OMNITURE™

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OMNITURE CORPORATE BACKGROUNDER

The most successful modern marketers have always sought to know as much about their customers as possible. The newest wave of Web technology—Web analytics—is delivering that valuable insight to marketers by capturing and correlating Web clicks into strategic insights that offer some of the savviest applied marketing intelligence—detailed understanding of customer behavior—ever available. By far the most sophisticated purveyor of Web analytics and the market leader is Utah-based Omniture, a privately-held company that has doubled annually since 2002. Among its growing roster of more than 400 customers are AOL, Avaya, Countrywide Financial, eBay, GM, Hewlett-Packard, MSNShopping, Wal-Mart, and the British Government. Part on-demand software and part strategic partner to its clientele, Omniture is defining a new approach to capturing, measuring and defining success for online lead generation activities, advertising and content subscription, and multi-channel marketing campaigns that are at the heart of the newest online business models.

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59% of companies consider understanding visitor behavior a key online goal.
—Jupiter Research Executive Survey

For eMarketers, the Web can return $25 for every dollar invested in retaining clients.
—The Boston Consulting Group

"The Web is the most trackable and measurable medium that exists."
—Josh James, CEO, Omniture, eCommerce Times, 1/05

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I. WEB ANALYTICS

The basic nature of the Web creates a communications link between the user and the Web site, companies have been able to track basic Web activity, (e.g., the number of hits per site, per page) since the early 1990s. Web analytics—a more sophisticated application of data capture and reporting—grew out of the need for Web marketer and merchandisers to understand their Web site metrics and to be able to capture and use that data independent of the IT department. Now on-demand Web analytics solutions can bypass the IT department, allowing teams from marketing, advertising, merchandising, finance, customer support, and even top executives to focus on business reporting that allows content owners to quickly make data-driven decisions.

Omniture is at the forefront of this new approach to better understanding target audiences and more effective online marketing. Omniture's flagship solution, the SiteCatalyst suite, not only gathers a wealth of data (including a site visitor's sequence of page views, clicks, downloads, purchases, near-purchases, and other activity) but it can compile the data into understandable and actionable reports. This reporting can deliver analysis such as how well products are selling on particular Web pages, what paths most often lead visitors to a "success event" (e.g., a product sale, a lead capture, or a product download) and what campaigns are driving traffic and success to the site. Additionally, Web-based customer support and user experience issues can quickly be identified and rectified, a key component of customer and brand loyalty as more companies take a multi-channel approach to reaching their customers.

Omniture's unique combination of providing both historical and real-time analysis and reporting gives a comprehensive view of customer behavior, enabling 1-to-1 marketing and on-the-fly campaign adjustments. Omniture is the only analytics provider to offer this comprehensive view of Web site activity, which is essential not only for optimizing the Web as a business channel, but also for integrating online and offline business analysis for a single view of the complete business.

"[Web analytics] allows us to have data to use to make decisions rather than just 'I think or I feel this is the way things are going and this is what I should do.' Now I can have real data to say this is actually what's happening."
—Kim Eaves, Director of Electronic Marketing, Novell

II. THE MARKET

JupiterResearch reports that the Web analytics market grew by 21 % in 2004 to $378 million and projects the market will grow to $463 million in 2005. Additionally, JupiterResearch believes that only 15% of the potential market for Web analytics has been penetrated and that the greatest growth will occur in online retail, financial services, travel, and information portals. These are projected to grow 60% through 2009.

While companies are becoming more sophisticated in the use of Web data to understand customers and measure ROI, online marketing spending is still lagging. According to a Forrester Research report, currently less than 3% of marketing dollars spent in the U.S. go for online campaigns, while some companies estimate that 30% or more of their sales occur online. That trend seems to be changing. BusinessWeek Online reported that, based on research by Sanford C. Bernstein & Co., advertising dollars spent on Internet advertising will increase from an estimated $11.5 billion in 2005 to $19.2 billion by 2010. Compare this to estimates of advertising expenditures for TV of $17.2 in 2005 growing to only $21.5 billion by 2010. This accelerated growth curve in online advertising can be attributed, in part, to the medium's measurability, which is unsurpassed by any other advertising medium.

"I find I'm having a lot of conversations these days about the possibilities of online retailing that I first had back in 2000. And now [Web applications] are better and cheaper to implement."—Patti Freeman Evans, JupiterResearch, BusinessWeek Online, 8/04

III. OMNITURE HISTORY

Omniture was founded by Josh James and John Pestana, who met as undergraduates at a computer science class at Brigham Young University in Utah. From several earlier companies going back to 1996 that focused on Web design, developer's tools, and gathering Web visitor data primarily for small businesses, the partners shifted to a strategy of providing Web analytics solutions for large enterprise customers. Reflecting the new business focus, the company was renamed Omniture in 2002. Omniture is derived from the words "omniscient" and "future."

