

Oahu Publications Inc.

Hawaii's Largest Media Company

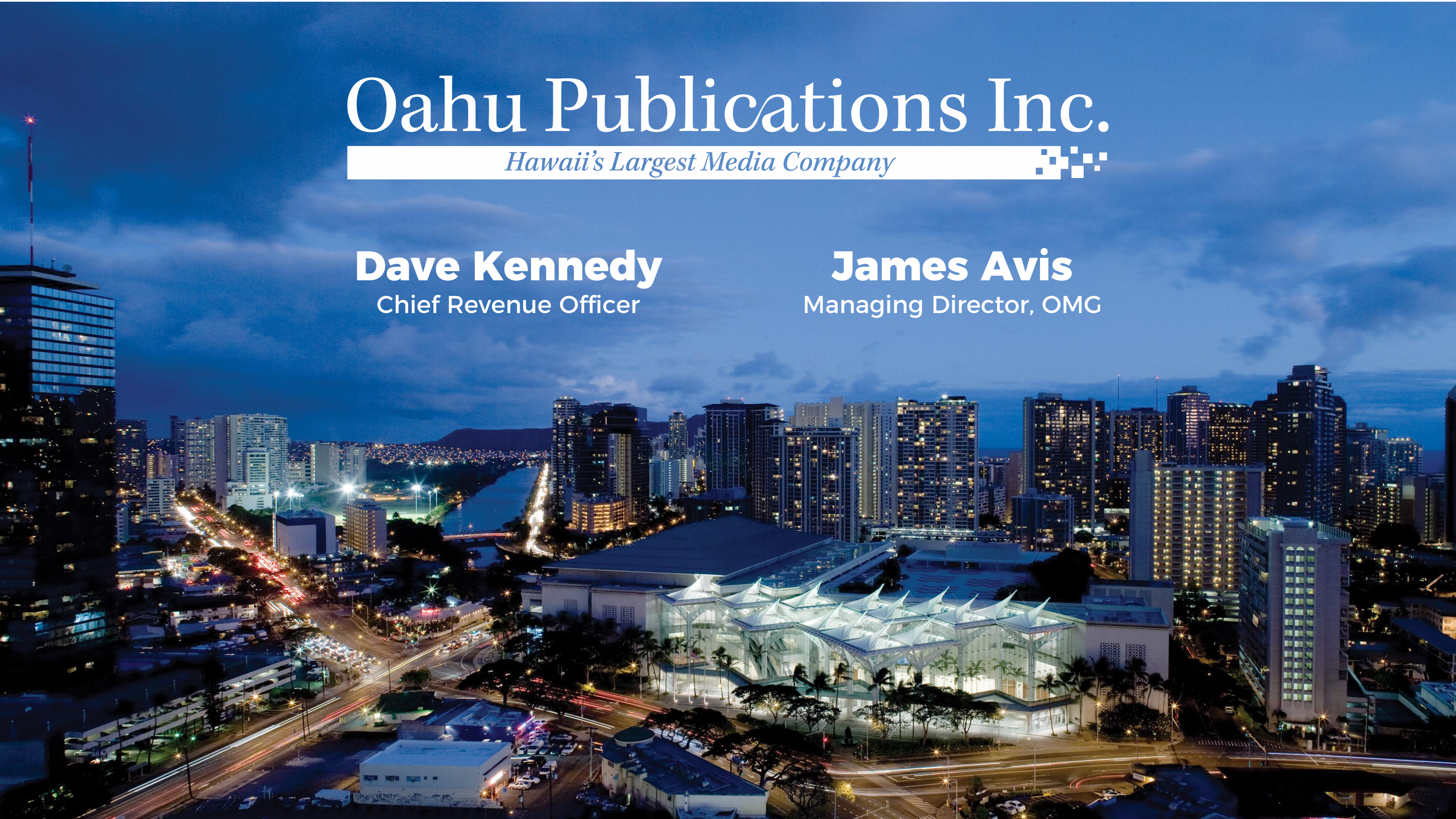


Dave Kennedy

Chief Revenue Officer

James Avis

Managing Director, OMG



THE STAR-ADVERTISER RANKS 11TH IN THE NATION

1. USA Today
2. Wall Street Journal
3. New York Times
4. Los Angeles Times
5. Long Island (NY) Newsday
6. New York Post
7. Dallas Morning News
8. Chicago Tribune
9. Washington Post
10. Tampa Bay Times
11. Honolulu Star-Advertiser
12. New York Daily News
13. Houston Chronicle
14. Minneapolis Star-Tribune
15. Bergen County (NJ) Record

Honolulu Star-Advertiser ranks in the Top 15 Largest U.S. Daily Newspapers

SOURCE: Alliance for Audited Media's (AAM) "Media Intelligence Center." List above represents a Top 15 national ranking of AAM member publications (7 daypaid newspapers) reporting a Monday–Friday combined volume average. Volume averages compiled using AAM's Quarterly Data Report audience measurements, utilizing the Q2 2016 report filed for each member publication listed. *Volume average for "Tampa Bay Times", utilizes AAM's Quarterly Data Report for Q1 2016.

ALoha FRIDAY 9/29/17
Partly sunny. High 89, low 75 >> A18

AS USUAL
2017 JAGUAR XF
JAGUAR HONOLULU at VELOCITY
jaguarhonolulu.com
808.377.4623

AND
BS RIGHT
COOK-FAST-FORWARD

relative forest bird fight for survival
scarlet honeycreepers, are no longer considered a threatened species
LOCAL / B1

Local players feel at home on Washington Whitworth football team
SPORTS / C4

business
Business Report B4
Stocks B6

sports
NFL C3
MLB C7

THE GREAT INDEX TO FUN
FRIDAY 9/22/17
DIAMOND HEAD THEATRE PRESENTS
RAGTIME
★ THE MUSICAL
FOR THE LADIES' GINUWINE, DRU HILL AND
Blue Note
HAWAII
HAWAII'S PREMIER LIVE MUSIC VENUE
SOON

gap
eers

As we move forward, we will be very specific and purposeful in our approach

WEDNESDAY 9/20/17

Star

INSIDE TODAY'S PAPER

Warrior wild cards
UH shuffles the deck, mixing up players' roles
SPORTS / C1

The Army ends its search for wreckage and remains from the crash of a helicopter off Oahu
LOCAL / B1

The end of summer sees solid gains in visitor arrivals and spending
BUSINESS / B4

ART CHANTER

Police Commission selects 7 finalists

By Gordon Y.K. Pang
gordonpang@staradvertiser.com

Seven candidates are now left in the closely watched search for Honolulu's next police chief, a post that's been vacant since the end of February.

