels on Apple's mobile devices. As the smartphone market continues to grow, Twitter is well-positioned to capitalize on this opportunity by establishing deeper integration tools and functions for mobile operating systems. Twitter should also look to develop a partnership with an online music service like Spotify or Pandora, so users can share what song they are currently listening to by way of tweets.

The number of advertisers on Twitter has increased by 600% since 2010. Twitter is positioned to grow significantly through partnerships as businesses look to advertise their brands with Twitter’s platform. Twitter announced that their partnership with Paramount Pictures to launch the trailer for their film “Super 8” helped sell 1 million sneak peek tickets and exceed box office expectations by more than 50%. Another example of a successful advertising partnership was with fashion line Burberry who launched a fashion show on Twitter, and experienced 14% higher engagement and 10x boost in brand mentions.

Product/Technology/Platform

Twitter is a social network that revolves around the principle of tweets and followers. Users can follow another Twitter user and view their tweets in reverse chronological order. Users can also assemble messages together by topic or type of use with hashtags ‘#’. Twitter also allows users to mention or reply to other users with the ‘@’ sign followed by the username. To report a message from another Twitter user and share with one’s followers, the user can re-tweet the message with the symbol ‘RT’. Users can tweet via the website, smartphone, or by short message service.

Twitter is built on open-source software for developers to create applications, websites, widgets and other projects that interact with Twitter. Twitter’s API integration allows developers to leverage Twitter’s robust features to create new applications. Businesses can easily add Twitter functionality like the Tweet Button or Follow Button to increase customer reach.

Twitter’s integrated photo-sharing service enables users to upload a photo and attach it to a tweet. Users can also add pictures to Twitter’s search by adding hashtags to the tweet.

Twitter also added an automatic link-shortening feature to tweets. Any link that is pasted in a tweet is converted to a shortened URL.

SWOT Analysis

Strengths

- Effective sole, “monopoly” player in the “tweet” space
- Sophisticated management team with depth of knowledge of the market
- Very strong growing customer and merchant base
- Brand name recognition
- Efficient and cost effective marketing tool
- Accessible to a larger population
- Low overhead expenditures

Weaknesses

- Untested long-term revenue model
- Product is still in experimental phase
- Low retention rate
- 90% of tweets are generated from the top 10% of users

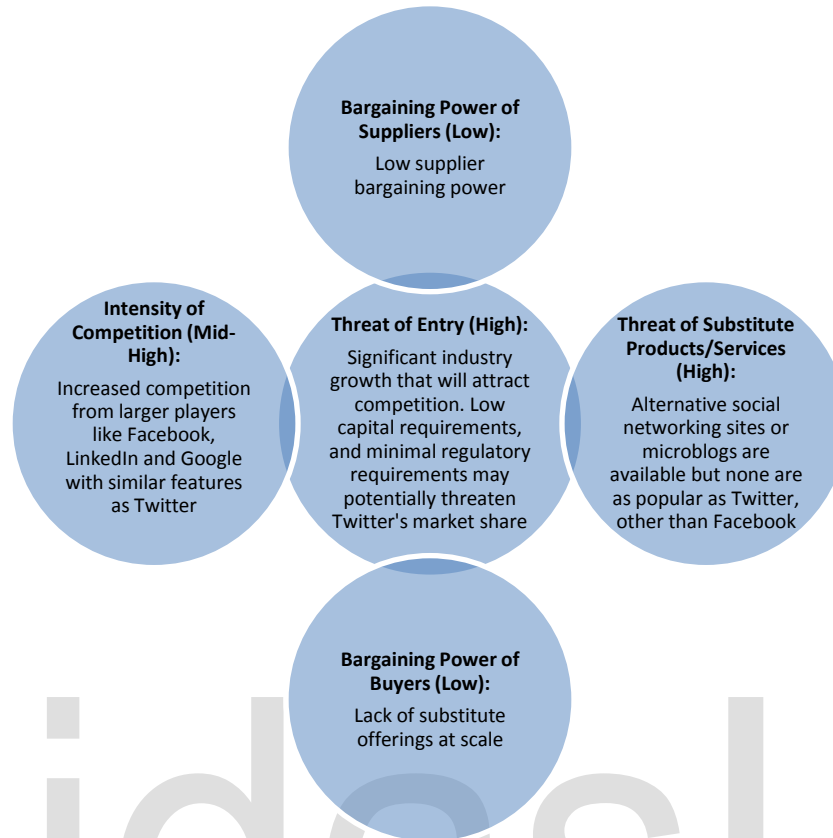
Opportunities

- Integration with mobile devices and operating systems to increase user engagement
- Development of new revenue models and further validation of existing revenues models at scale
- Capitalizing on existing revenue sources through effective use of data for targeting ads at the right audience
- Become the most effective way for many businesses to communicate with customers

