

Michael Everett CFO



### **Forward Looking Statements**

This presentation contains forward-looking statements based on WebEx's current expectations, assumptions, estimates and projections, including statements regarding future plans, financial results, and business metrics. Actual results could differ materially from those contained in such forward-looking statements. Information concerning factors that could cause our results to differ from those contained in the forward-looking statements can be found in our filings with the SEC. References to projections or estimates from third party analysts do not imply endorsement of such projections or estimates.



# **Agenda**

- Overview
- Strategy
- Financial Summary
- Q&A



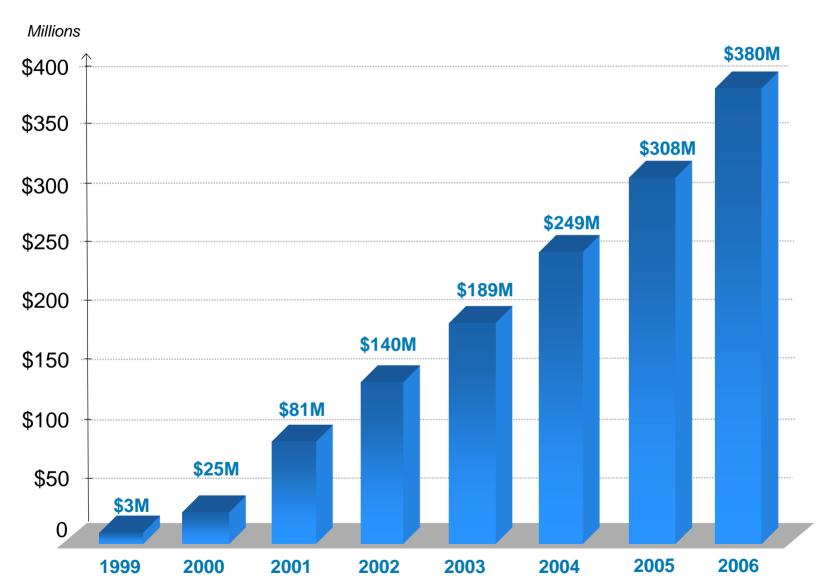
#### **Overview**



- **NASDAQ: WEBX**
- Leader in on-demand web collaboration
- \$380M in annual revenue (2006)
- **Customers in 85 countries**
- 2.2 million registered users worldwide
- **Pioneering SaaS management team**
- Headquartered in Santa Clara, CA



# A Strong Track Record of Growth





# **Connecting People Across Boundaries**





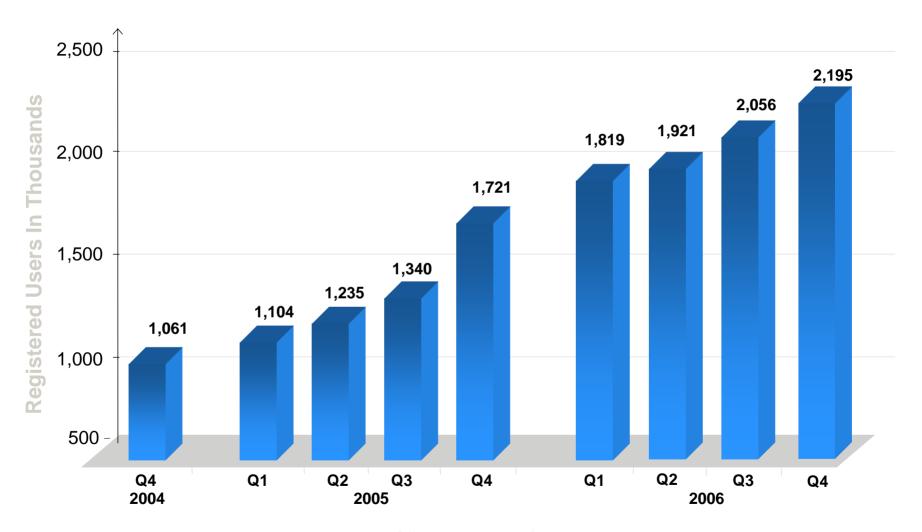
### **On-Demand Collaboration Suite**

#### Software-as-a-Service

Marketing	webex event™	Deliver messages broadly Broadcast your message to customers, partners or prospects
Sales	webex sales	Reach markets profitably Accelerate sales cycles through sales calls and product demos online
Technical Support	webex Support	Support customers  Minimize unproductive downtime by resolving technical problems quickly
eLearning	webex training	Educate key personnel Train employees, customers and partners quickly
Your Organization	webex weboffice	Collaborate anytime Run your business in an integrated, centralized place on the web
Team Coordination	webex meeting"	Maximize global resources Remote teams work together in real time to complete projects



## 2.2 Million Registered Users



Includes paying web collaboration hosts, WebOffice members, PCNow users, system management end points and AIM Pro BE seats.



