



Board of Directors Meeting: 11/1/00
Product Marketing & Business Development Report

Product Marketing Status

- Live Status -- The Alpha release has been successfully deployed at InterZest in Korea as of the first week of October -- the Beta release has been pushed out to mid-January -- a 2 month slip from Engineering -- the slip is due in part to a poor development job by one of their contractors.
- Product Roadmap : Based upon the new Business plan delivered last week by Doug, a first draft of Product Roadmap has been laid out (attached).
- New Windows Media Player Bridge was released October 19 -- this is the product I described at the end of August to the Board -- it successfully combines WMP6, WMP7, with full support for ASF, WMA, MPEG, including seek forward/backwards. We are now totally up-to-date for WMP on our current product release.
- Promo CD -- A promo CD has been released for use at tradeshows.
- ROI / TCO Research work finishes this week -- this work is near completion and shows Burst in a very positive light (performance over the internet, and network efficiency) vs. the current server from Microsoft.

Business Development

Apple -- Based upon positive discussions held at QuickTime Live, we will be meeting with Apple to discuss, amongst other items, embedding Burst into their player. This will likely accelerate our plans around the Burst plug-in for the Mac QuickTime Player.

Real Networks -- Real has rejected our 2 proposals:

- to be a VAR for their server, which would allow our server to talk to their server, and
- to create a Burst Caching server, wherein we cache streams from a central Real server, and burst it from the edge.

Note that it is my belief there are 2 reasons for this rejection:

- Our positioning -- we still have "Why Stream When You Can Burst" on our main web page. We have positioned ourselves as direct competitors to them -- and to Microsoft, as well -- so it is hard for them to see us as partners.
- Our sales -- or lack thereof. It is extremely difficult to put together a convincing story of how much added revenue they would receive by partnering with us, since we are not currently recording any significant revenues from our product.

AOL / Winamp -- We have declined the AOL offer due to lack of a compelling pay-performance guarantee for client downloads.

Mike Moskowitz
Vice President, Business Development and Product Marketing

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Plaintiff's Exhibit

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