



Stay ahead of the curve

**AppStream:
Zero Recode
SaaS Alternative**

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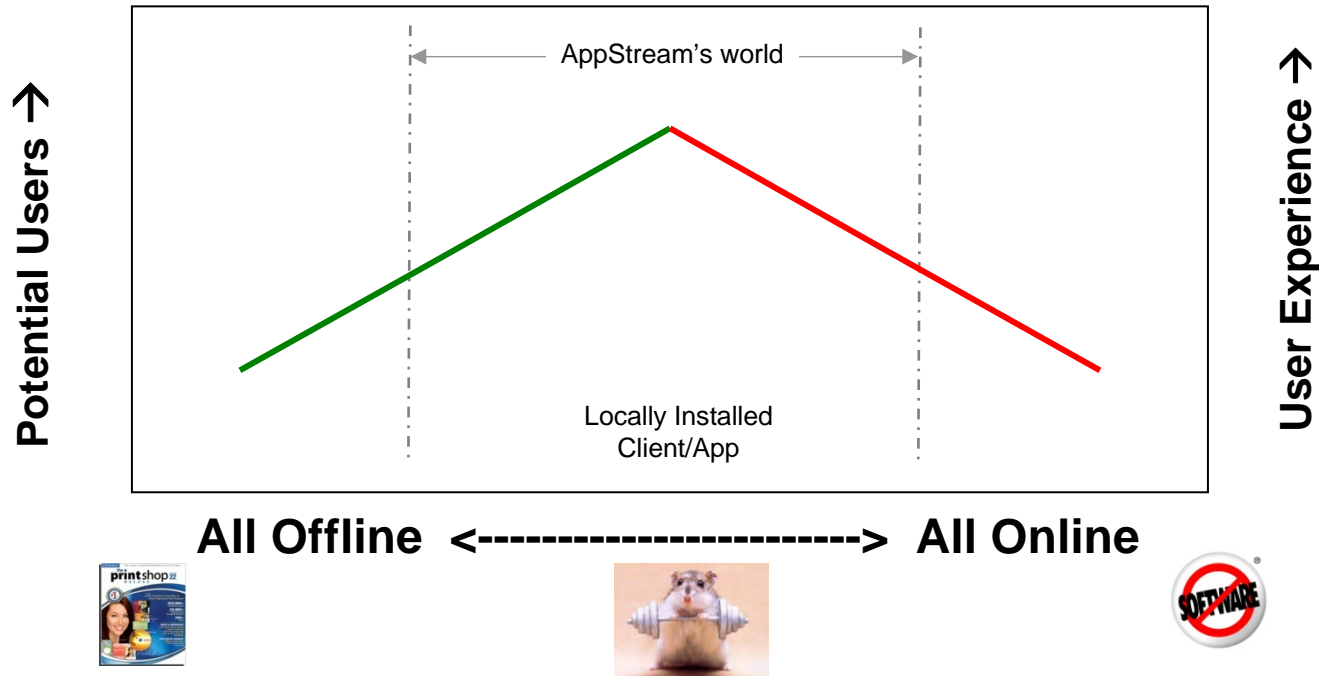
Executive Summary

- **Software-as-a-Service** is proving that:
 - > Users demand the ability to access and use applications much more quickly than traditional download technology and hard media is currently able to deliver.
 - > Users want access to these apps when they need it, not just when connected to the Internet cloud.
- The result: ***on-premise software vendors are moving towards a web-based offering while web-native SaaS providers are moving to the desktop, while.***
- Right in the middle of this convergence is **AppStream**, using application streaming technology for enabling the locally executing PC software to be centrally controlled and managed.
- AppStream transforms any Windows®-compatible software application into a service over the Internet.