## **Broad Market Segment Coverage**

#### **SMB** is Our Sweet Spot

Enterprise - Field and Web-touch Sales

Mid-market - Web-touch Sales

SMB - Web-touch Sales

**SOHO – Online Sales** 



## **Enabling SMB's to Go Multinational**

The world's most innovative companies use WebEx





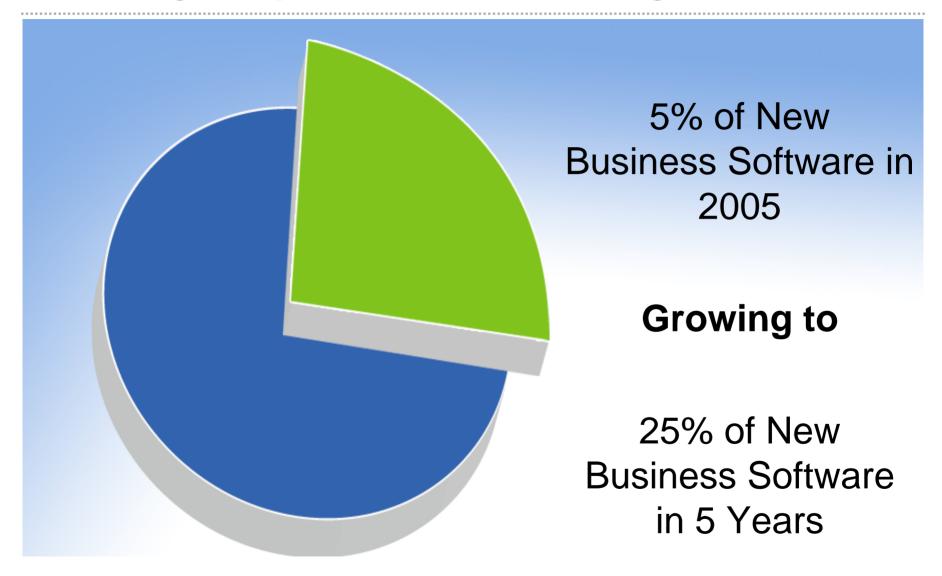
## **Software-as-a-Service Pricing**

74% of Revenue is Subscription Based

Pricing Model	Summary
Named User Subscription	<ul><li>Flat fee for one named host</li><li>Maximum number of attendees</li><li>Unlimited use by host</li></ul>
Concurrent User Subscription	<ul> <li>Concurrent user or "port" capacity</li> <li>Both hosts and attendees absorb ports</li> <li>Overage for extra ports</li> </ul>
Minutes Subscription	<ul><li>Committed "people minutes"</li><li>Use it or lose it</li><li>Overage at same rate as subscription</li></ul>
Uncommitted Usage	<ul><li>No commitment</li><li>Priced per "people minute" of use</li></ul>



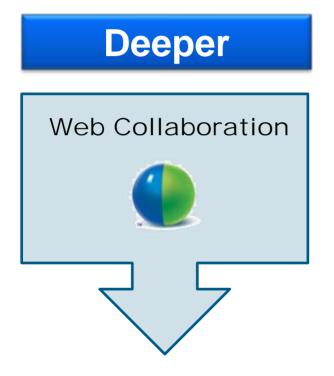
## **Growing Adoption of SaaS Offerings**