The Honolulu Police Commission voted unanimously to trim the list of hopefuls down to seven finalists from a list of nine semifinalists.

The finalists are retired Drug Enforcement Agency Agent Thomas Aiu, current HPD Maj. Susan Ballard, retired HPD Assistant Chief Kevin Lima, retired Pennsylvanian State Police Maj. Mark Lomas, current Arlington (Texas) Police Department Deputy Chief Jim Lowery and retired HPD Deputy Chief Paul Putzulu.

Eliminated were current Kauai Police Chief Darrell Perry and Police Department Commander G. Putzulu.

local
Kokua Line B2
Obituaries B7

views&voices
Our View A16
Your Letters A16

business
Business Report B4
Stocks B6

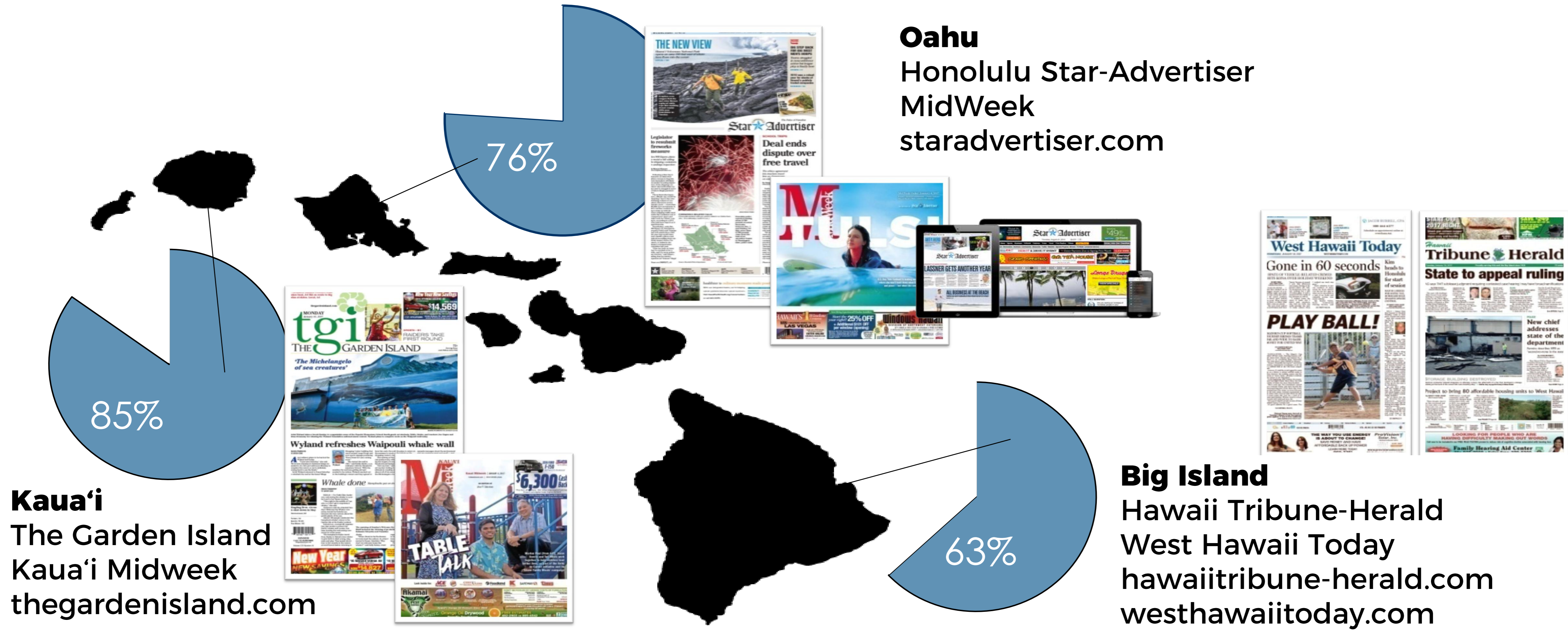
sports
NFL C3
Preps C4

detours
Comics D2-3
Television D4

KAPILI ROOFING & PAINTING
LIC# C-28938
Free Upgrade from Landmark to Landmark Solaris
A \$900 + Value
Select colors only while supplies last
Upgrade is eligible for full re-roofing projects only

Earn up to 40,000 HAWAIIAN Miles
by choosing Kapili Roofing as your next roofing or painting company!
Proud Specialty Partner with Hawaiian Airlines

OAHU PUBLICATIONS: HAWAII'S LARGEST MEDIA



DIVERSIFIED REVENUE STREAMS

Entrepreneurial Spirited Organization

MAGAZINE DIVISION
18 Magazine Titles

OAHU MEDIA GROUP
Full Service Ad Agency
15 Clients, \$2.3 million in billing

Hawaii.com
Hawaii's Best Travel Site

And Now...
DIGITAL BILLBOARD NETWORK





DIGITAL BILLBOARD NETWORK

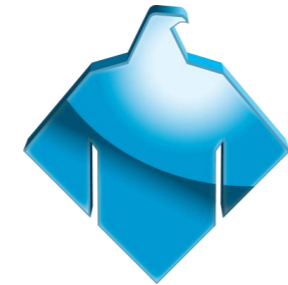
INNOVATIVE
OUT-OF-HOME / IN-STORE DIGITAL BILLBOARD NETWORK
Powered by Phoenix Vision



Phoenix Vision

A NEW MEDIA TECHNOLOGY

**DIGITAL
BILLBOARD
NETWORK**



Phoenix Vision

REVOLUTIONIZING THE NEWSPAPER INDUSTRY NOW!

“Invest in a New Media Product (*SiteView*)
that will position your company to
INCREASE REVENUE quickly and acquire
new clients that stopped doing business or
never did business with you!”