Where SaaS is going

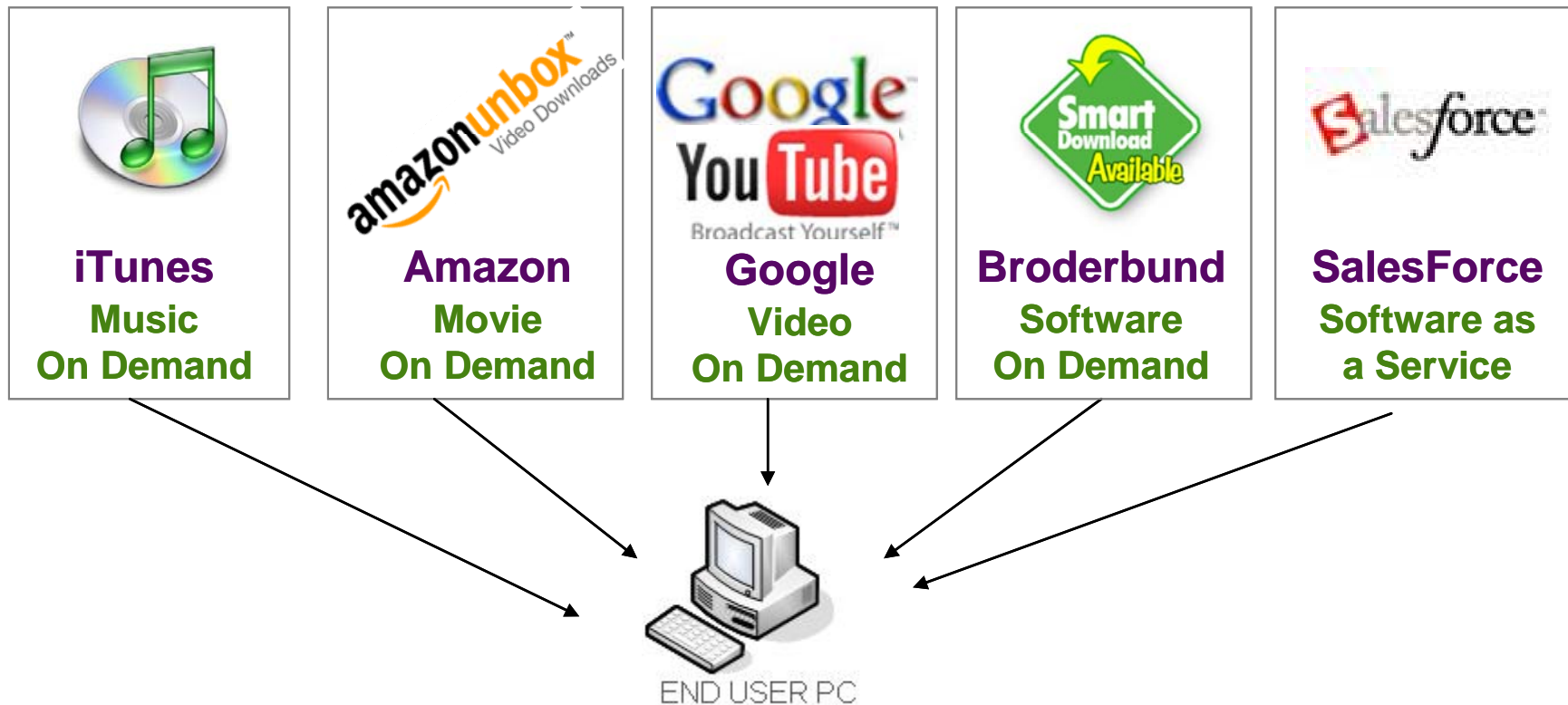
Best of Both Worlds

— On-Premise — Web Native



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Customers want on-demand to mean NOW



"...the most important thing in the world is the application, and everything revolves around making it easier to deliver."

- Mark Templeton, President, Citrix Systems 2007 iForum App Delivery Expo, Las Vegas

How does Streaming Work?

Packaging

1. Start with a PC-based application, game, or smart client that runs on Windows 2000 or greater—either from a CD-Rom or an electronic executable.
2. Run the product through AppStream's Packaging Studio.
3. Load onto server
4. Done!

