

Building a Successful On-Demand Business



Presented by:

Josh James

CEO & Co-Founder, Omniture

February 28, 2008

Omniture Snapshot

Over 95% Customer Retention

Public Company on NASDAQ: OMTR

79% Year-over-Year Revenue Growth for 2007

Global Market Leader for Web Analytics IDC Dec. 07

180 Patents & Patent Applications

2.2 Trillion Transactions Served in 2007

11,000 Servers, 13,000 Network Devices, 7 Data Centers

1,000+ Employees

4,400+ Customers

Leading Enterprise Brands Rely On Omniture

OpSource
SaaS Summit
2008

MEDIA	
RETAIL	
FINANCE	
TRAVEL	
TELECOM	
OTHER	
TECHNOLOGY	
AUTOMOTIVE	

© Omniture, Inc. 2008 Confidential and Proprietary

As Well as Thousands of Specialist Companies

OpSource
SaaS Summit
2008



© Omniture, Inc. 2008 Confidential and Proprietary

Why we chose SaaS?

How We Got Here

- Remotely Hosted Applications
- Application Service Provider (ASP)
- On-Demand Software
- Software as a Service (SaaS)

Characteristics of SaaS



- Your interests are aligned with customers
- CEO and CFO must be committed and spend the time to understand the model
- Crack addiction of perpetual model, therefore they won't invest appropriately
- Early on in SaaS, you burn more cash than you would in enterprise software

Why SaaS



- SaaS requires patience and faith in the model and results.

SaaS Requires Upfront Investment with Tremendous Cash Flow Over Time



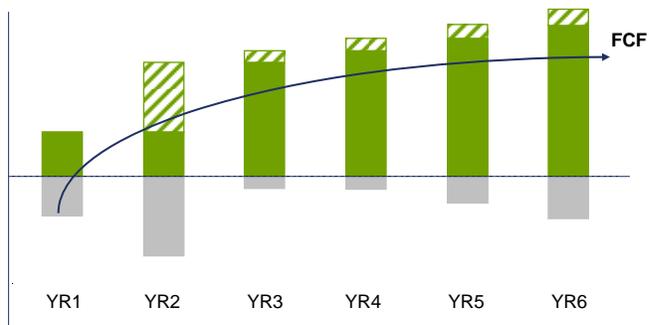
Actual Large Customer

6 Year Time Horizon Metrics:

Revenue: \$13.5M
 Capital Investment: \$3.3M
 Gross Margin: 64%
 Free Cash Flow: \$7.0M
 Rate of Return: 130%

Legend

- Capital
- ACV*
- Cross & Up Sell*
*net of expense



Actual Mid Mkt Customer

6 Year Time Horizon Metrics:

Revenue: \$315K
 Capital Investment: \$17K
 Gross Margin: 90%
 Free Cash Flow: \$270K
 Rate of Return: 433%

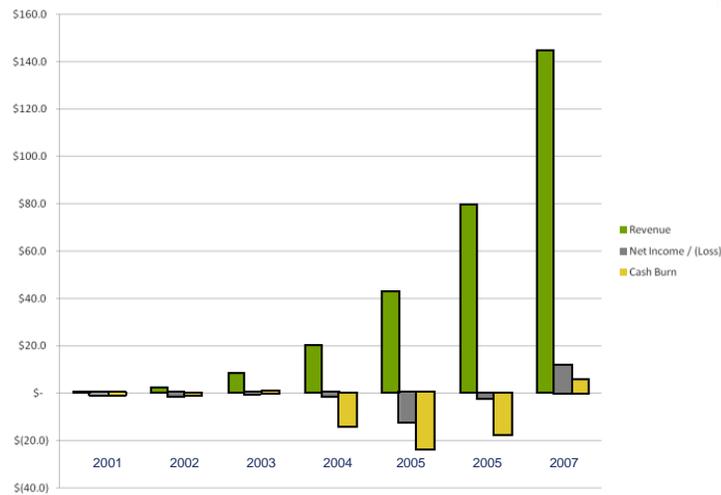


All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for this quarter is included in the GAAP to non-GAAP slide, included at the end of this presentation. A reconciliation of non-GAAP adjustments to GAAP results are also included on the Investor Relations section of our corporate Web site at www.omnitri.com.