Dave Kennedy
President
Digital Billboard Network





PROFITABLE REVENUE

Need to create additional
PROFITABLE REVENUE vs.
cutting expenses

KNOW WHO'S VIEWING

Need for advertisers to KNOW
WHO IS SEEING THEIR
ADVERTISING via gender, age and
actual location

INCREMENTAL SALES FOR RETAILERS

Enhancing the effectiveness of
retail stores to educate consumers
and generate INCREMENTAL SALES

CHANGE YOUR CULTURE

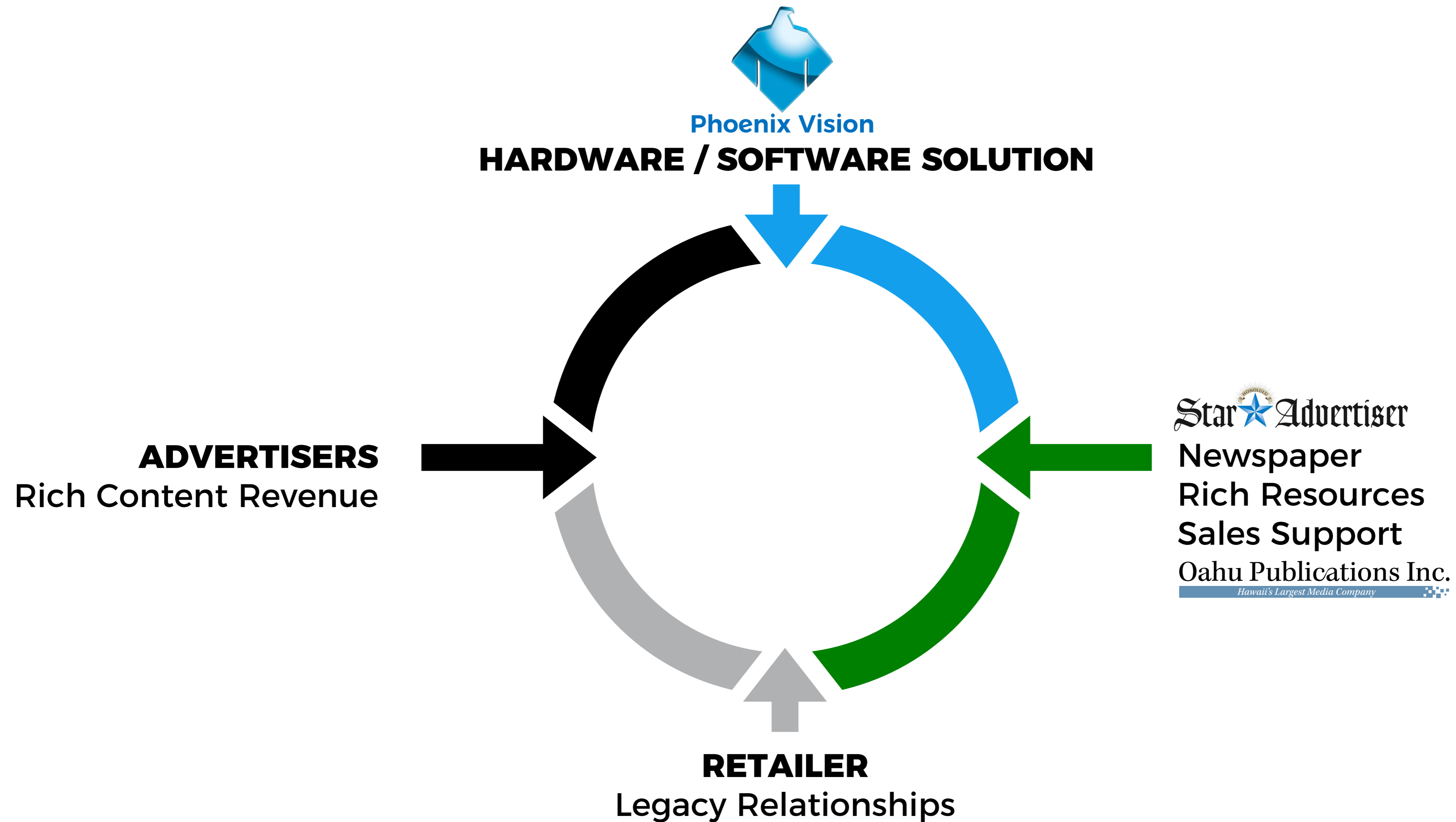
CHANGE YOUR CULTURE
to become an innovative
digital broadcaster

OFFENSE VS. DEFENSE

NEWSPAPER INDUSTRY OBJECTIVES

SECRET SAUCE

Perfectly Aligned Partnerships



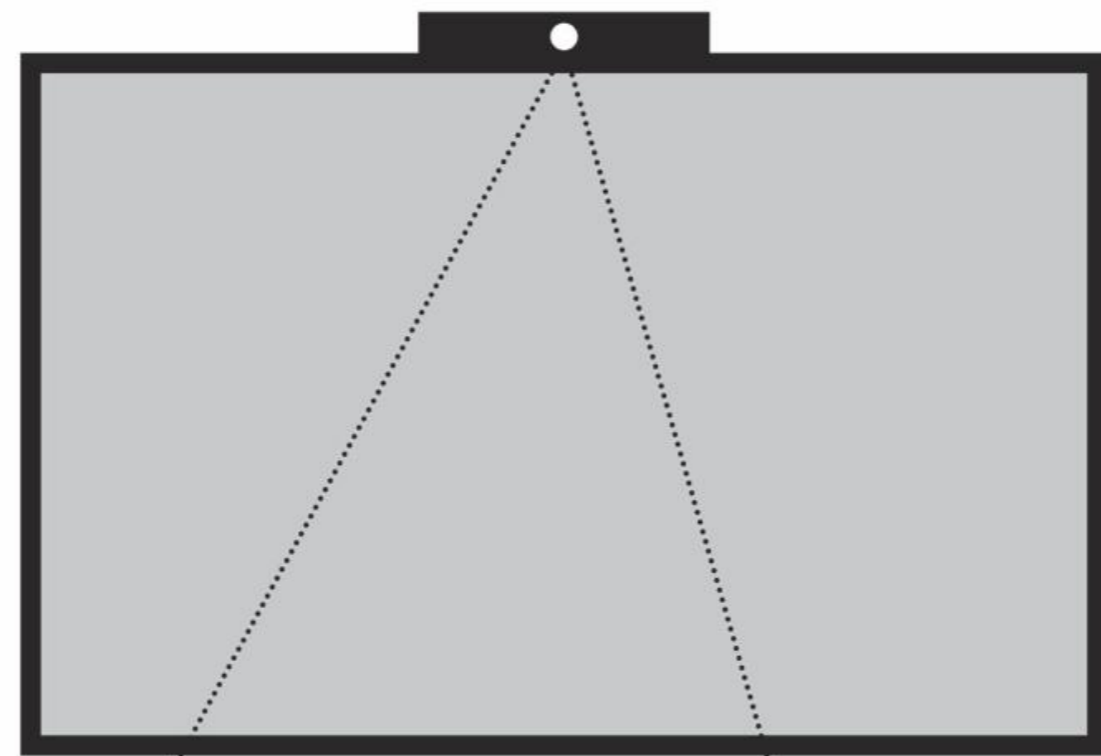
NEW MEDIA TECHNOLOGY

SITEVIEW

SiteView is a sophisticated solution that plays videos (Advertiser, newspaper and retailer content). As the video content is playing, the computer captures demographic data related to the viewers, such as age and gender.