Omniture was the first company to deliver Web analytics in an application service provider (ASP) or on-demand model. In 2003 and 2004, Omniture made the INC Magazine 500 list as one of America's fastest growing companies (at 226th place with a 164% annual growth rate) and Deloitte's Technology Fast 500 list. The company has maintained a near 100% customer retention rate and, in 2004, expanded its industry-leading training and education division, Omniture University, and launched the industry's first analytics Best Practices Group, created to address the increasing shortage of analytics expertise for Web marketers.

Omniture's business operates on a recurring revenue model; each customer's annual contract value is based on their Web site page views. Baseline revenues follow the growth curve of the Internet and online commerce. Additionally, Omniture continues to win new marquee customers and expand their services—and contract value—within their existing customer base, which includes many of the Web's largest and most heavily-trafficked sites.

In 2004, SiteCatalyst was rated the top Web analytics product in a report by JupiterResearch and by the editors of Network Computing Magazine. DoubleClick, Inc.—the global email and ad serving solutions vendor to ad agencies, online marketers, and publishers—became an Omniture partner in December of 2004, expanding the company's reach as the central platform for the validation and reporting of all online marketing activities. San Francisco-based venture firm Hummer-Winblad invested $14 million in the company last year. Omniture recently established

an office in London and is cultivating an organization in Japan and Taiwan. SiteCatalyst now supports multiple currencies and is available in Japanese, German, French, and, soon, Chinese.

IV.   THE OMNITURE SOLUTION

The Omniture SiteCatalyst suite is the industry's most mature and comprehensive technology for Web analytics, providing both historical (via a data warehouse) and real-time, in-depth, actionable analysis and reporting. While it is more powerful than any competing solution, SiteCatalyst is also easier to use. Anyone in the enterprise, regardless of their technological skill or experience, can intuitively identify, analyze, and monitor the factors that most influence online business success.

As a remotely-hosted, on-demand solution, SiteCatalyst requires no special user or server-side software, plug-in dependencies or unusual browser configurations. SiteCatalyst captures, collects, and organizes real-time information about Web site visits via a small piece of code that is placed on each page or page element of a customers' Web site that is to be monitored. SiteCatalyst captures the required information automatically and instantly makes it available for online analysis. All information is gathered and stored immediately, giving SiteCatalyst customers real-time access to Web site information and reporting. Web site data are stored at one of Omniture's completely secure and geographically dispersed data centers, offloading data storage and management functions from companies to Omniture.

An enterprise-grade Web analytics solution, SiteCatalyst is designed for integrated analysis of multiple Web sites and Web site sections with different content owners requiring individual access rights. Additionally, Omniture understands that data collection is not the problem in today's enterprise; getting the right data into the right hands in an actionable format is what is critical. Omniture has integrated the access of Web analytics information into the standard tools and workflow of the executives, managers and frontline decision makers by providing the ability to access SiteCatalyst reports from within the Microsoft Windows Start menu or via Windows Desktop Shortcuts. Reports and dashboards are easy to use and modify and display information clearly and powerfully to all levels of an organization (including chief executives, marketing and

product managers, merchandisers, Web designers, etc.) without the need for analysts to translate it. More than 180,000 report combinations are possible.

In 2004, Omniture introduced its second solution, Omniture Search Engine Manager. Part of the SiteCatalyst suite, Omniture Search Engine Manager alleviates the difficulties companies face in having to manage separate accounts with various search engine vendors, and by having to define their campaigns, keywords, and ad rules multiple times to meet the software and business rules of each of these search engines. More importantly, by integrating with the SiteCatalyst reporting environment, Omniture Search Engine Manager is able to optimize keyword bids based on visitor behavior information unavailable to other bid management tools. Behavior such as number of pages viewed or abandonment within certain stages of the conversion process can be identified and tracked. By providing a single solution for bid management and optimization, Omniture Search Engine Manager allows customers to manage a single account, specify their campaigns and keywords, set their own rules on bidding and review the performance of all the search engines in one easy-to-use dashboard. Omniture Search Engine Manager is the first of many deliverables supporting Omniture's vision of establishing SiteCatalyst as the central platform for marketing reporting which will be accomplished by deep integration of industry-leading online marketing technologies.

