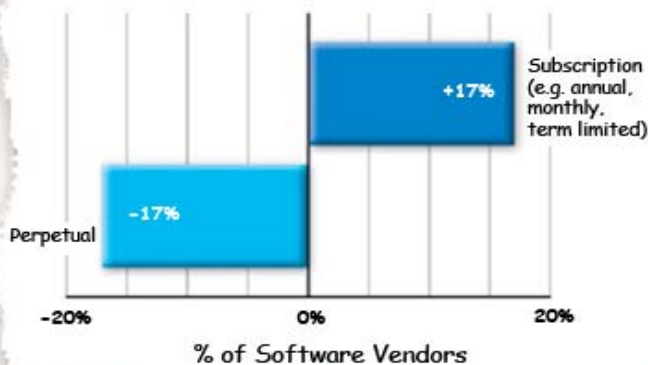




## More and more IT Applications are being supplied on a Subscription Basis,

### Software Vendors moving Aggressively to Subscription Model



Today 1 out of 3 Vendors already have subscription as their primary offering...

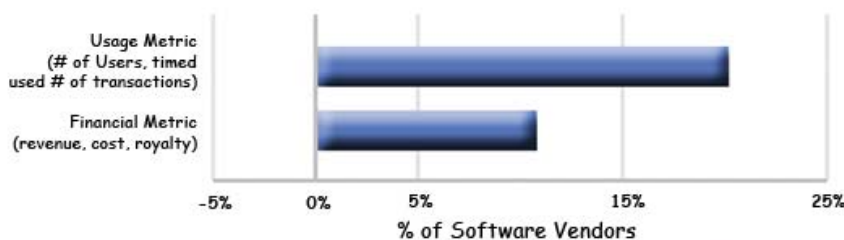
...and within 2 years this will rise to 52%.

Key trends in Software Pricing and Licensing - Macrovision

... and the subscriptions often reflect the use or profitability of the application, thus reducing user risk.

### New Licensing Models based on Metrics are gaining in popularity

Usage of financial metric based pricing will show explosive growth, doubling in popularity to 45.7% over the next 2 years.



Key trends in Software Pricing and Licensing - Macrovision

86 % of potential buyers have difficulty with:

- Cost Justification
- Capital Budget Availability

Subscription can overcome these constraints

so there is potential for a 5-fold increase in demand.

Are you ready and can you cope with the cash demands?

**Intelco can!**

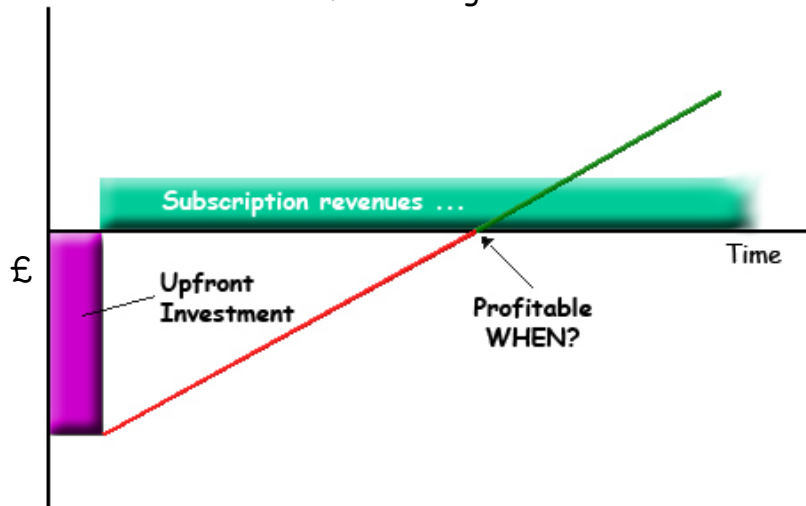


Applications (especially managed or hosted) require a big initial investment

- Software Licences
- Implementation
- Hardware etc.

Customers are increasingly expecting to pay on a Subscription basis.

The Provider faces a big **CASH HOLE**.



The more successful you are the deeper the hole gets.

POTENTIAL SOLUTIONS	EFFECT ON SUPPLIER	EFFECT ON CUSTOMER
Supplier makes investment and recovers over time	Soon runs out of cash or hits credit limit	✓
User pays for investment upfront	Cash OK but may not be competitive	Capital item may fail ROI test
Raise Venture Capital	Dilutes Equity	✓
Uses Intelco	✓	✓

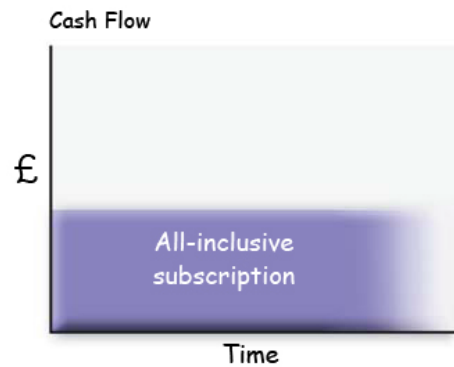
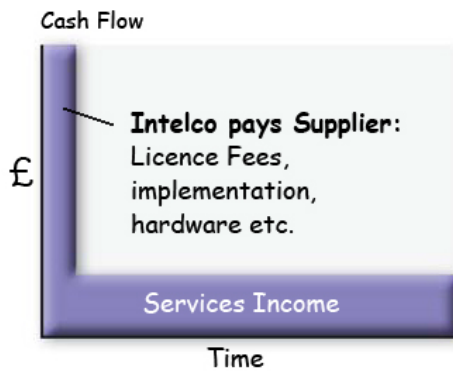


## Benefits of an Intelco funded and managed Subscription Plan



Supplier's View

Customer's View

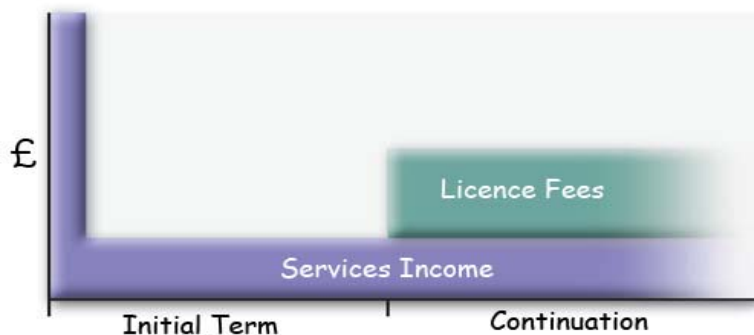


- Full revenue recognition
- Services included
- Future upgrades
- Own brand subscription
- More Sales

- No capital expenditure
- Full supplier support
- Refreshment assured
- One-stop shopping
- Best technology

### BEST OF BOTH WORLDS

plus future Licence Fees to Supplier



Intelco's managed and funded Service is a fully proven and compliant way for Suppliers to offer their products on Subscription without having to find extra finance or specialist resource.