Phoenix Vision



Angle = 70°

Effective Distance = 15'



Phoenix Vision

DEMOGRAPHIC DETECTION & REPORTING TECHNOLOGY

Children <15
Young 16-24
Young Adult 25-34
Adult 35-49
Senior >50

Gender:
Female
Age:
Estimated
28

Gender:
Male
Age:
Estimated
68

Gender:
Female
Age:
Estimated
19

Gender:
Male
Age:
Estimated
41



THE TROJAN HORSE

RACKS

Large Screen Display / Processor / Camera

SCREENS

Large Screen Display / Processor / Camera



Phoenix Vision

HARDWARE SOLUTION

Racks and Screens





Phoenix Vision

FIRST NEWSPAPER CLIENT OPI 100

Star  Advertiser

Oahu Publications Inc.

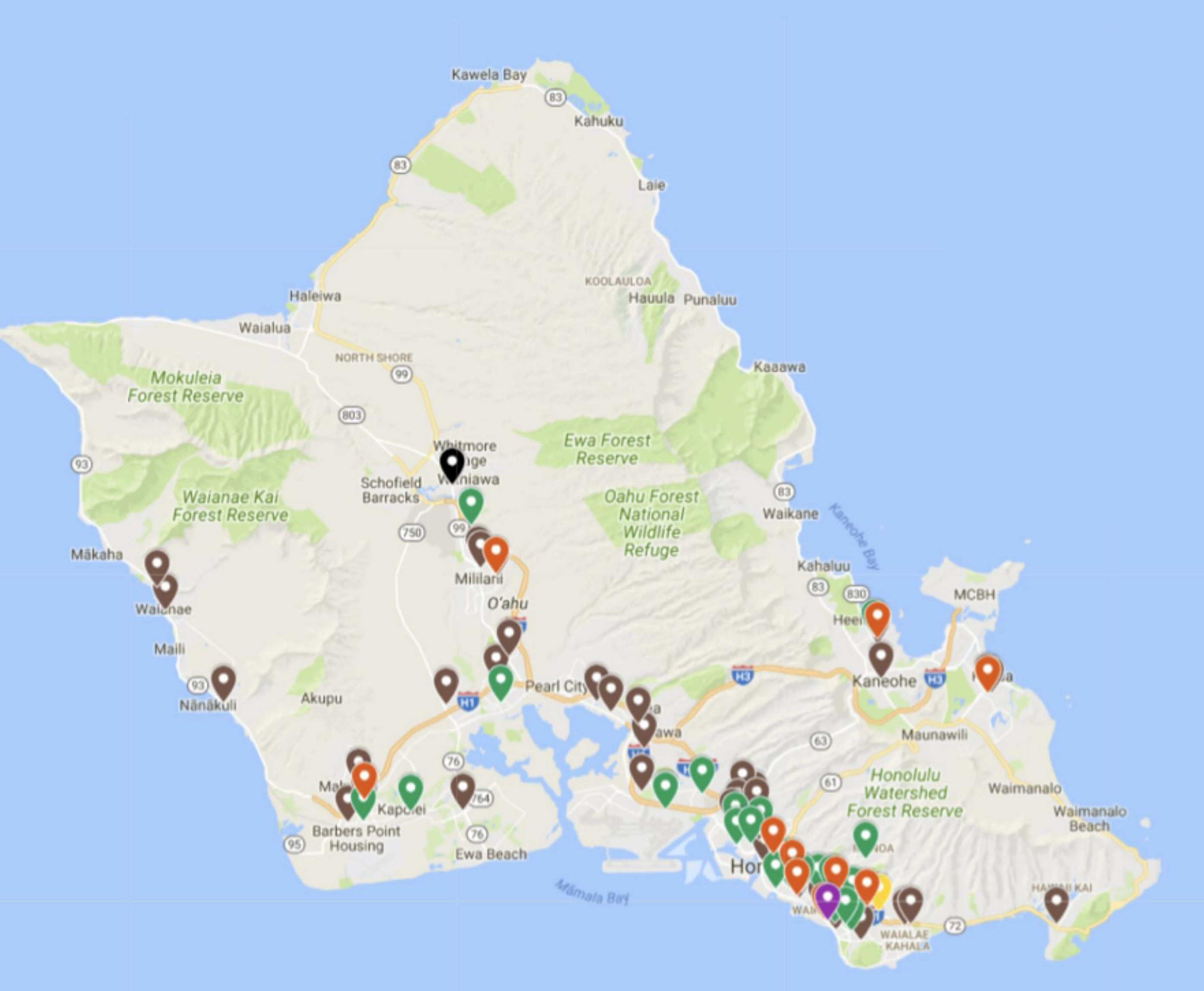
Hawaii's Largest Media Company



QUICK START SUCCESS STORY

- ① LAUNCHED IN JUNE
- ① 75 RACKS / 6 SCREENS
- ① AUDIENCE 166,000 VIEWERS / 6,600,000 network IMPS
- ① ADVERTISERS (40)- 85% are new customers!
- ① PROJECTED Annual Revenue = **\$1,200,000** per 100 screens





SCREENS AND RACKS

OPI NETWORK MAP

RETAILER PARTNER NETWORKS

- JAMBA JUICE / ALOHA ISLAND MINI MART
- HELE 76 C-STORES / L&L HAWAIIAN BBQ / INDEPENDENTS
- TAMURA'S WAHIAWA
- TAMURA'S FINE WINE AND LIQUORS
- CVS LONGS DRUGS
- YOKOCHO WAIKIKI

“420-SECOND CLOCK / 15-SECOND UNITS”