Threats

- Competition from larger social networking sites like Google, Facebook and LinkedIn
- Revenue generation options may alienate some of its user base
- Competitive pressure on profit margins
- Charges or fees from mobile carriers for Twitter or its users

Competitive Analysis



Industry Growth

According to several analyst estimates the social networking market has seen strong growth due to growing interest among users across all demographics and advancements in technology. U.S. marketers will spend \$3.08 billion to advertise on social networking sites this year, according to eMarketer data published in January. Spending will be up 55% on top of the \$1.99 billion advertisers devoted to social networks in 2010 and will grow another 27.7% next year to reach nearly \$4 billion. Niche social networking services helped drive up the number of users in the consumer social networking market. Examples of niche social networking sites include photography, sports, videos, blogging and more. Additionally, the mobile social networking market has seen strong growth due to the rapid growth of the smartphone market, and advancements in mobile hardware and high speed mobile internet.

The enterprise social networking market has begun to pick up momentum. Many vendors are focusing on developing platforms that are capable of integrating with other popular enterprise platforms. "Enterprise social networking vendors are also providing external facing solutions that enable a business to offer their customers an online outlet to discuss and interact with other customers through the web."

Selected Competitors

Facebook is the largest social networking service with over 750 million users. Facebook helps people and companies communicate, understand, engage and/or transact more efficiently and effectively with friends, family, coworkers, employees, customers and targets. User can create a personal profile, integrate with third party technology applications, develop business and consumer technology solutions, add

other users as “friends”, exchange messages and engage in certain “social” activities. According to Quantcast, Facebook has 138.9 million monthly unique U.S. visitors and an estimated 41.6% of the U.S. population has a Facebook account.



MySpace is one of the world’s largest social networks with an estimated 125 million users. MySpace lets users customize their pages and supports integration with widgets such as Slide or YouTube. In June 2005, MySpace was acquired by News Corporation for \$580 million and at the time had 20 million registered users. During 2007 and 2008, MySpace went through numerous redesigns as the company struggled to keep up with rival Facebook. In June 2011, MySpace was acquired by Specific Media for approximately \$35 million.



Based in San Francisco, California Bebo launched in 2005 and has steadily risen to become one of the world’s most popular social networking sites. Bebo is officially the largest social networking site in the UK, Ireland, and New Zealand and has over 117 million registered users and 7 billion monthly page views. Bebo was acquired by AOL in March 2008 for \$850 million before being purchased by Criterion Capital Partners in June 2010.



RenRen Inc. (RenRen), formerly Oak Pacific Interactive, is a social networking Internet platform in China. RenRen generates revenues from online advertising and Internet value-added services (IVAS). The Company’s platform enables its users to connect and communicate with each other, share information and user-generated content, play online games, listen to music, shop for deals and a range of other services. Its platform includes: Renren.com, Game.renren.com, Nuomi.com and Jingwei.com. The Company is also a developer and operator of Web-based games and offers the games through game.renren.com. Renren.com is the Company’s primary social networking Website in China. Game.renren.com is its online games center. Nuomi.com is Renren’s social commerce sites in China. Nuomi.com is an independent new business of Oak Pacific Interactive Co. (OPI) that offers a daily deal on the local services and cultural events



Qzone (Chinese: QQ空间) is a social networking website, which was created by Tencent in 2005. It permits users to write blogs, keep diaries, send photos, and listen to music. Users can set their Qzone background and select accessories based on their preferences so that every Qzone is customized to the individual member's taste. However, most Qzone services are not free; only after buying the "Canary Diamond" can users access every service without paying extra. A mobile version is available at extra cost.

As of January 31, 2009, Qzone had more than 200 million users, according to a report published by Tencent, possibly surpassing other social networking websites like Facebook and MySpace. Qzone is rapidly growing: as of March 2011, it already had 480 million users.

Long Term Preliminary Valuation Thoughts And Valuation Comparables

Deep valuation thoughts/cash flow models and analysis are available to MidasLP registered accredited investors. Please fill out our accredited investor form at investors.midaslp.com to access deep insights and information.