"I believe success with Web analytics is actually a function of the customer, not the industry. The more a company is willing to test new ideas and make data-driven decisions, the more benefit they will receive from Web analytics. Period."
—Josh James, CEO, Omniture, Ecommerce Times, 1/3/05

V.   COMPETITION

Recently, *InfoWorld* identified four primary purveyors of Web analytics: Omniture, Coremetrics, NetIQ/WebTrends, and WebSideStory. Aside from Omniture, which has developed SiteCatalyst to address each of the various types of online business models, the other three companies specialize in one or several of these models.

Coremetrics, based in San Mateo, California, focuses on analytics for e-commerce. Vertical market companies in retail, financial services, and travel services categories make up the

majority of the Coremetrics customer base. eBusiness software firm NetIQ purchased analytics firm WebTrends, based in Portland, Oregon, in 2001. WebTrends was originally designed in 1994 and focuses on e-commerce and service level analytics for information technology organizations. WebSideStory of San Diego, California, offers HBX On-Demand Web Analytics, which provides Web analytics based on online visitor and customer activity. The company was the first pure play analytics company to go public in 2004.

All four analytics solutions are available as application service provider-based services, except for WebTrends, which can also be purchased as a standalone software package deployed by the customer.

Omniture has emphasized a broader application of the SiteCatalyst suite as the online marketing platform that helps companies automate, measure, manage and optimize their online dollars, from online lead generation, advertising and content subscription to multi-channel marketing and customer support. Additionally, the flexibility of the SiteCatalyst solution allows Omniture to effectively serve a broad clientele; from Fortune 500 companies to small and medium-sized organizations and a wide variety of verticals, including retailers, content and media companies, financial services and technology companies, and auction and travel Web sites.

VI.   CUSTOMERS

The most important metric of Omniture's success is the continued customer adoption and expanding usage of Omniture's SiteCatalyst. Omniture provides Web analytics for the Web's largest and most heavily-trafficked sites, including more than 9,000 brands and marquee customers such AOL (the largest Web analytics deal ever, and the largest deal in the history of ASP solutions), Wal-Mart, Sears, Apple, Oracle, CMP Media, Macromedia and Sprint.

Significant Customer Benefits
Omniture customers realize significant returns from seemingly small changes to their site structure and process as a result of issues revealed by SiteCatalyst. For example, last holiday

shopping season, eBags, the world's largest online retailer of bags and accessories, noticed that the Gift Center link on their Home page was generating significant revenue, even though the link was placed "below the fold" on the Home page. Armed with this information, eBags moved the link to a more prominent location on their Home page, made the secondary "Gifts for Him" link more prominent and these changes led to a 20% increase in conversion rates (completed sales) during the holiday season.

In another example, online retailer Overstock.com refined its checkout process using SiteCatalyst reports to determine where they were losing customers. Previously, many customers were leaving the site before completing the checkout process and finalizing their purchases. Using SiteCatalyst and working with a professional services team from Omniture, Overstock.com refined the checkout process down from seven to four and finally three pages, resulting in an immediate 70% increase in conversion rates. Overstock.com is also enjoying an ongoing cost saving from a significant decrease in calls to their customer service center.
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In addition to retailers, content providers and media companies are using SiteCatalyst to better serve their visitors and increase advertising revenues from their sponsors. SportsLine.com, a media company providing online sports content through Web sites, (including CBS SportsLine.com, NFL.com, PGATOUR.com, and NCAAsports.com) averages more than a billion page views per month. More than 4,000 distinct product categories are sold on the sites, and since many products are tied to sporting events, SportsLine.com needs to know—in real-time—what is happening on each site to make adjustments to maximize sales. Additionally, since online advertising sales to site sponsors are a large component of their business model, they need to better understanding how visitors navigate through the sites to provide this strategic information to their advertisers and sponsors. Using SiteCatalyst to analyze visitor paths and making immediate modifications to the site, SportsLine.com was able to increase conversion by more than 20% within the first months of use. Additionally, the real-time analysis of visitor behavior—and interest correlation—allows SportsLine.com to better help advertisers reach specific target audiences and increases ad inventory by identifying cross-selling opportunities.

In another unique application, Novell is using SiteCatalyst on their corporate intranet to track the use of applications, static Web pages, and dynamic Web pages. Based on this data from SiteCatalyst, Novell we can either better expose pages, remove them, or adjust resources so that they don't have to spend money on pages or applications that are not being accessed. Beyond simply managing data to keep their 6,000 employees informed, Novell is using SiteCatalyst to help them build a strong corporate culture in a global enterprise.

From multi-channel mega-retailers Wal-Mart and Sears (who use the SiteCatalyst to optimize the way they merchandise their products online and across channels) to media giants like Gannett and the New York Times (who use SiteCatalyst to capture user behavior from a large number of sites to optimize content and advertising opportunities), customers choose Omniture for the robust and flexible technology, ease-of-use for a wide variety of users, and the company's proven ability to scale to handle incredibly large page view volume and traffic spikes. This combination ensures the fastest time-to-value for a wide variety of companies, vertical markets, and business objectives.