STANDARD RETAILER CLOCK 7 MINUTES

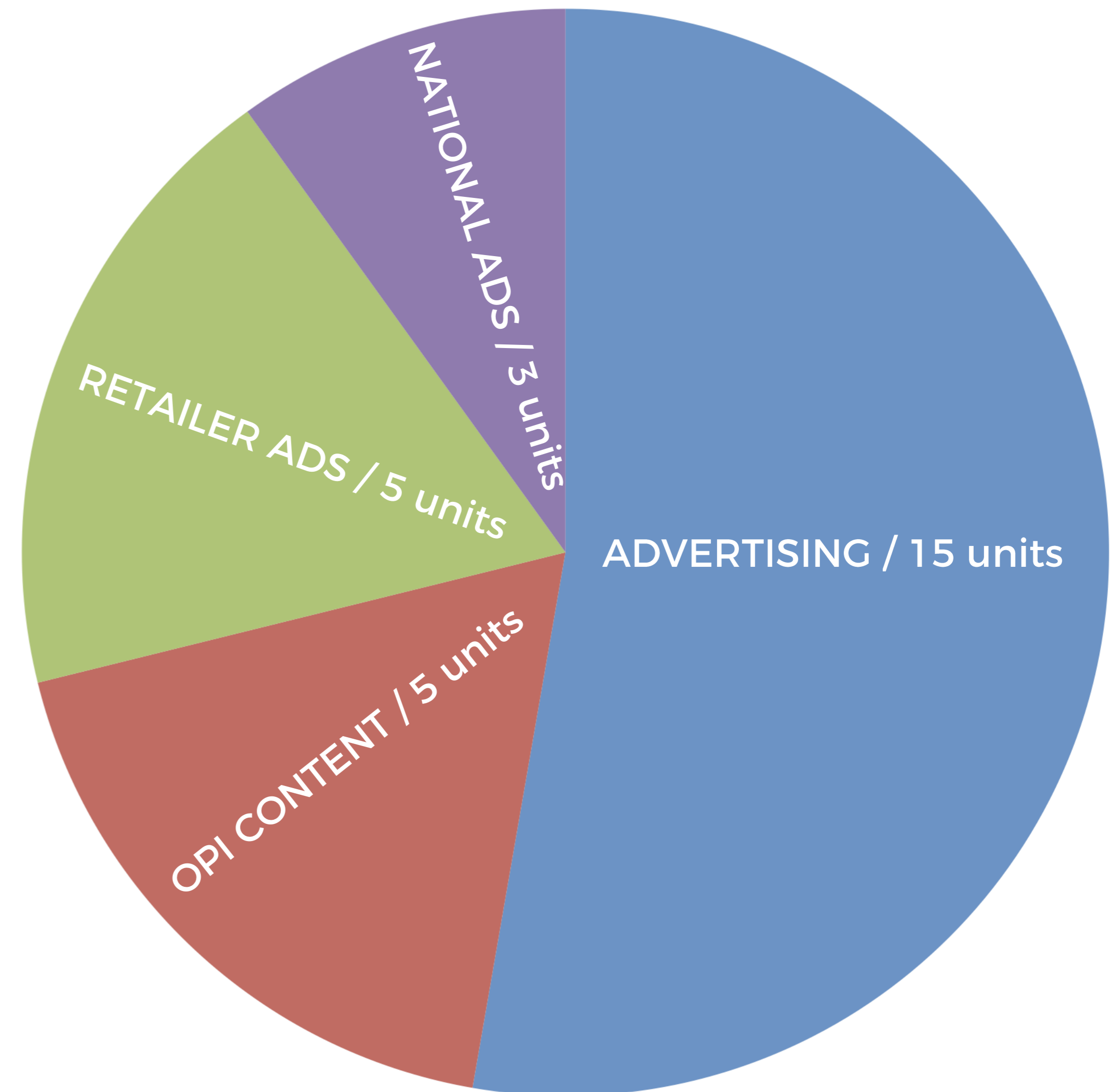
ADVERTISING / 15 units

OPI CONTENT / 5 units

RETAILER Ads / 5 units

NATIONAL Ads / 3 units

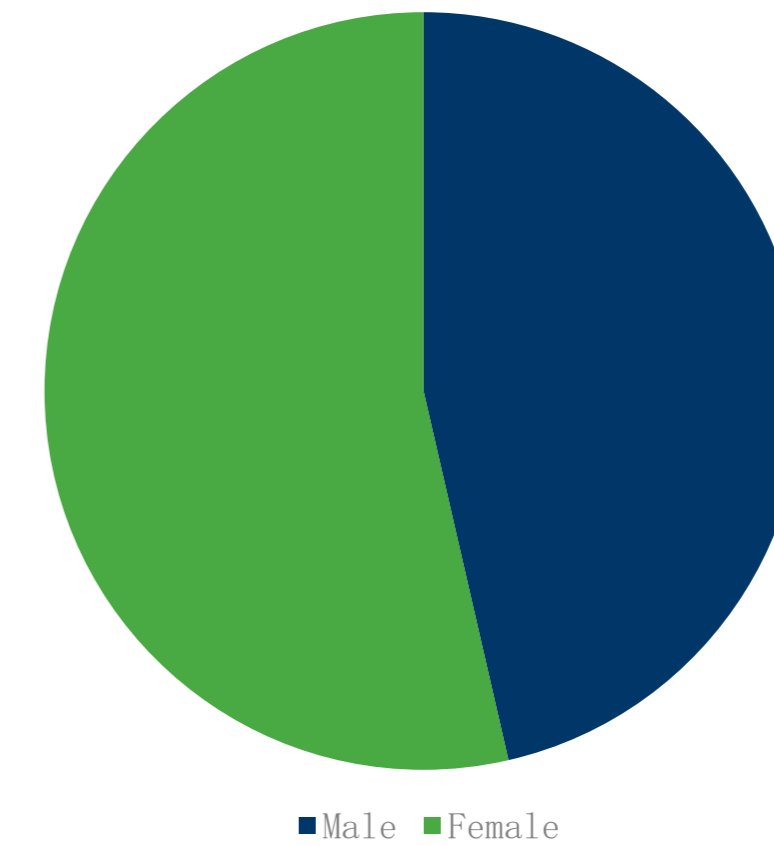
GOAL: 4-6 Retailers to start 100 locations



