



Strictly Private & Confidential

Product Description:

Espresso Unified Instant Messaging

BY VIRTUALTHERE INC.

August 2001

COPYRIGHT NOTICE

Copyright © 2001 by VirtualThere Inc.

All rights reserved. This material is confidential and proprietary to VirtualThere Inc. No part of this material shall be reproduced or published in any form by any means, whether electronic or mechanical, nor shall the material be disclosed to any third party without the express written consent of VirtualThere Inc.

Product Description: Espresso

PRODUCT OVERVIEW

Espresso is a unified instant messaging platform enabling users to efficiently exchange messages between multiple devices including digital cell phones, 2way pagers, personal digital assistants, web browsers and digital set-top boxes.

Using Espresso, instant messaging users no longer have to worry about losing touch with their friends, family or business associates while away from a computer, or having to install multiple software clients on home, school and office computers in order to send and receive instant messages.

The current version of Espresso provides support for Chinese (traditional & simplified), Japanese, Korean, Tagalog, Indonesian, English, French and Spanish, and empowers users to transcend geographical boundaries or limitations associated with network coverage.

Espresso also serves as a robust communications platform suitable for incorporation into other community and commerce applications.

KEY BENEFITS

Espresso unifies communications across different devices and different mediums, whether wired or wireless. Through an easy to use interface, Espresso promotes easy connectivity between multiple devices including digital cell phones, 2-way pagers, personal digital assistants and web browsers. Espresso facilitates the efficient exchange of emails, voice mails, faxes and SMS messages, as well as cross chatting amongst the 200 million users of ICQ, Yahoo Messenger, MSN Messenger, AOL Instant Messenger and Espresso's proprietary messenger, anytime and anywhere!

Using Espresso, instant messaging users no longer have to worry about losing touch with their friends, family or business associates while away from a computer, or having to install multiple software clients on home, school and office computers in order to access their favorite instant messaging system.

Instead, Espresso users may enter all their contacts once, on a simple wireless or web based configuration page, and thereafter access a consistent feature set including buddy lists and profiles, through an easy to use interface on a variety of devices.

Espresso is easily configurable to support multilingual input and output allowing users to use their preferred language for communication.

Espresso's server-centric architecture is highly scalable, allowing users to access a consistent feature set from any device at anytime. Espresso's proprietary protocol incorporates advanced security features suitable for carrier-grade and business-grade enterprise messaging applications.

For further information please contact:

Suk Ho Emmy Choi
VirtualThere Inc.

Phone: +1-416-944-2977
Email: echoi@virtualthere.com

VirtualThere Espresso - unified instant messaging

USER FEATURES

Unified instant messaging

Using Espresso, instant messaging users no longer have to worry about losing touch with their friends, family or business associates while away from a computer, or having to install multiple software clients on home, school and office computers in order to access their favorite instant messaging system. With Espresso, users are empowered to transcend geographical boundaries and network coverage limitations.

Consistent, easy to use interface

Espresso's easy to use interface requires minimal effort to learn and is delivered in a consistent manner across different devices and different networks. Espresso users may enter all their contacts once, on a simple wireless or web based configuration page, and thereafter access a consistent feature set including buddy lists and profiles on a variety of devices and networks.

No downloads or installation required

With Espresso there is absolutely nothing to download or install. Updated versions are automatically integrated into the service each time you access Espresso.

Comprehensive device support

Espresso provides support for any of your preferred devices including digital cell phones (SMS, WAP, WAP over GPRS, J2ME, i-mode, cHTML, HDML), 2-way pagers (RIM BlackBerry), personal digital assistants, web browsers and digital set-top boxes.

Multi-lingual support

Espresso allows users to communicate in the language they are most comfortable with. The current version of Espresso provides support for Chinese (traditional & simplified), Japanese, Korean, Tagalog, Indonesian, English, French and Spanish. Additional languages are easily configurable and are coming soon!

Multiple network support

Regardless of your network choice or roaming agreements, login to Espresso from anyplace on earth with Internet access or digital cell phone coverage!

Powerful messaging options

Espresso allows users to customize their contact list, personal profile information, presence status (online, offline, not available, etc.) and choose from several delivery options.

Flexible group features

Espresso allows users to configure and broadcast messages to groups of friends or associates, regardless of their preferred protocol, device or location.

Multiple protocol support

Espresso incorporates proprietary routing technology that manages the connection to various public instant messaging networks including AOL Instant Messenger, Yahoo Messenger, MSN Messenger and ICQ. The list of protocols supported by Espresso will soon be expanded!