Source: Gartner Group "SaaS Delivery Challenges On-Premise Software", Sept. 2006



## **Our Two Pronged SaaS Strategy**







#### Innovation in Web Collaboration Services

#### Ease-of-use

- Support Center 50% faster
- Sales Center presence-enabled

#### Functionality

- AIM Pro BE Advanced Auditor
- Training Center multipoint video

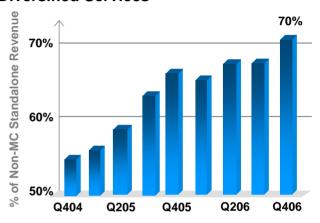
#### Performance

- PKI for critical security requirements
- Improved VOIP capability

#### MediaTone

Increased scalability, reliability and availability

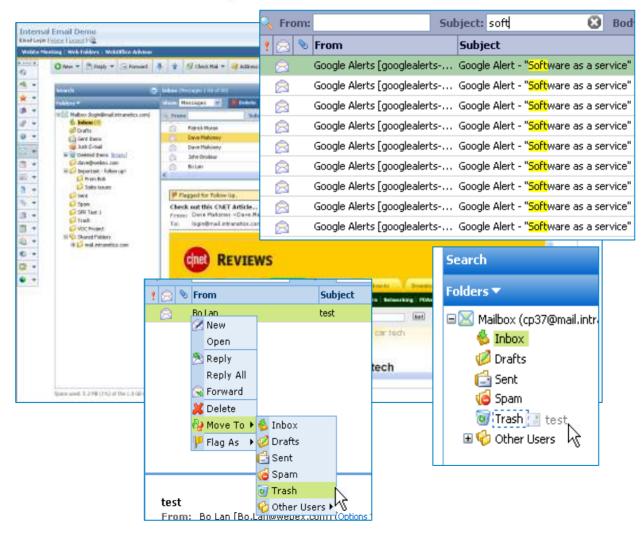
#### **Diversified Services**





#### **New Web Collaboration Services**







## **New Customer Acquisition**

WebEx provides on demand business services to over **2.2 million** knowledge workers in a worldwide market estimated at **400 – 500 million** knowledge workers.



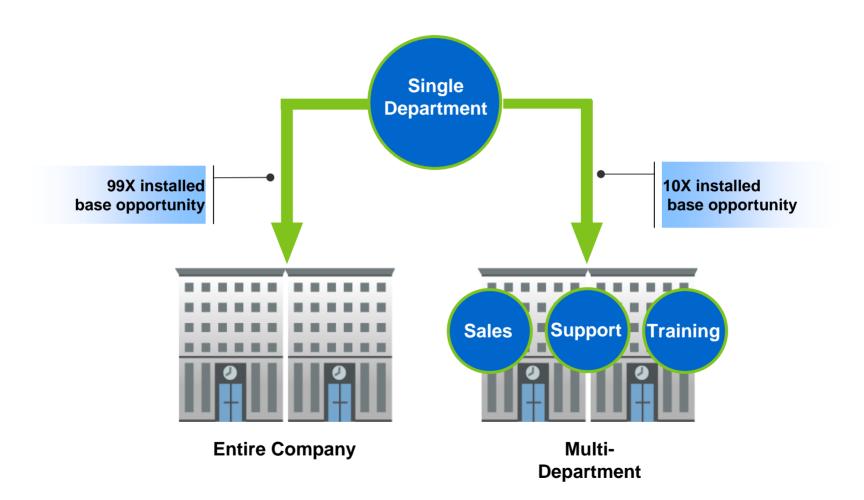
2.2 Million registered users



400 - 500 Million knowledge workers



#### **Installed Base Penetration**





## **International Expansion**

54% Growth in Europe in Q4



- Europe
  - Increasing brand awareness
  - Web-touch sales from Holland
  - Expansion in UK and Germany

- Asia
  - Focus on India
  - Web-touch sales from Shanghai
  - Design opportunities in Japan

- Latin America
  - Focus on Mexico and Brazil



# Leveraging MediaTone

Secure, Reliable, Scalable Real Time Platform



- Fifth generation of MediaTone architecture
- Tenth year of technology investment
- \$180 million invested in R&D
- 2,000 people-years of effort
- 99.999%+ availability
- 37 globally-linked collaboration clusters