Twitter's Comparable Company Analysis

Company	Ticker	Price (11.01.11)	Shares Outstanding (In Millions)	Market Valuation (In Millions)		Earnings Per Share			Forward P/E		
				Equity Value	Enterprise Value	2011	2012	2013	2011	2012	2013
Vocus (PRweb)	VOCS	\$20.01	20.83	\$416.81	\$310.41	\$0.79	\$0.89	NA	25.33x	22.48x	NA
Pandora	P	\$14.47	161.26	\$2,333.43	\$2,333.43	NA	(\$0.06)	(\$0.01)	NA	NA	NA
LinkedIn	LNKD	\$88.90	96.27	\$8,558.40	\$8,205.55	\$0.02	\$0.30	NA	4445.00x	296.33x	NA
Google	GOOG	\$578.65	323.89	\$187,418.95	\$185,201.95	\$36.86	\$43.91	NA	15.70x	13.18x	NA
Mean		\$175.51	\$150.56	\$49,681.90	\$49,012.84	\$12.56	\$11.26	NA	1495.34x	110.66x	NA
Median		\$54.46	\$128.77	\$5,445.92	\$5,269.49	\$0.79	\$0.60	NA	25.33x	22.48x	NA

Company	Financial Statistics (In Millions)					
	LTM Sales	LTM Gross Profit	LTM Operating Income	LTM Depreciation/Amortization	LTM EBITDA	LTM Net Income
Vocus	\$106.18	\$85.66	(\$6.14)		\$2.50	(\$3.64)
Pandora	\$203.34	\$186.85	(\$3.66)		\$0.00	(\$3.66)
LinkedIn	\$413.36	\$341.65	\$27.58		\$33.37	\$60.95
Google	\$44,337.00	\$28,970.00	\$13,513.00		\$0.00	\$13,513.00
Mean	\$11,264.97	\$7,396.04	\$3,382.70		\$8.97	\$3,391.66
Median	\$308.35	\$264.25	\$11.96		\$1.25	\$28.66

Company	Financial Statistics		LTM Profitability Margins			Enterprise Value	
	LTM EPS	LTM PE	Gross Profit	EBITDA	Net Income	LTM Sales	LTM EBITDA
Vocus	(\$0.19)	NA	80.67%	-3.43%	-3.54%	2.92x	NA
Pandora	(\$0.13)	NA	91.89%	-1.80%	-4.41%	11.48x	NA
LinkedIn	\$0.08	1111.25x	82.65%	14.75%	4.88%	19.85x	134.63x
Google	\$37.20	15.56x	65.34%	30.48%	25.65%	4.18x	13.71x
Mean	\$9.24	563.40x	80.14%	10.00%	5.65%	9.61x	74.17x
Median	(\$0.03)	563.40x	81.66%	6.47%	0.67%	7.83x	74.17x

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Market Capitalization/Sales

Company	Ref.	Market Valuation (In Millions)		
		Market Capitalization	LTM Sales	Market Capitalization/Sales
Twitter	1	\$8,000.00	\$45.00	177.78x
Facebook	2	\$50,000.00	\$1,860.00	26.88x
Zynga	3	\$10,000.00	\$888.47	11.26x
Groupon	4	\$4,750.00	\$1,290	3.68x
eBay	5	\$39,393.14	\$13,312.60	2.96x
Amazon	6	\$93,629.48	\$43,594.00	2.15x
LinkedIn	7	\$8,205.55	\$413.36	19.85x
Mean		\$30,568.31	\$8,771.92	34.94x
Median		\$10,000.00	\$1,290.00	11.26x

Ref.

- (1) Twitter's Enterprise Value is based off last direct financing round. Twitter's sales are based off eMarketer's revenue estimates for 2010
- (2) Facebook's Enterprise Value is based off last direct financing round. Facebook's sales are based off eMarketer's revenue estimates for 2010
- (3) Zynga's Enterprise Value is based off last direct financing round. Zynga's LTM Sales are based off its
- (4) Groupon's Enterprise Value is based off last direct financing round. Groupon's LTM Sales are based off its S-1 filing
- (5) Source: eBay's 10-Q filing on 10/21/2011
- (6) Source: Amazon's 10-Q filing on 10/26/2011
- (7) Source: LinkedIn's 10-Q filing on 8/9/2011