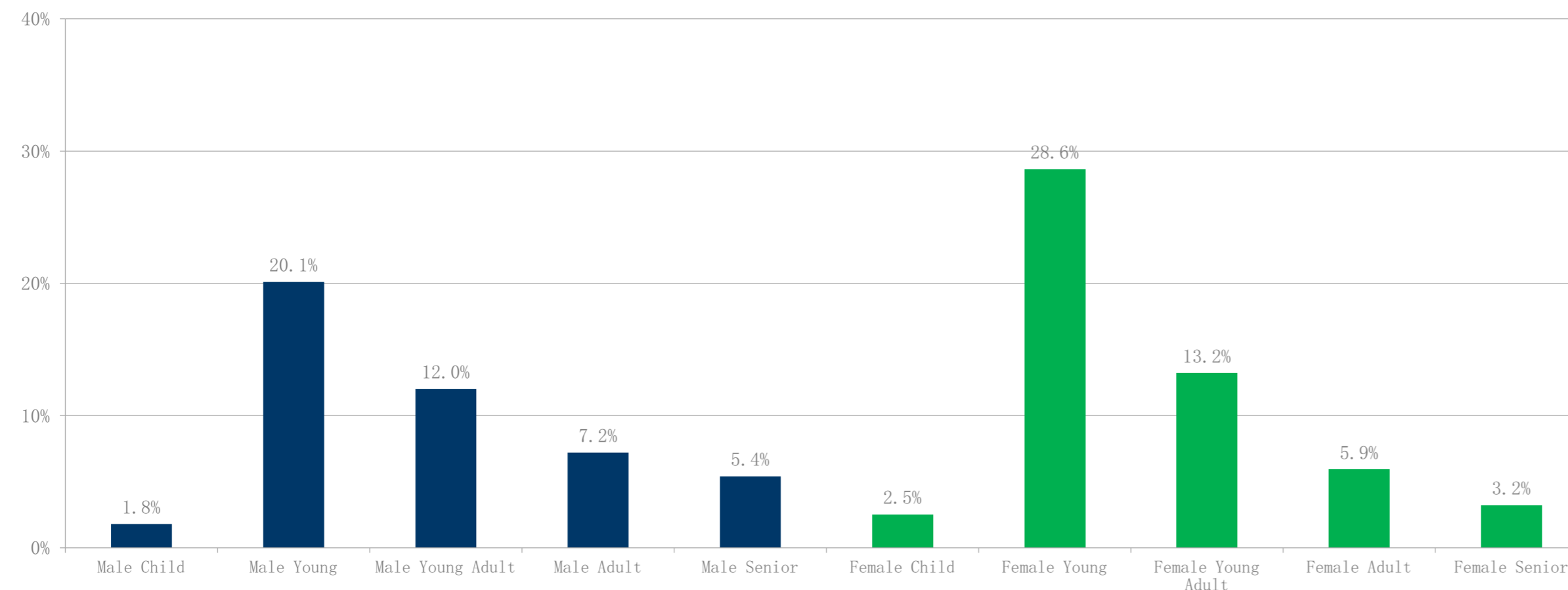
AUGUST AUDIENCE RESULTS - REPORT



Period: 8/1/2017 – 8/31/2017
Impressions: 6,502,742
Total Viewers /Audience: 166,394
Total Spots: 5,717,990
Average Views/Day: 5,368



Child (0-15)	4.3%
Young (16-24)	48.7%
Young Adult (25-34)	25.2%
Adult (35-49)	13.1%
Senior (50-100)	8.6%



Where do we start?

With your newspaper rack.



THIS IS HOW YOU EASILY GET IN:

LEVERAGE LEGACY RETAIL RELATIONSHIPS

Millions of NEWSPAPER RACKS across North America
and the globe is how you get in easily.

Newspaper companies have LEGACY RELATIONSHIPS with all the
biggest retailers in the world on a local and national level.

THE EXISTING RACK IS THE TROJAN HORSE!

Like the Greeks who used a statue of a horse to conceal
themselves in order to enter Troy, our NEWSPAPER COMPANIES
CAN USE OUR NEWSPAPER RACKS AS A WAY TO ENTER THE
OUT-OF-HOME DIGITAL ADVERTISING MARKET.

**CONVERT YOUR NEWSPAPER RACK
INTO A DIGITAL BILLBOARD RACK
AND IMMEDIATELY
GENERATE INCREMENTAL REVENUE.**

**DIGITAL
BILLBOARD
NETWORK**

OBJECTIVES

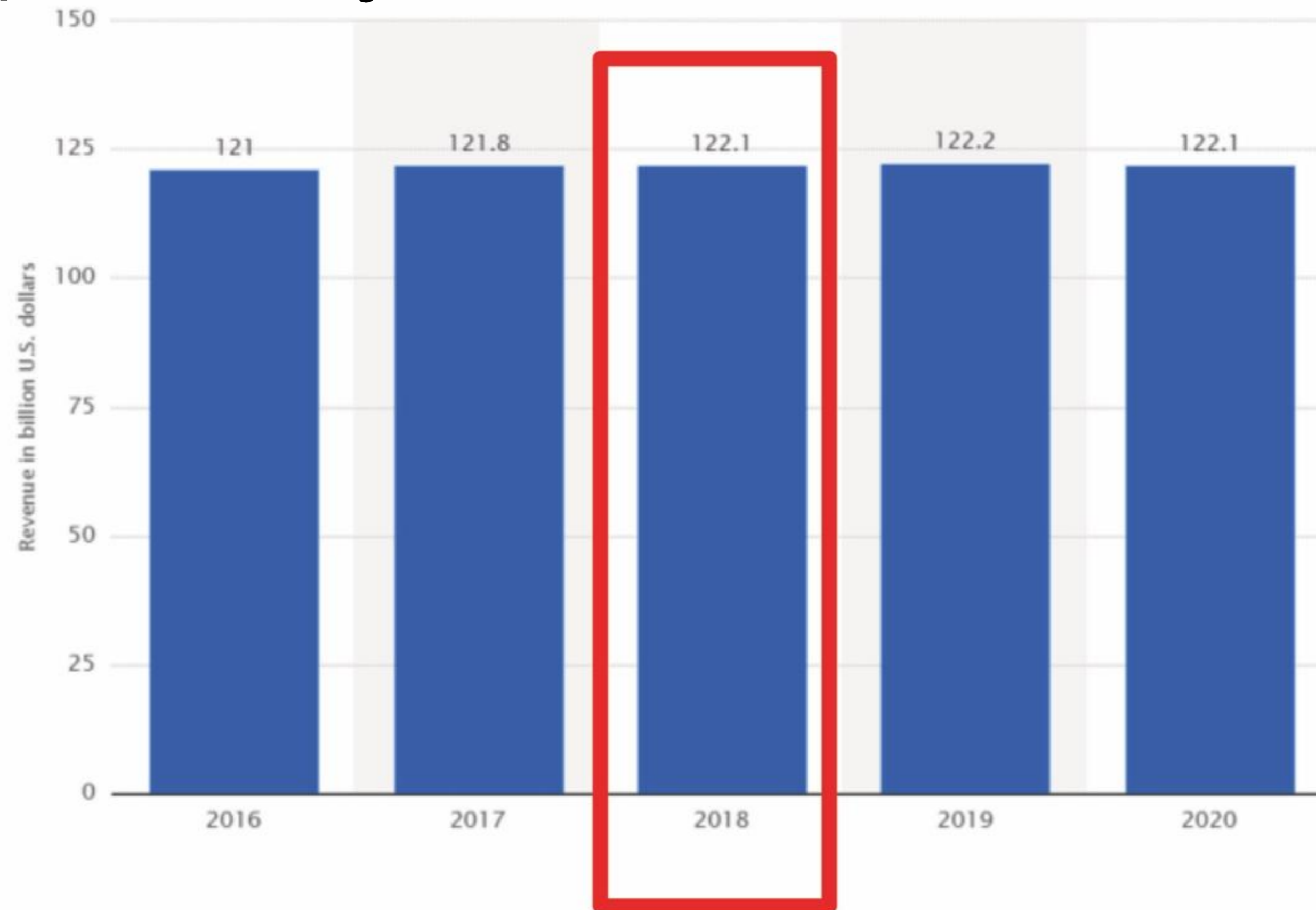
- ① Immediately **CREATE INCREMENTAL REVENUE** without extra staff.
- ① Your Digital Billboard Network will become a **TV MONEY STEALER!**
- ① **BUNDLE** your print products in creative ways with your Digital Billboard Network.
- ① Launch a **DBN NEWS CAST** and monetize it!
- ① Create **VALUABLE CONTENT** for your retail partners that enhance their customer shopping experiences.
- ① Deliver to your customers **COMPREHENSIVE REPORTS** breaking out the actual Demographics of the consumers who viewed their commercials/content.
- ① Site View plugs directly into your **EXISTING INFRASTRUCTURE.**