The Customer Experience

1. Select a Product and decide whether to buy, rent, subscribe, or try.
2. Click on a link
3. Begin using almost immediately!

*no waiting for product to download
*no installation of product required
*just **Click 'n' Use**

Our Vision for ISV's

Broderbund: Save on Computer Software, Digital Photo Frame, Movie Director, PrintMaster, Print Sh - Microsoft Internet Explorer

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- Newsletters
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- Postcards
- Signs
- And More!

About SmartDownloads

Broderbund and The Learning Company have adopted SmartDownload, a revolutionary new technology that enables us to provide you with a larger selection of download products and to deliver these products to your desktop more quickly than ever. Many of our products were previously too large to be delivered via download, but our SmartDownload technology, they now download quickly and easily.

Through a simple, one-time installation of a small, safe and secure SmartDownload client, you will be able to download and use your applications in a matter of minutes. Unlike traditional downloads, you can start using your application while it is downloading to your computer! No more waiting for the download to finish and the program. It's right there for you to use. Plus, you can now access your applications on-demand from any PC.

This powerful technology will save you time, eliminate the wait for your software product and maximize bandwidth. The Broderbund and The Learning Company applications you access through our SmartDownload technology will look and feel exactly like traditional software applications; they'll just be available to you so much sooner.

SmartDownloads, Powered by AppStream

To bring you this revolutionary solution, we have partnered with AppStream, a provider of technology for on-demand software. The patented AppStream platform provides the technology backbone for SmartDownloads.

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AppStream Key Philosophical Points

Embrace and extend native Windows architecture

- > Streaming works alongside, and in cooperation with, existing Windows infrastructure, tools, and applications
- > AppStream supports streaming of MSI, the Microsoft standard packaging format, retaining full install-time logic and eliminating the need to repackage

Open architecture and open standards

- > AppStream uses HTTP, making it Internet and MSP/SaaS-ready
- > Accepts all standard scripting languages for package customization

General-purpose design

- > AppStream is designed to allow streaming of *any* software, conventional or virtualized, without any recoding

Normal end-user experience

- > Streaming should not alter the end user experience or the performance or behavior of applications – NO RETRAINING

Enhanced Customer Experience

- All Windows-based software stored in Digital Locker
 - > Satisfy the “Get it Now” mentality of the market-
 - > Simplify migration to new machines, new OS's
- No downloading of applications
 - > Simply Click'n'Use
- No installation of applications
 - > Break the conceptual ties to “shrinkwrapped software” by making Products perform like a website
- Maintenance free software
 - > Patches/updates handled seamlessly and automatically
- Flexible usage and payment options
 - > Align purchases with needs

Value Proposition

Existing Portfolio → SaaS Business Model

- Easy to set-up the server solution
- Easy to integrate into website
- Easy to package the applications with zero re-code
- Complete license management for buy, rent, subscription
- Streamed applications launch quickly
- Streamed applications install/un-install quickly
- Much stronger control over piracy

Intel research results*
Respondents intending to use
Application Streaming for
SaaS

In 1 year – 22%

In 2 years – 33%

In 5 years – 44%

Source: Intel Primary Research via 3rd Party. Survey conducted in Dec 2006-Jan 2007 of 1200 IT decision makers for medium to large size business in US, Germany and PRC that are current SaaS users or intended users.