Profitability Margins

	Ref.	LTM Financial Statistics (In Millions)			LTM Profitability Margins		
		LTM Gross Profit	LTM Operating Profit	LTM Net Income	Gross Profit	Operating Profit	Net Income
Zynga	1	\$641.22	\$154.95	\$88.36	72%	17%	10%
Groupon	2	\$1,103.00	(\$554.54)	(\$527.71)	86%	-43%	-41%
eBay	3	\$9,455.40	\$2,775.24	\$2,284.83	71%	21%	17%
Amazon	4	\$9,819.00	\$1,076.00	\$871.00	23%	2%	2%
LinkedIn	5	\$341.65	\$27.58	\$20.16	83%	7%	5%
Mean		\$4,272.05	\$695.85	\$547.33	67%	1%	-1%
Median		\$1,103.00	\$154.95	\$88.36	72%	7%	5%

Ref.

(1) Source: Zynga's Amended S-1 filing on 10/13/2011

(2) Source: Groupon's Amended S-1 filing on 11/1/2011

(3) Source: eBay's 10-Q filing on 10/21/2011

(4) Source: Amazon's 10-Q filing on 10/26/2011

(5) Source: LinkedIn's 10-Q filing on 8/9/2011

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MidasLP Valuation Analysis Social Media Cross Segment Leaders (Preliminary Draft Estimates)

	Users	LTM or available	Valuation (Recent)		Source: www.MidasLP.com			Ref.
		Est. Revenues	Non-Sec.	Round Or Filing	Revenues/User	Value/User	Revenues Multiple	
Facebook	750 m	\$3,000 m	\$50,000 m	\$4.00	\$66.67	17 x	1-3	
Twitter	200 m	\$150 m	\$8,400 m	\$0.75	\$42.00	56 x	4-6	
Skype	663 m	\$860 m	\$8,500 m	\$1.30	\$12.82	10 x	7-9	
Zynga	232 m	\$839 m	\$17,500 m	\$3.62	\$75.43	21 x	10-12	
LinkedIn	120 m	\$400 m	\$7,500 m	\$3.33	\$62.50	19 x	13	
GroupON	116 m	\$2,500 m	\$25,000 m	\$21.55	\$215.52	10 x	14-15	
LivingSocial	43 m	\$1,000 m	\$2,900 m	\$23.26	\$67.44	3 x	16-17	
Yelp	20 m	\$57 m	\$500 m	\$2.85	\$25.00	9 x	18-19	
Gilt Groupe	3.5 m	\$500 m	\$1,000 m	\$142.86	\$285.71	2 x	20-21	

Ref.

(1) Facebook Users - Source Facebook Website

(2) Facebook 2010 revenues - Source - Womack, Brian (December 16, 2010). "Facebook 2010 Sales Said Likely to Reach \$2 Billion Retrieved January 5, 2011.

MidasLP Facebook revenue estimate is average of 2010 and 2011 estimated revenues

(2b) Facebook 2011 revenues - eMarketer - http://www.emarketer.com/Reports/All/Emarketer_2000757.aspx

(3) Facebook valuation from Goldman Sachs/DST purchase from Facebook of class A stock

(4) Twitter Revenues - Wired - <http://www.wired.com/epicenter/2011/01/twitter-revenues/>

(5) Twitter Valuation - <http://allthingsd.com/20110801/twitter-confirms-funding-with-dst/> 12/10 received \$200 m from KPCb at \$3.7 b value

(6) Twitter number of users, Media Bistro. - http://www.mediabistro.com/alltwitter/how-many-twitter-users_b13110 also -

<http://socialmediatoday.com/imckeevocaniccom/282916/how-many-users-does-twitter-really-have>

(7) Skype number of users - SEC filing - <http://www.sec.gov/Archives/edgar/data/1498209/000119312511056174/ds1a.htm>

(8) Skype revenues - SEC filing - <http://www.sec.gov/Archives/edgar/data/1498209/000119312511056174/ds1a.htm>

(9) Skype valuation: Microsoft agreed to acquire Skype for \$8.5b. Skype has approx 10% active user base ie. less than stated # of users

(10) Zynga - Users - SEC Filing - <http://www.sec.gov/Archives/edgar/data/1439404/000119312511219334/ds1a.htm>

(11) Zynga Valuation, CNBC, http://www.cnbc.com/id/43564083/Zynga_IPO_Implies_a_15_20_Billion_Valuation

(12) Zynga revenues - WSJ et al, utilizes a non-GAAP measure that is accepted but non-GAAP see -

<http://www.businessinsider.com/chart-of-the-day-zynga-revenue-net-income-2011-7>

(13) LinkedIn users, revenues and valuation are all public information (NYSE:LNKD)

(14) GroupOn Revenues And Users Estimates, SEC + MidasLP, <http://www.sec.gov/Archives/edgar/data/1490281/000104746911007178/a2204399zs-1a.htm>

MidasLP 12 month revenues estimate based on 6 months ending June 2011 revenues of \$1.5 billion.