What Customers are saying About Omniture

AOL

"After an in-depth review, it was clear that Omniture had the proven experience in supporting the needs of an enterprise of AOL's size and diversity while respecting the stringent privacy standards in the AOL Privacy Policy. Omniture's SiteCatalyst is sophisticated, customizable, highly scalable and will help us raise the bar in providing users with the best online experience and partners with critical real-time feedback and analysis."

Sears

"One of Sears' key initiatives in 2004 was to find a reporting platform for the online marketing channel that would deliver the information we need to better service our customers and better align our merchandising strategy. Using the critical performance data collected by Omniture, we are able to respond to the needs of our customers more quickly and effectively, while optimizing online marketing programs."

Overstock.com

"We have worked hard to build a cutting-edge retail site, and Omniture has played a vital role in that effort. SiteCatalyst has helped us streamline our site design to dramatically increase browser to buyer conversion rates, which is fundamental to our business."

Dex Media

"Omniture's Professional Services offerings and the dedication of its implementation team really set them apart based. Omniture's team really went above and beyond the call with us on our initial implementation, and they have maintained that responsiveness throughout the subsequent additions of other sites within our business."

Sprint

"We evaluated most of the options out there in choosing our Web analytics solution partner. Omniture gave us the greatest peace of mind that we could accomplish what needed to be done based on SiteCatalyst's ability to handle the complexities and volume of our site, and the fact that Omniture was really willing to work with us to understand and respond to our needs."

CMP Media

"Omniture's SiteCatalyst system offers something for all analysts, from the stats guru to the novice. The interface is easy to navigate and lets you quickly cross-reference different data points. For instance, in a report of the most popular URLs, you can right-click on any one listed to identify the top referrers to that URL. The dashboards are convenient and can be converted to any imaginable format. The administration interface is much better than any of the other products'. It lets you see who's using the system and what they are doing."

American Greetings

"Clearly, Valentine's Day is big business in the greeting card industry. We had already put programs in place to take advantage of that – such as order path improvements on the site and search engine optimization initiatives – and we needed an enterprise-grade analytics solution to measure and maximize

site performance leading up to and throughout the day. SiteCatalyst really blew us away with its functionality, ease of use and performance."

VII. THE VISION

Currently, most marketers are using at least a few online marketing tools (e.g., ad serving, survey tools, search-engine marketing, email marketing campaigns). While they can, to a degree, track the success and ROI of each of these programs, the ability to measure success within a program and compare those metrics against other programs is neither automated nor accurate. By building an ecosystem of deeply integrated marketing solutions that capture, collect, and organize real-time information about all online and offline marketing initiatives, marketers will be able to finally unleash the true power of the Web; the ability to measure and understand customers.

Omniture is at the forefront of a redefinition of both online and offline marketing best practices and strategies. With the new Web analytics providing information on customer behavior as never before and on a potentially infinite scale, the effectiveness of ecommerce and online support will dramatically increase as well. This will lead to new levels of credibility for the Web and perhaps its distinction, whether used by itself or as part of a multi-channel strategy, as the most potent media of all.

VIII. MANAGEMENT

Josh James, Co-Founder and Chief Executive Officer
Prior to co-founding Omniture in 1996, James founded and managed three other successful high-tech companies with John Pestana —MyComputer.com, a leading application service provider of

integrated Web site development and management tools; JP Interactive, a profitable full-service eBusiness consulting and development firm; and ScriptSearch, a development portal for IT professionals. MyComputer.com's business division was sold to VeriSign (NASDAQ: VRSN) and James expanded the enterprise division into what is today Omniture. James also successfully sold ScriptSearch to Internet Media Group (NASDAQ: INTM). James consults with or is on the board of directors of Datigen, iLaunch, uSight and Property Solutions. James is on the founding board of advisors for BYU eBusiness Center and is a Bronze founder for The Center of Entrepreneurship at BYU. He also serves on the Board of Directors for UITA, YEO, BYU Athletics, and is past chairman Governor Leavitt's entrepreneurial committee supporting the Utah Silicon Valley Alliance. James studied business and entrepreneurship at Brigham Young University and currently mentors graduate students enrolled in BYU's MBA program.