New Business Models

- Sale
 - > Buy to own
- Rent
 - > Day, week, month, school year
- Subscription
 - > Tiered subscription rates
- Pay-per-use
 - > Premium charge for time sensitive projects
- Expanded Subscription
 - > Bundled package offerings, “Netflix” approach for software

Visualize the future, today

Search Results - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Refresh Print Mail Newsgroups People

Home & Education Shareware Freeware

FORUMS

3D Modeling/CAD Forum

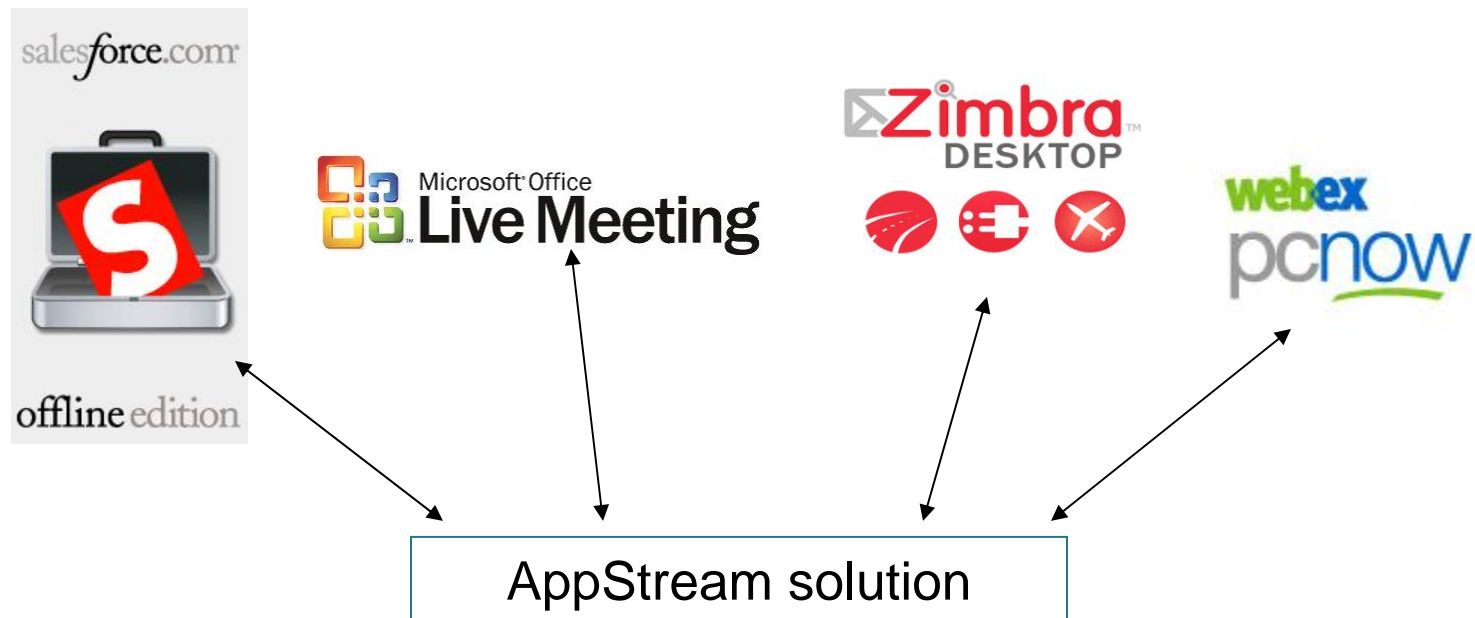
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Release Date	Partner	Title	
2006.06.30	IMSI/Design, LLC	CADsymbols 2	<p>Try it free for 1 days! After your trial period ends you can either Buy or Rent it here.</p> <p>CADsymbols® CD is the most extensive collection of standard parts and symbols available containing over 30 million symbol drawings and models in 2D/3D view and freely revolving 3D models.</p> <p>Try Rent Buy Info</p>
2006.06.01	CADopia	CADopia Standard 6	<p>Try it free for 1 days! After your trial period ends you can either Buy or Rent it here.</p> <p>CADopia 6 (Based on IntelliCAD Technology) is the perfect CAD tool for engineers, architects, designers, drafters, educators, and students -- virtually anyone who creates or uses CAD drawings.</p> <p>Try Rent Buy Info</p> <p>Compatible with Windows 2000, Windows XP. Minimum RAM: 128 MB Minimum Disk Space: 220 MB Online use required. Rent it from 7 to 30 days for \$15.00 to \$25.00.</p>
2006.06.01	IMSI/Design, LLC	DesignCAD 3D Max 16.2	<p>Try it free for 1 days! After your trial period ends you can either Buy or Rent it here.</p> <p>DesignCAD™ 3D Max v17 combines powerful 3D modeling with easy to use 2D drafting to unleash your imagination and creativity.</p> <p>Try Rent Buy Info</p>
2006.05.06	IMSI/Design, LLC	TurboCAD Deluxe 12	<p>Try it free for 1 days! After your trial period ends you can either Buy or Rent it here.</p> <p>TurboCAD® Deluxe v12 gives you unlimited design options. With over 250 professional level 2D/3D design and drafting tools, you can quickly create home plans, technical drawings, mechanical designs, artistic illustrations, crafts, and more.</p> <p>Try Rent Buy Info</p>
2006.05.01	IMSI/Design, LLC	TurboCAD Professional 12	<p>Try it free for 1 days! After your trial period ends you can either Buy or Rent it here.</p> <p>Power, precision and performance are the hallmarks of TurboCAD® Professional v12. With integrated 2D drafting, 3D surface and solid modeling, and photorealistic rendering, TurboCAD delivers unparalleled design productivity and dramatic visual results.</p> <p>Try Rent Buy Info</p>