(15) GroupOn Valuation Estimates, Reuters, - <http://www.reuters.com/article/2011/08/12/us-groupon-valuation-idUKTRE77B5QL20110812>

(16) LivingSocial Financials and Valuation - <http://techcrunch.com/2011/04/15/livingsocial-financials-exposed-2-9-billion-valuation-50-million-in-revenue-per-mor>

(17) LivingSocial Users - <http://livingsocial.com/bythenumbers>

(18) Yelp Revenue and Valuation - <http://www.businessinsider.com/yelp-ipo-2010-10>

(19) Yelp number of reviews - <http://www.yelp.com/about>

(20) Gilt Groupe Revenue and Valuation - <http://online.wsj.com/article/SB10001424052748703730804576313330486181732.html>

(21) Gilt Groupe Members - <http://www.gilt.com/press>

Source - www.MidasLP.com

MidasLP Accredited Investor Form

PLEASE FILL OUT THE ATTACHED SUITABILITY FORM IF YOU ARE INTERESTED IN:

- (1) More detailed access to our research offerings
- (2) Current or future investment opportunities in our funds; or
- (3) Gaining access to our public due diligence data room (this contains a sample of our detailed analysis including collected data from third parties on companies that we may invest in or target as well as investment reports)

You can also fill out this form online at investors.midaslp.com. Otherwise you can email it to investors@midaslp.com. You may fax it to (202) 478-2809 attention "Midas Investor Relations." You may also mail this form to 2751 Hennepin Avenue South, Suite 30, Minneapolis, MN 55408.

Name _____

Address _____

City _____ State _____ Zip _____ Country _____

Do one or more of the following apply to you? Please click the check box if applicable.

- You are a natural person whose individual, net worth or joint net worth with your spouse exceeds \$1,000,000.
- You are a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with your spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same level in the current year.
- The investor is a bank as defined in Section 3(a)(2) of the Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that act; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Administration Act of 1958; any plan established and maintained by a state, its political subdivisions or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; employee benefit plan within the meaning of the Employee Retirement Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with decisions made solely by accredited investors.
- The investor is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
- The investor is an organization described in Section 501(c)(3) of the Internal Revenue Code or a corporation, a Massachusetts or similar business trust, or partnership) not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.
- The investor is an entity in which all of the equity owners are Accredited Investors.
- The investor is a trust with total assets in excess of \$5,000,000, not formed the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in rule 506(b)(2)(ii) of the Act.

Signature _____

Date _____

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DISCLOSURES

Midas, LP may from time to time take positions in securities issued by companies that are mentioned in its research or strategic reports including this report.

CAUTION CONCERNING FORWARD LOOKING STATEMENTS

The information in this document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often include words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes" and words and terms of similar substance in connection with discussions of future operating or financial performance. Examples of forward-looking statements include, but are not limited to statements regarding the investment plans and expected performance of Midas.

Our forward-looking statements are based on our current expectations and assumptions regarding our business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. As with any projection or forecast, they are inherently susceptible to uncertainty, error and changes in circumstances. Our actual results may vary materially from those expressed or implied in these forward-looking statements. Important factors that could cause our actual results to differ materially from those in our forward-looking statements include but are not limited to government regulation, economic, strategic, political and social conditions and the following factors: our ability to deal effectively with an economic slowdown or other economic or market difficulty; decreased liquidity in the capital markets, changes in tax or monetary policy and changes in stock and capital markets performance and outlook. It is not our intention now or at any other time to update or correct any errors or any other information in this document.

MidasLP

MidasLP invests in the world's best pre-IPO companies. For us, the best companies have high gross and/or net margins, an enormous number of customers (often > 1 million customers or users), significant global growth prospects and limited competition. Some of the companies that we invest in have more customers or users than the populations of countries like the United States, United Kingdom or Switzerland. In general, we target private companies that are vastly superior to many public companies.