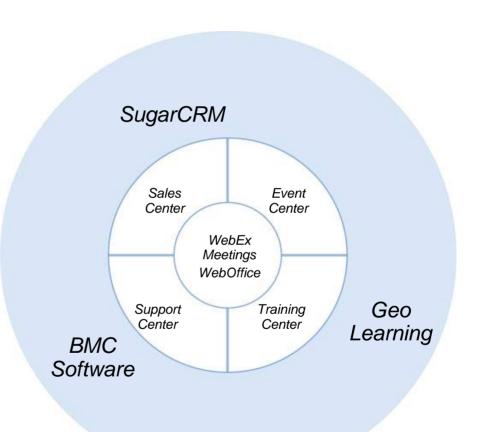


#### Partner Extensions to Web Collaboration

#### Web Collaboration Platform

- On-Demand
- Cross-Company
- Business Process Oriented







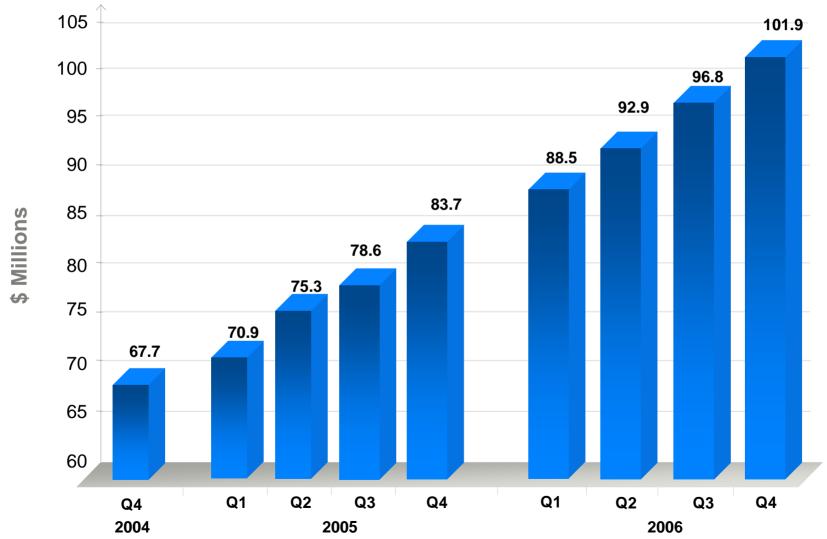
#### **WebEx Connect Benefits**

 Enhanced revenue stream For WebEx Increased customer retention Access to new applications For our customers Leverage of existing software investments Low cost distribution platform For partners Access to 2.2 million WebEx users



### **Revenue Growth**

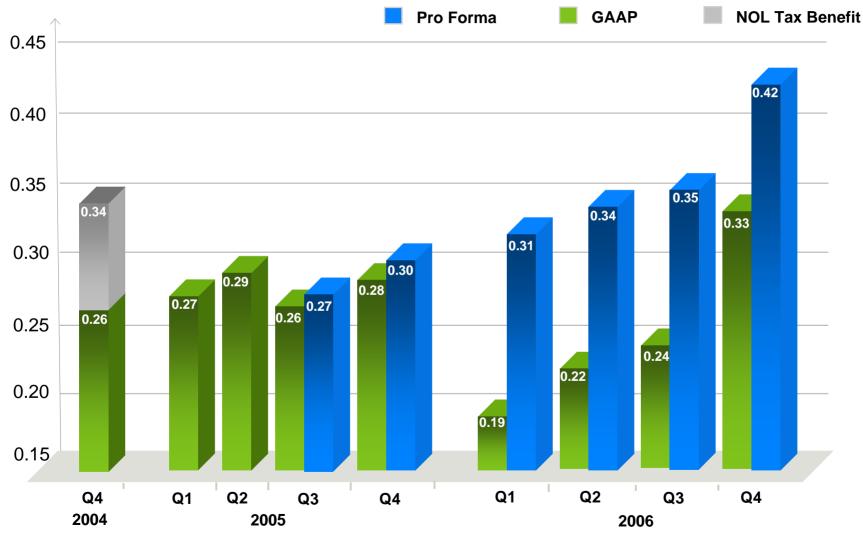
#### 22% Increase in Q4





## **Earnings Per Share**

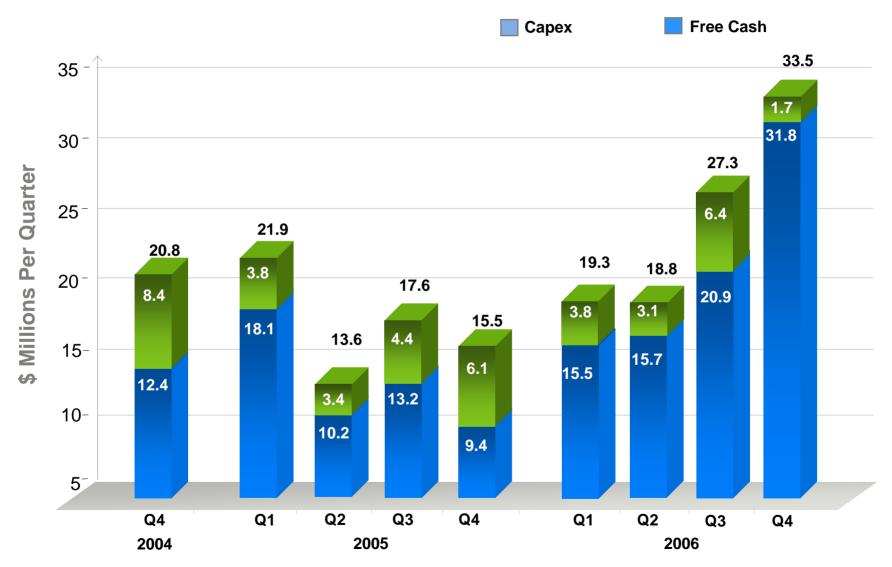
#### 40% Pro Forma Increase in Q4

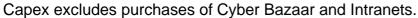


Pro forma excludes stock compensation expense and its on the impact on the reported tax rate, as well as Intranets amortization.