THIS IS WHERE YOUR REVENUE WILL COME FROM!

DISRUPTOR - TV MONEY STEALER

TV industry revenue in the United States from 2016 to 2020 (in billion dollars)

\$122 Billion Projected in the US in 2018 *Statista.com The Statistics Portal



ABOUT THIS STATISTIC

This statistic provides a forecast of the TV industry revenue in the United States from 2016 to 2020. The revenue is expected to peak in 2019, at 122.2 billion dollars.

DBN BROADCAST NEWS

LAUNCH YOUR OWN BROADCAST NEWSCAST

Daily DBN 1 Minute newscast that runs across the entire network featuring three stories from your newsroom.

DBN newscast is also featured on your newspaper website.

SPONSOR-ABLE
*Studio Naming
Rights*

Spectrum

DIGITAL
BILLBOARD
NETWORK

Yunji de Nies

DIGITAL
BILLBOARD
NETWORK

What do Retailers get?

✓ **INCREASE** store sales

Drive customers to specific sections of the store
Highlight certain store branded projects—Credit Card
Execute in-store/vendor contests

✓ Launch your own **IN-STORE NETWORK**

✓ Improved perceived retail store **VALUE & EXPERIENCE** by help producing unique content. *The Jamba Juice Network.*

✓ Garner robust, detailed **STORE TRAFFIC REPORTS**
Gender and age demographics / Traffic Flow

NO RISK deal for retailer partners...

“Tamura Enterprises, Inc. is pleased that the Star-Advertiser is partnering with us on this most innovative and latest technology in digital advertising for our stores to enhance our customer's shopping experience! However more importantly, this latest technology will provide Tamura's with critical demographic data on our customers that will provide Tamura's with more insight into our customers to make better decisions!”

BRIAN YOKOCHI
DIRECTOR OF SALES & MERCHANDISING
TAMURA ENTERPRISES, INC.

What do Advertisers get?

- ✓ **ADVERTISE** on an innovative out-of-home / in-store network
- ✓ A **NEW WAY** to target and monitor their advertising
- ✓ Take advantage of massive **FREQUENCY**. Each DBN network has only 15 advertisers
- ✓ Advertisers can **CHOOSE WHERE** they want their messages to be seen and heard
- ✓ Receive **DETAILED REPORTS** of who actually viewed your spots. *Gender and age demographics*
- ✓ Take advantage of trackable **A & B** creative testing—performance.

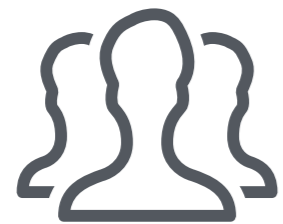
“The *Hawaii Tobacco Quitline* likes the variety and quantity of locations along with the different audiences the digital racks reach. It provides us an opportunity for our messages to be in communities that were challenging to get visibility in before digital racks were available”

LESLIE YAP
TOBACCO PREVENTION AND CONTROL SECTION
STATE OF HAWAII

THE PLAYBOOK – PLUG INTO YOUR CURRENT INFRASTRUCTURE

PLAYBOOK is turn key tool designed to leverage your current infrastructure!

Advertising and
Retail Chain Sales



Technical
Support



IT



Star  Advertiser



DIGITAL
BILLBOARD
NETWORK

Build the network
utilizing your existing
framework.



Content Creation
Brand Marketing



Circulation
Ad Traffic Control



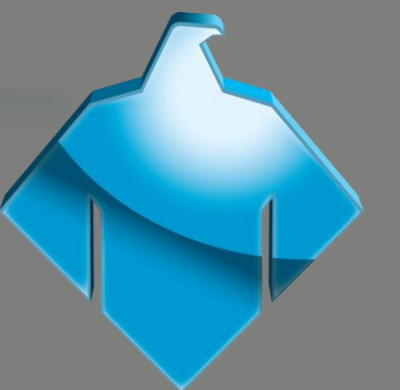
Billing and
Accounts Receivable

DIGITAL
BILLBOARD
NETWORK

New Market Jump Start



**DIGITAL
BILLBOARD
NETWORK**



Phoenix Vision





**SECURE 4-6
RETAIL PARTNERS
USING THE
TROJAN HORSE (RACKS)**





**PURCHASE 100
DIGITAL RACKS
FROM
OPI / Phoenix Vision**




**SECURE WIFI PARTNER
WHO IS VERY MOTIVATED
TO GROW ITS FOOTPRINT.**


**SCHEDULE A TWO-WEEK
PRESENTATION BLITZ**
Primarily aimed at heavy TV USERS
and clients your newspaper is NOT
doing business with.