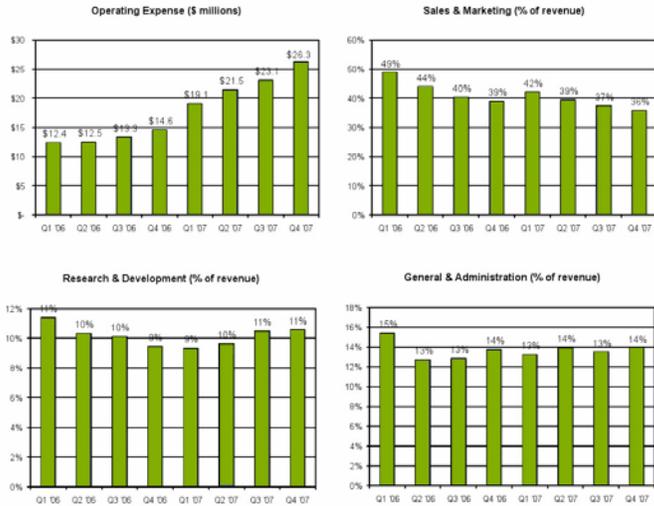
Omniture as a Case Study

Revenue Growth & Investment



All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for this quarter is included in the GAAP to non-GAAP slide, included at the end of this presentation. A reconciliation of non-GAAP adjustments to GAAP results are also included on the Investor Relations section of our corporate Web site at www.omnitr.com. Revenues presented above represent non-GAAP amounts, which exclude acquisition related deferred revenue adjustments.

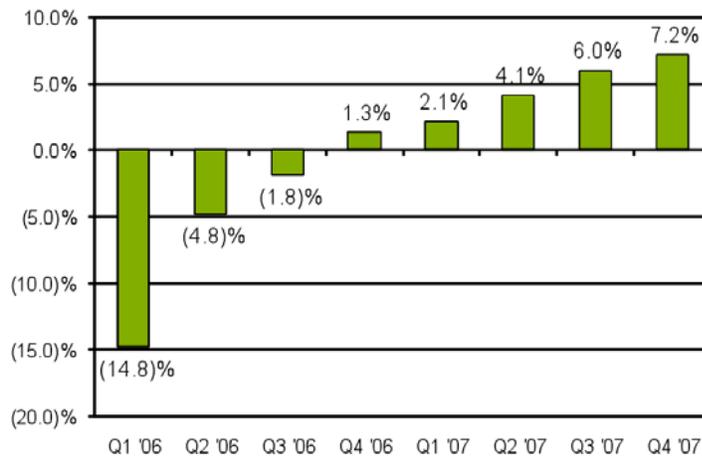
Performance Metrics



All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for this quarter is included in the GAAP to non-GAAP slide, included at the end of this presentation. A reconciliation of non-GAAP adjustments to GAAP results are also included on the Investor Relations section of our corporate Web site at www.omtr.com. Revenues presented above represent non-GAAP amounts, which exclude acquisition related deferred revenue adjustments.

© Omniture, Inc. 2008 Confidential and Proprietary

Operating Margin Growth



All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for this quarter is included in the GAAP to non-GAAP slide, included at the end of this presentation. A reconciliation of non-GAAP adjustments to GAAP results are also included on the Investor Relations section of our corporate Web site at www.omtr.com. Revenues presented above represent non-GAAP amounts, which exclude acquisition related deferred revenue adjustments.

© Omniture, Inc. 2008 Confidential and Proprietary

Omniture Stages of Evolution



- Product
- Sell like crazy; Prove you can sell; Build team; QBSRs
- Retain; QBSRs
- Marketing; QBSRs
- Efficiency of Hardware; QBSRs
- More Engineers and more QBSRs
- Most Important Investment Metric – “Magic Number”

Magic Number



“Magic Number” = Annualized incremental forward quarterly revenue growth divided by sales and marketing spend

	<u>Q1</u>	<u>Q2</u>
Revenue	\$	\$(+X)

Quarterly Revenue Increase = X

Annualized Revenue Increase = 4 * X

$$\frac{4 * X}{\text{Q1 S\&M}} = \text{Magic Number}$$

Magic Number



- For example:

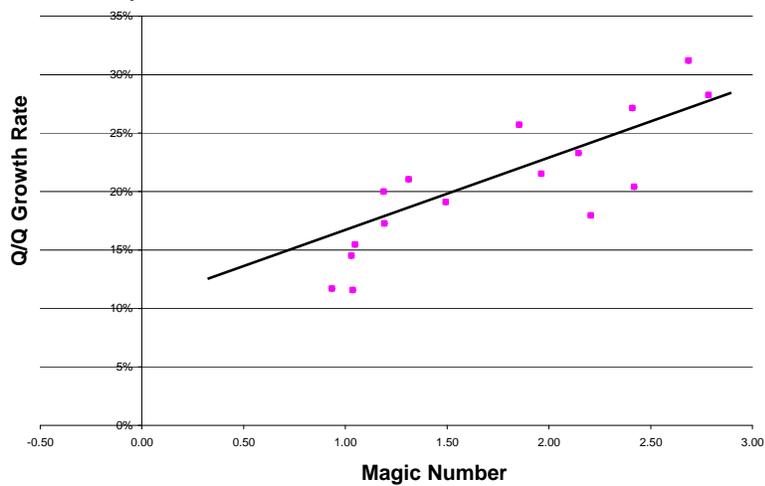
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Revenue	\$ 7.00	\$ 8.00	\$ 8.80	\$ 9.40
<i>Change in Revenue</i>		\$ 1.00	\$ 0.80	\$ 0.60
S&M	\$ 3.00	\$ 3.00	\$ 3.00	
<i>Magic Number</i>	1.33	1.07	0.80	

- Measurement from 30k feet of a combination of:
 - Market saturation or competitiveness
 - Sales force effectiveness
 - Retention and up-sell/cross-sell strength of the base

Correlation Between Magic Number and Growth Rate

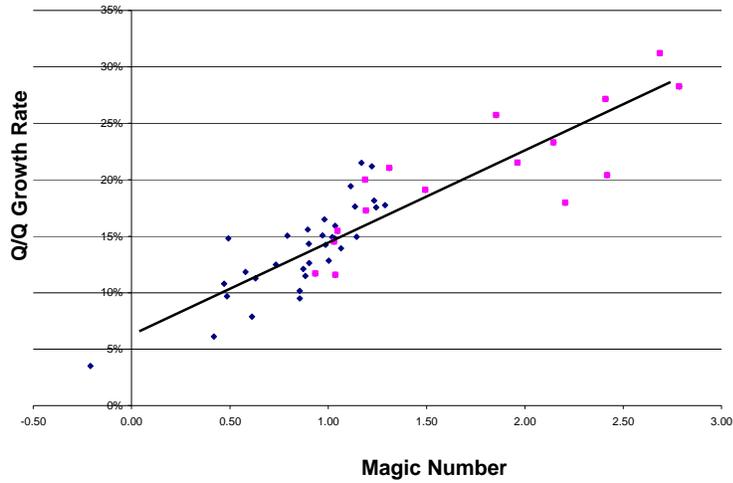


Omniture Only



Correlation Between Magic Number and Growth Rate

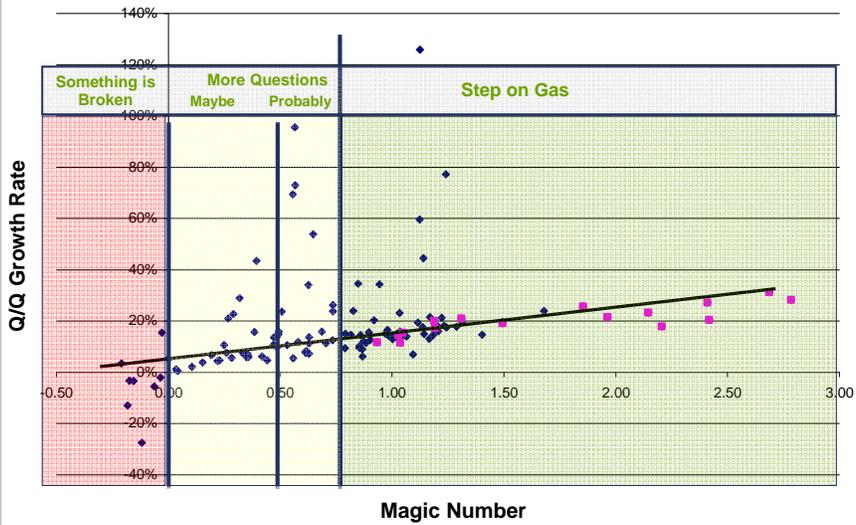
Includes Omniture and Other Public SaaS Companies



© Omniture, Inc. 2008 Confidential and Proprietary

Correlation Between Magic Number and Growth Rate

Includes Omniture and Other Public and Private SaaS Companies



© Omniture, Inc. 2008 Confidential and Proprietary

Three Things to Remember

- QBSRs
- Retention
- Become one with the model



The Little Guy Can Win

Questions