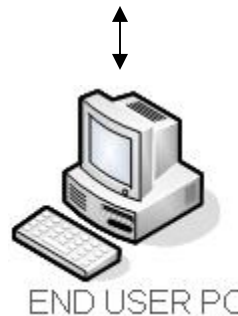
javascript:location='product_info.html?id=18'

Internet

Our Vision for web-native SaaS providers



“... solutions like AppStream could become a saving grace for the future of SaaS...”
 - Phil Wainwright, ZDNet



Users simply Click and Use

- No individual client downloads
- No installing of each client
- No maintenance, ever

Summary of What AppStream Provides

On-Premise

- Simply Click and Use.
 - > No download of Product
 - > No installation of Product
- Flexible payment terms to suit each customer's needs
 - > Tiered subscription rates
 - > Bundled package offerings
- Maintenance-free software
 - > Products perform like a website
 - > No updates/patches/etc
- Get it anytime, anywhere
- Provides a transition to more web-native solution, or run as a separate product

Web Native

- Enable new ways to distribute and support desktop client– right from your own website
- Publish to thousands with a click of a button
 - > Patches/updates handled seamlessly and automatically
 - > Maintenance-free software
- Low cost to provide maintenance and support
- Low hardware infrastructure requirements
- Scalable solution
- Total control over licensing and distribution of applications

SaaS Facts Feedback

Feedback from AppStream SaaS Customers

- > Increased sales 30% year over year in first month of launch (with no additional promotions or marketing)
- > Support calls from End Users for streaming distribution technology average 1 for every 900 streaming product sales.
- > Distribution and fulfillment costs plummet by >75% year over year
- > Streaming outsold download by 3:1
- > Streaming customers supported per launch server: 12,000

AppStream Overview

Company

- Founded in 1999.
- Headquartered in Palo Alto, CA
 - > Sales Offices in US, EMEA and APAC
 - > Development and support in Palo Alto, CA and Chennai, India
- Leader in software streaming with five patents and four patents pending.
- Eight years of streaming technology development
- Global customer base
- Privately held software company with funding from leading investment funds Draper Fisher Jurvetson, JK&B Capital, Evergreen Partners, and Goldman Sachs; and corporate investors Computer Associates and Sun Microsystems.

Go-to-Market

Enterprise Group – technology used by Companies to deliver applications to employees/contractors within their LAN/WAN

SaaS Group – technology used to deliver products to our Customers' customers over the Internet

Summary

AppStream firmly believes that streaming technology plays an integral part for sustaining the tremendous growth of the Software-as-a-Service industry.

Thank you!

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