



Timbuktu

Short Project Description: Timbuktu is the first iPad magazine for children. It combines imagination and technology to display news and stories through the most advanced methods of education. The interactive design is simple and clear, with full focus on content. The graphic style is brave and solid, with no distracting glitz. It is based on HTML5 open web standards and it has been developed in collaboration with leading illustrators and designers from Milan, Berlin, San Francisco, Barcelona, Lisbon and New Delhi. The first issue was launched on the App Store on April 4th and after 48 hours was already featured on Mashable, Wired, Wieden and Kennedy and many other news outlets around the world. It was awarded the 2010 Working Capital Prize by Telecom Italia.

One-Line Pitch: Timbuktu is the first iPad magazine specifically designed for children.

Business Summary: Timbuktu combines imagination and technology to foster creativity and care through the most advanced methods of education. It gets over the distinction between education and entertainment developing a new interactive experience for both parents and children and it helps businesses and institutions moving children and education forward through contextual interactive advertising campaigns.

Customer Problem: 1. The digital publishing market is missing a magazine designed for children. 2. Children apps are always divided in two categories: education or entertainment. This distinction is too rigid and reflects an old attitude towards children and children related products. 3. Children apps are still missing the visual quality of print editorial products for children. 4. Children apps usually focus on technological effects rather than content.

Products and Services: 1. Timbuktu is the first iPad magazine for children. 2. Timbuktu gets over the distinction between gaming and education defining a new fun and informative interactive experience where everyday news is the core of the content. 3. Timbuktu combines visual stunning content and intuitive interaction design. 4. Timbuktu uses an interactive style that is simple and clear, with full focus on content.

Target Market: 1. 20million iPads will be sold by the end of 2011 only in the US: more than 80% share of US consumer tablet market (Forrester Research) 2. By 2015 there will be 82 million iPads only in the US (Forrester Research) 3. Beyond iPad, by 2015 50% of computers used by people under 15 will be touchscreen (Gartner Research). That is more than 30 millions touch screen computers owned by under 15.

Sales & Marketing Strategy: The first issue of Timbuktu was released on the App Store in April 2011. It got 10.000 downloads in a month. We reach our customers through tribal marketing campaigns on Facebook and Twitter. Our true customers are those already active in the thousands of communities and blogs related to the world of children, education and design. They can subscribe to the magazine or purchase a single issue.

Business Model: The key drivers of Timbuktu business development are subscription and advertising. The conditions for growth are mainly related to the increasing adoption rate of the iPad and of touch screen computers. The main initial revenue stream will come from downloads and subscriptions. In the long term advertising will become the main revenue stream.

Competitors: There are no direct competitors at the moment in the field of iPad only children magazines. The only similar competitor is Anorak magazine, which is a print magazine with an iPad edition. The market demand is looking at us because Timbuktu is built around a unique approach to children, education and technology and it's in a first mover status. Together with the quality of the product, this is why we got such a great attention from the media.

Competitive Advantage: Timbuktu is in a first mover status: there are no other iPad children magazines. The other main barrier to entry is our team and collaborators, that comprehend some of the most prominent young designers, writers, photographers and illustrators working on communication projects for children all over the world (Milan, Berlin, San Francisco,

Company Profile

City: Montevarchi
State/Province:
Country: ITALY
URL: www.timbuktu.me
Industry: ICT
Sector: Media, content & Information
Subsector:
Founded in: 2012

Contact

Name: Elena
Surname: Favilli
Job Title:
Email:
Phone: 333 23 53 586
Mobile:

Financial Information

Company Stage: Full product ready
Previous Capital: 20.000
Pre-Money Valuation: 3.000.000
Capital Seeking: 300.000
Monthly Net Burn:



Barcelona, Lisbon, New Delhi).

Management Team: Elena Favilli, CEO has worked in the field of publishing on an international scale: Mc Sweeney's, RAI Corporation, Il Post, Repubblica, Colors Magazine. Francesca Cavallo, CD, is a prizewinner playwright, director and K-12 educator with a deep knowledge of the most relevant education methods developed in the last century. Antonella Cavallo, COO, has 5+ years experience as a Project Manager in US, Australia, Germany and France and an MA at KIT.

Advisory Board: Alessandro Santo - Advisor of DSeed fund for Dpixel Michele Giriberti – Digital Manager De Agostini Ruggero Poi – Educational Manager at Città dell'arte – Fondazione Pistoletto Maurizio Belluati - Project Manager - Telecom Italia Lorenzo Grandi - Social Media Strategist at Mikamai

Type Financing Round: Angel round

Method Valuation Calculation: We started with a Telecom Working Capital fund of 20.000 euro and we realized the first issue of Timbuktu. Without any investment on marketing and advertising, Timbuktu reached 10.000 downloads in the first month and was featured on the most important news outlets in the field of education, technology and design (i.e Mashable and Wired). We've been asked by DeAgostini, Harper and Collins, ISBN, Città dell'Arte and Universe Awareness to collaborate

Revenue Model: The revenue model of Timbuktu is based on a combination of incomes from distribution of the magazine and advertising. We make the ads we host in the magazine and sell them to the companies as well as the space in our publication, so they can use those commercials in other iPad magazines. Payments are processed directly through the App Store regarding the distribution, in the second case and third case payments are invoiced to Timbuktu.

Break-Even Analysis: Timbuktu will cost to the public 1,99 euros and, with a proper investment in marketing and advertising (plus the consolidation of the brand) we estimate reaching 40.000 downloads per issue within the first year. We estimated an average of 12.000,00 Euros per issue coming from advertising, thus reaching our break even point after twelve months of activity, with our fourth issue.

Previous Investments: We were granted a 20.000 euro fund from Telecom Italia after winning Working Capital in June 2010.

Use of Funds: 1. Eight issues of Timbuktu (Art direction, Interaction Design, Content development, Programming, Communication and marketing) 2. Website 3. Technical equipment 4. Patents

Past Significant Milestones: We have reached more than 10.000 downloads within the first month without any advertising campaign. We have been featured on Mashable two days after the app was published and then on Wired, Grain Edit, Swiss Miss, Domus, Internazionale, PBS Media Shift, Widon+Kennedy and many others. We have been contacted by DeAgostini, Harper Collins, ISBN, Città dell'Arte and Universe Awareness to collaborate on the development of digital products for kids.

Exit Strategy: At the end of our third year of activity (2014) we plan to reach 300.000 downloads per issue and we estimate the value of our business to grow up to 10.000.000 Euros. At this stage likely acquirers could be companies such as: PBS Kids, DeA Kids, Harper and Collins. A venture round investment to publish the magazine (and eventually other digital publishing products for kids) in other countries is also a possibility.

Comparable Exit Markets: Japanese social gaming firm DeNA recently acquired the iPhone publisher ngmoco for 400million dollars.

Value Proposition: As shown in our exit strategy, the angel round investment requested would will increase of 300% in three years.

Resources Beyond Capital: Social media guru with kids publishing expertise Advertising Sales manager with kids publishing expertise

Additional Information:

Timbuktu	Financials* (EUR)	NaN		NaN	NaN	NaN	NaN
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Piazza Vittorio Veneto 9 Montevarchi , 52025 ITALY	Revenues		190000	475.040	1.425.000	4.530.000	8.200.000
	Expenditures		140.000	180.000	300.000	600.000	750.000
	Net		50.000	295.040	1.125.000	3.930.000	7.450.000

* In thousands (000) in EUR