Privacy options

A full range of settings allows users to control their own privacy options.

VirtualThere Espresso – unified instant messaging

ADMINISTRATIVE FEATURES

Powerful management tools

Espresso administrators may access powerful management tools through an easy to use administration site and may configure user service levels and system parameters through an intuitive interface.

Comprehensive usage analysis reports

Espresso administrators may view detailed statistical reporting of usage and traffic patterns, filtered by a range of criteria and use these reports to optimize service delivery and to focus marketing efforts.

Powerful trouble shooting and security features

Espresso administrators may configure powerful spam-detection filters, event logging, activity tracking, alarms and (optional) live session monitoring.

Flexible provisioning

Espresso administrators may retain administrative control through integration with existing user databases.

Configurable billing options

Espresso administrators may configure a variety of user billing mechanisms including flat rate, per message and packet-based billing options. A variety of CDRs are also available.

VirtualThere Espresso - unified instant messaging

SYSTEM FEATURES

High performance

The Espresso system architecture combines intelligent design with the application of best-of-breed components. Support is currently available for multiple server process distribution as well as load balancing.

Scalable

Espresso's architecture facilitates dynamic scaling from tens-of-thousands of users to millions of users. Modular Espresso components are designed to run on separate servers.

Reliable

Espresso's intelligent architecture provides support for various levels of multi-way redundancy guaranteeing that messaging integrity is maintained even in the event of component failures. The Espresso messaging system was designed from the ground up as an enterprise-level messaging system.

Multiple platform support

Espresso uses 100% pure Java, allowing carriers to leverage their existing infrastructure investments. A variety of hardware, application server and database platforms are fully supported through Espresso's portable code base and gateway technology.

Multiple wireless device and network support

Espresso provides support for a variety of devices operating on a wide range of wireless networks (GSM, CDMA, TDMA; SMS, WAP, WAP over GPRS, J2ME, i-mode; 2G, 2.5G, 3G).

Open API

Espresso's open API provides an easy to use interface for accessing the sophisticated functions of the core Messaging System. Because Espresso is written in 100% pure Java, the platform may be seamlessly integrated with external applications including Location Based Service infrastructure.

Live backups

Espresso supports live backups through a wide variety of industry-standard devices.

Customisable presentation layer

Espresso employs "skin" based presentation layers allowing system or (optional) user-level customization for different devices.

Secure

Espresso incorporates several levels of security including HTTPS encryption between Espresso and the WAP gateway, 128-bit SSL encryption between Espresso and external applications accessing the system through the API, and SSH (Secure Shell) for secure remote administration.

XML support

Espresso provides seamless support for intelligent data exchange through the use of definable XML tags.

...continued

VirtualThere Espresso - unified instant messaging

SYSTEM FEATURES (CONTINUED)

Efficient messaging engine

Espresso is available in separate versions custom tailored for network carrier or enterprise-grade applications.

Proprietary protocol

Espresso's proprietary protocol incorporates advanced features suitable for messaging applications requiring high-availability. With Espresso's proprietary protocol, clients can be guaranteed message integrity, confidentiality and security not possible through public (consumer-oriented) protocols.

VirtualThere Espresso - unified instant messaging

SYSTEM REQUIREMENTS: SOFTWARE

Operating system support

Espresso supports various flavors of Unix including Sun Solaris, HP-UX, SCO Unix and Linux.

Database support

Espresso supports a wide range of enterprise level databases including Oracle, Sybase and DB/2.

Application / web server support

Espresso supports any application / web server with a Java Servlet Engine including BEA WebLogic, IBM WebSphere and Allaire JRun.

SYSTEM REQUIREMENTS: HARDWARE

Varies depending on requirements.

Additional technical details are available upon request, including information about technical requirements, performance, scalability, reliability and security.
--

VirtualThere Espresso - unified instant messaging

MARKET OBSERVATIONS

GENERAL:

- "Instant messaging is growing as quickly as any other Internet phenomenon, reaching 3 million new customers each month." (source: Yankee Group)
- "A third of U.S. online consumers use instant messaging daily." (source: Yankee Group)
- "As Internet usage gravitates to wireless telephones and other mobile devices where immediacy is key, instant messaging could supplant e-mail." (source: Yankee Group)
- "This is a whole lot more than chat... It's becoming one of the predominant ways that people experience the Internet." (source: Precursor Group)
- "By 2004, we expect that 60 percent of real-time communication between users via any means, including voice, text or call-and-response, will be driven through IM technology." (source: Gartner Group)
- "Because instant messenger services are unable to communicate with each other, many U.S. Internet users now turn to two or more different instant messengers simultaneously to communicate with people using different services." (source: Media Metrix)
- "Just like e-mail, interoperability is inevitable with instant messaging." (source: Giga Information Group)
- "What will be the 'killer app' for 3G? Enhanced messaging will be one of the most used applications and greatest revenue generators." (source: A. Byttner, AnywhereYouGo.com)
- "There will be more than 1 billion mobile phone users by 2003, with about 60 percent capable of accessing the Internet." (source: The Yankee Group)
- 9 billion SMS messages were sent in the month of August 2000, worldwide. (various sources)
- "There are currently 73 million registered users of the ICQ service." (source: ICQ)
- Instant messaging services are, by nature, very "sticky" amongst their target demographic and as a result, enjoy a high frequency of use. Regular users of instant messaging regularly access IM services several times per day from their home, school or office computer (various sources). [*Expresso Wireless Edition allows this usage pattern to continue while the user is away from his/her computer.*]

YOUTH USERS:

- "Two-thirds of teens rate communications as their highest priority, with email, chat, and instant messaging consuming more than 4 of the 7 hours they average online per week." (source: Gartner Group)
- "By 2003, there are expected to be 300 million "under age 30" users of mobile communications devices worldwide." (source: Gartner Group)

BUSINESS USERS:

- "Over a third of U.S. Fortune 1000 companies now use instant messaging for their internal operations." (source: Forrester Research)
- "Nearly half of U.S. Fortune 1000 companies will use instant messaging by the end of 2001." (source: Forrester Research)
- "70 percent of corporate email users will be using instant messaging by 2005." (source: Gartner Group)
- "Many workers use AIM for workgroup collaboration without realizing that all their messages go outside their firewall and pass through an AOL server, over which they have no control." (source: Gartner Group)



VirtualThere Inc.

CORPORATE OVERVIEW

VirtualThere was incorporated in June 2000 as a developer and provider of mobile applications and solutions. The founding team had been engaged in core technology development since late 1999. Since that time, the Company has evolved into a leading wireless application service provider by developing and launching a series of highly popular mobile communications applications.

The Company's first product, the Mobility Engine, was launched at COMDEX in July 2000 in support of NOW Wireless Edition. The wholly owned and operated service quickly became Canada's most popular wireless Internet service targeting the youth market with highly relevant and compelling content. NOW Wireless Edition provides a successful, high profile showcase for VirtualThere's device-independent mobile communications and content enablement technology. The platform was recently nominated for an award from the Canadian Association of Broadcasters and has been deployed in other content and commerce related applications.

In August 2000, VirtualThere publicly announced Espresso, a mobile communications platform. With support for both web and wireless devices, the proprietary platform was initially deployed to allow over 200 million users of instant messaging software to communicate with one another regardless of location, device or preferred protocol. An early version of the product was a top finalist in Nokia's WAP Hothouse 2000 Contest. The core technology has been extended to serve as a robust mobile communications platform suitable for incorporation into other mobile applications.

VirtualThere's Technology Lab was formed in October 2000 to focus on developing i-mode, GPRS and third-generation (3G) wireless applications. The scope of the lab was recently expanded to include the development of advanced voice-enabled applications using VoiceXML technology as well as the Bluetooth protocol. Currently in development, additional applications will be launched in mid-2002.

In February 2001, VirtualThere's Mobility Engine product became the first mobile application to be awarded "Site of the Year" by Internet World 2001 and in the same month, VirtualThere was judged "Most Promising Business" by the University of Toronto Innovations Foundation. In March 2001, VirtualThere's Technology Lab placed second in the "Cool Blue VoiceXML Developer Challenge" hosted by IBM with over 5,000 participants from across five countries.

The VirtualThere team consists of highly qualified personnel with strong technical backgrounds. Their enthusiasm and dedication reinforces the Company's positive work environment and its ability to attract quality personnel on an ongoing basis.

VirtualThere's objective is to become a leading provider of advanced customer-focused mobile communications applications for network operators, telecommunications equipment vendors, and corporations worldwide.

CONTACT INFORMATION

Suk Ho Emmy Choi

VirtualThere Inc.
789 Don Mills Road, Suite 500
Toronto, Ontario
Canada M3C 1T5

Phone: +1-416-944-2977
Fax: +1-416-944-3518
Email: echoi@virtualthere.com