**IMPLEMENT THE
DIGITAL BILLBOARD
NETWORK PLAYBOOK**



OPI 100 NETWORK YEAR 1 FORECAST

DBN 12 Month Projection

OCT. 2017 – SEPT. 2018

Network	Units	Unit Cost	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May 2018	June 2018	July 2018	Aug. 2018	Sept. 2018	Total Revenue
Jamba / AIM	12	\$3,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$432,000.00
46	15	\$3,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$540,000.00
Network	Units	Unit Cost	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May 2018	June 2018	July 2018	Aug. 2018	Sept. 2018	Total Revenue
Longs Drugs	12	\$1,100.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$13,200.00	\$158,400.00
12	15	\$1,100.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$16,500.00	\$198,000.00
Network	Units	Unit Cost	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May 2018	June 2018	July 2018	Aug. 2018	Sept. 2018	Total Revenue
L&L / Hele	12	\$900.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$10,800.00	\$129,600.00
15	15	\$900.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$162,000.00
Network	Units	Unit Cost	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May 2018	June 2018	July 2018	Aug. 2018	Sept. 2018	Total Revenue
Tamura's (G)	12	\$650.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$7,800.00	\$93,600.00
4 Screens	15	\$650.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$9,750.00	\$117,000.00
Network	Units	Unit Cost	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May 2018	June 2018	July 2018	Aug. 2018	Sept. 2018	Total Revenue
Tamura's (W)	12	\$525.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$6,300.00	\$75,600.00
2 Screens	15	\$525.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$7,875.00	\$94,500.00
Network	Units	Unit Cost	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May 2018	June 2018	July 2018	Aug. 2018	Sept. 2018	Total Revenue
Yokocho	12	\$595.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$7,140.00	\$85,680.00
1	15	\$595.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$8,925.00	\$107,100.00
												12 Unit Total:	\$974,880.00		
												15 Unit Total:	\$1,218,600.00		

Unit cost for Yokocho based upon 3 sales @ \$500 and the remainder at \$625.



CORE **DBN** BUSINESS MODEL

(EVOLUTION)

(100 Racks-Screens)

- **Internet Model** - \$.80 per Guaranteed View / \$2.50 CPC
- **FLAT RATE** “Early Adopter “ Package
 - \$2500 a Month for 3 months – 15 Advertisers
- \$1,020 Per Rack per Month – 15 Advertisers per network
- \$2,500 Per Screen per Month – 15 Advertisers per network
- DBN New Minute Naming rights and secondary Sponsors – 1/3



BUSINESS MODEL - YEAR ONE

(100 RACKS)

> **ADVERTISING REVENUE = \$1020 Per Rack per Month**

One Rack will average 42 billable views per day - ($\$.80 \times 42 = \34)

30 Days \times \$34 = \$1,020 Per month Per Rack

\$1,020 per month \times 100 Racks = \$102,000 Revenue Per month

\$102,000 \times 12 Months = \$1,224,000 Gross Advertising Revenue

Phoenix Vision License Fee per Screen = \$250 month / \$3,000 Annual

> **DIGITAL RACK AND DMA EXCLUSIVITY CAPITAL EXPENSE**

One Rack is \$999

100 \times \$999 = \$99,900

DMA Exclusivity / Training/ Playbook = \$35,000 Year One then \$20,000 in subsequent years

\$2,000 a month DMA software access fee

> **Phoenix Vision—Site View Maintenance Fee**

Each Screen is \$3,000 per year / \$250 per month

100 \times \$ 3,000 = \$300,000

**ONE YEAR
SUMMARY**
\$1,224,000

NEWSPAPER
Net Revenue

\$924,000



BUSINESS MODEL - YEAR TWO

(1,000 RACKS)

> **ADVERTISING REVENUE = \$1020 Per Rack per Month**

One Rack will average 42 billable views per day - ($\$.80 \times 42 = \34)

30 Days \times \$34 = \$1,020 Per month Per Rack

\$1,020 per month \times 1,000 Racks = \$1,020,000 Revenue Per month

\$1,020,000 \times 12 Months = \$12,240,000 Gross Advertising Revenue

Phoenix Vision License Fee per Screen = \$250 month / \$3,000 Annual

> **DIGITAL RACK AND DMA EXCLUSIVITY CAPITAL EXPENSE**

One Rack is \$999

1,000 \times \$999 = \$999,000

DMA Exclusivity / Training / Playbook = \$35,000 Year One then \$20,000 in subsequent years

\$2,000 a month software access fee

> **Phoenix Vision—Site View Software Maintenance Fee**

Each Screen is \$3,000 per year / \$250 per month

1,000 \times \$ 3,000 = \$3,000,000

**ONE YEAR
SUMMARY**
\$12,240,000

NEWSPAPER
Net Revenue

\$9,240,000



BUSINESS MODEL - YEAR TWO

(10,000 RACKS)

> **ADVERTISING REVENUE @ \$.80 PER BILLABLE VIEW**

One Rack will average 42 billable views per day - ($$.80 \times 42 = \34)

30 Days \times \$34 = \$1,020 Per month Per Rack

\$1,020 per month \times 10,000 Racks = \$10,200,000 Revenue Per month

\$1,020,000 \times 12 Months = \$122,400,000 Gross Advertising Revenue

Phoenix Vision License Fee per Screen = \$250 month / \$3,000 Annual

> **DIGITAL RACK AND DMA EXCLUSIVITY CAPITAL EXPENSE**

One Rack is \$999

10,000 \times \$999 = \$9,990,000

DMA Exclusivity / Training / Playbook = \$35,000 Year One then \$20,000 in subsequent years

\$2,000 a month software access fee

> **Phoenix Vision—Site View Software Maintenance Fee**

Each Screen is \$3,000 per year / \$250 per month

10,000 \times \$ 3,000 = \$30,000,000

**ONE YEAR
SUMMARY**
\$122,400,000

NEWSPAPER
Net Revenue

\$92,400,000



DIGITAL BILLBOARD NETWORK

TEAM

Dennis Francis - CEO - DBN / dfrancis@staradvertiser.com / 808-380-4702

Dave Kennedy - President - DBN / dkennedy@staradvertiser.com / 808-294-3942

Glenn Zuehls - Executive Director DBN / gzuehls@digitalbillboardnetwork.com / 415-728-4227

James Avis- Executive VP DBN / javis@oahumediagroup.com / 808-391-9234

Aaron Kotarek- VP of Circulation - OPI / akotarek@staradvertiser.com / 808-294-8528