John Pestana, Co-Founder and Vice President of Customer Success
As one of the pioneers in Web analytics, Mr. Pestana has consulted on eBusiness, eCommerce strategy, and Web site analytics since 1995. During this time, he has worked directly with some of the world's largest and most active Web sites and has been a key component of Omniture's ability to drive ROI for a marquee list of customers such as eBay, Wal-Mart, AOL, Overstock.com and many others. Prior to co-founding Omniture in 1996, Pestana founded and managed other successful high-tech companies with Josh James, including MyComputer.com and JP Interactive. Mr. Pestana studied Business Management and Information Systems at Brigham Young University and is fluent in Portuguese.

Brett Error, Chief Technology Officer and Executive VP of Product Management
Error pioneered the ASP movement with his work at Omniture and has been published in several trade publications such as WebTechniques, SmartPartner, and the Internet Source Book. Error is very active in the Internet community and serves as an advisory board member for several technology companies. Prior to joining the company in 1998, Error founded and managed a regional Web development agency and consulted for several government agencies. Concurrently, he co-founded and managed a regional Internet service provider, which was later purchased by a large, publicly traded service provider. Before entering the technology field, Error worked in medical research and published five papers in science journals including *Developmental Biology* and *Molecular Biology*. Error is fluent in Serbian, Croatian, and Slovene and holds a B.S. degree in Biology from the University of Utah.

Mike Herring, Chief Financial Officer
Herring joins Omniture after a tenure of more than three years as CFO of MyFamily.com, where he led efforts that redefined the company's business model and made it one of the top five subscription businesses on the Internet. Through his fiscal guidance and restructuring efforts, the company raised $15 million in private equity, turned profitable within a year, developed a highly scaleable business model, grew its subscription services more than 600 percent and realized more than 400 percent growth in sales. Herring joined MyFamily.com through the acquisition of ThirdAge Media, an Internet consulting firm targeted at the aging baby boomer population. As vice president of finance for ThirdAge Media, Herring helped grow the company from concept to execution, serving clients such as Proctor & Gamble, Johnson & Johnson,

Merrill Lynch, American Century and E*TRADE, among others. Prior to ThirdAge Media, he served for four years as controller of Anergen, a public biotechnology company focused on curing autoimmune disease. Herring earned his CPA as a senior accountant in the audit department of Ernst & Young LLP and holds a B.S. degree in Economics and Political Science from the University of California at Los Angeles.

Matt Belkin, Vice President, Best Practice Group
Belkin served as director of Marketing Analytics at Macromedia, where he built the marketing analytics practice from the ground up and drove the use of Web analytics to an unprecedented 25 percent staff usage within the company. During his tenure, Belkin supported the company's global Web properties and online marketing initiatives by leveraging Web analytics tools to deliver real-time analysis for more than 47,000 pages of content, 18 eCommerce stores, and many FLASH applications. Prior to Macromedia, Belkin spent several years at Adobe and eGroups, Inc., an email group communication service that was acquired by Yahoo. Belkin began his career at JP Morgan, where he served as an Equity Research Analyst for five years, covering the Enterprise Software and Technical Software sectors. Belkin holds a B.S. degree in Economics and German from Lewis & Clark College in Portland, Oregon. He also holds a certification in Computer Science from the University of Munich, Germany.

John Mellor, Vice President of Marketing
Mellor is responsible for managing all marketing and communication efforts throughout Omniture. With more than 15 years of experience in marketing and business development leadership within high-growth organizations, Mellor is uniquely qualified to help drive Omniture's rapid growth and expansion. Prior to Omniture, Mellor was senior vice president of marketing and business development for Frontline Educational Products, LLC, a leading direct marketing company in the consumer education market. At Frontline, Mellor transformed the company's entire marketing strategy to focus on online initiatives that reduced the company's cost per sale by over 75%. Prior to Frontline Educational Products, Mellor held the position of senior vice president of corporate development for RichFX, an online merchandising company for high-end retailers including Coach, Spiegel and Neiman Marcus. He also served as senior vice president of strategy and business development for Viewpoint, the leading provider of interactive media technology and services for Web site marketing and enterprise applications to companies like Nike, General Motors, Sony and Computer Associates. He holds a Bachelor of Science degree and a M.B.A. from Brigham Young University.

Christopher Harrington, Vice President of Sales
With more than 14 years of experience in direct sales and sales leadership, Harrington is responsible for managing all Omniture direct sales efforts worldwide. Preceding his role at Omniture, he was vice president of sales for Domain Systems, where he developed the company's sales and revenue development strategies. In this role, he took the company from exclusively focusing on lower margin professional service engagements to include resell opportunities within the software product lines served by the company. Prior to Domain Systems, Harrington held the position of vice president of sales for RichFX, a visual

merchandising and e-learning solutions provider, and Viewpoint, a Computer Associates company.