

Onstream Media Primed for TV/IPTV Convergence

BY JASON KLEINMANN

As the web is used more as a medium for video, we're seeing a seismic shift at the forefront of personal entertainment, business communications, and marketing. Some of the tens of billions of ad dollars typically spent on traditional television are moving into Internet TV ads, and the melding of the two most powerful mediums of our time will be paramount.

Onstream Media Corp. (NASDAQ: ONSM), a pioneer of digital communications and Internet television, is at the forefront of this growth opportunity. Its set of live and on-demand digital media communications tools provide organizations with everything they need to capitalize on the benefits of using Internet video throughout the enterprise.

From small organizations to some of the biggest names in business, Onstream serves clients around the world, providing a range of digital media services, including webcasting, web conferencing, hosting, streaming, publishing, and distribution. "Our current customer base features over half of the Fortune 1000," says Onstream CEO Randy Selman. "For example, we're one of the video solution providers for eBay, in addition to providing various collaboration and media transport services for TV, motion picture, and recording industry producers. And nearly all of the presidential candidates used our services to broadcast their speeches online during the recent campaigns."

Onstream's stock had a dramatic run-up in 2006, going as high as \$3.50, but has since come back down. During 2007 and 2008, Selman recognized that the only way for Onstream Media to fully realize its potential was through continued positive developments in the business. "Over the past year, we've worked hard to put those in place, accounting for nearly 50% growth through both acquisitions and organically in the past year, which is a pretty good start," Selman says. "And now we have the technology and personnel in place to continue to grow the revenues organically in 2009. So despite what happens in the micro or macro market, Onstream Media is going to stand out."

Onstream Media's fully integrated, turnkey solutions fall into two primary categories: digital media services and corporate communications. The company's digital media services platform, or DMSP, lets organizations monetize and distribute their media content. It provides a complete set of enabling technologies to allow customers to easily manage all their digital media assets.

DMSP services include ingestion, encoding, indexing, archiving, hosting, publishing, ad insertion, streaming live and on demand video, Internet television, and IPTV. "Our pending acquisition of **Narrowstep Inc. (OTCBB: NRWS)**, the 'TV on the Internet Company,' further strengthens our Internet TV value proposition by giving us the unique

ability to acquire, store, manage, process, protect, monetize, and deliver digital broadcast-quality video to TVs, computers, and mobile devices," Selman says.

In addition, Onstream's audio and web conferencing offers a number of solutions to help businesses communicate with employees and stakeholders, as well as broadcast-quality content to consumers. Its webcasting service allows users to broadcast via the Internet live or on demand through audio and/or video transmissions. Its web conferencing services allow businesses to share documents, presentations, and other applications over the web and enjoy rich interaction.

"Infinite Conferencing, our web and audio conferencing subsidiary, and our recent partnership with Copper Conferencing, allows us to target and cross market to a much greater base of potential customers," Selman says.

And, the company's EDNet service enables the high-quality, rapid exchange of audio, compressed video, multimedia data communications, and digital dailies for studios, production, post-production, advertisers, producers, directors, and talent.

Onstream Media also has a number of growth catalysts on the horizon. It won a stake in the U.S. government's Networx Universal project, a 10-year contract worth \$48 billion. "The potential to bring online video to leading web-based auction sites is another significant opportunity," Selman says. "We're already working with online auctioneers to create and upload personalized video advertisements for item listings."

Moreover, Onstream's newly launched iEncode, a self-provisioned, subscription-based webcasting appliance, has substantial potential in the areas of education, corporate training, government, and event marketing.

The ability to index online video and make it searchable like written content presents the company with a green-field opportunity to sell its solutions. It's currently working on developing the industry's first video search engine optimization (V-SEO) solution that will make this possible. This capability has the potential to open the floodgates and attract a significant portion of the ad dollars currently spent on traditional television.

These opportunities—along with the inevitable intersection of the traditional television and emerging Internet television mediums—cast a bright future for Onstream Media. **E**

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