# **Cash Flow From Operations**







# **Summary Balance Sheet**

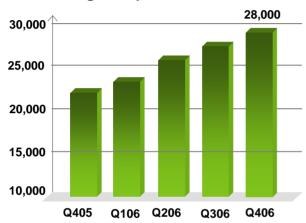
\$ Millions	Dec 31, 2006
Cash and investments	\$345
Receivables	54
Property and equipment	49
Goodwill and intangibles	40
Total assets	516
Debt	
Deferred revenue	16
Payables and accruals	30
Stockholders equity	460
Total liabilities and equity	516



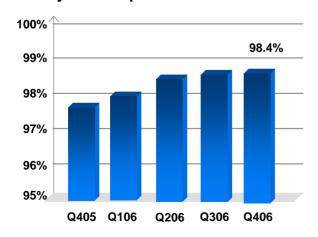
## **Operating Metrics**

#### **Strong Momentum**

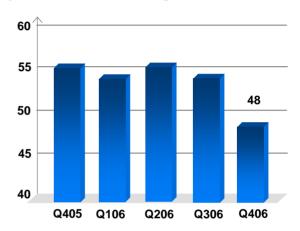
#### **Subscribing Companies**



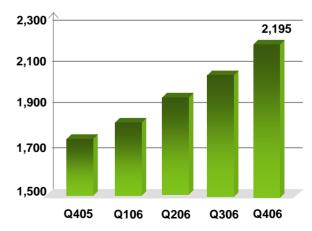
#### **Monthly Subscription Retention**



#### **Days Sales Outstanding**



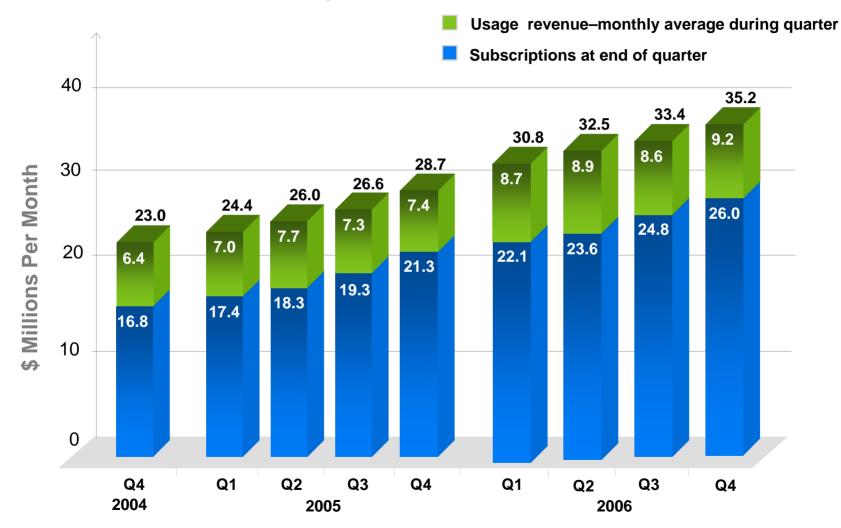
#### **Registered Users (in thousands)**





## Monthly Revenue Rate Exiting Quarter

#### **Excellent Revenue Visibility**



Usage includes most channel resales, overage and pay per use.



# **Management Guidance**

	Q1 2007	FY 2007
Revenue	\$105 – \$108M	\$450 – \$465M
Pro Forma EPS	\$0.39 – \$0.41	\$1.60 - \$1.70
Diluted GAAP EPS	\$0.29 – \$0.31	\$1.24 – \$1.34

Pro forma excludes stock compensation expense and its impact on the reported tax rate, as well as Intranets amortization.



### **WebEx Summary**

- Pioneering Software-as-a-Service management team
- Strong financial model with high revenue visibility
- Acknowledged leader in web collaboration services
- Going deep to extend our web collaboration leadership
- Going wide with partners through the WebEx Connect platform





# Thank You

Michael T Everett CFO

