

|| Parallels™ Summit '20

Profit from the Cloud

Clouds with a 100% Chance of Profits

Partner with Parallels and let us help grow your business

Jack Zubarev, President Service Provider Worldwide

Agenda

- Parallels Company Overview
- Successful Partnerships
- SMB Market Opportunity
- Changing Market Conditions
- Making Cloud Services a Reality
- Parallels is Your Partner in the Cloud
- Partnership Advantages & Special Offers

Parallels at a Glance: Enabling the “cloud”



Strong Foundation

- 700+ employees worldwide
- Shipping to the cloud for 10 years
- Partnerships with Microsoft, Intel, others
- 80+ patents

Proven Track Record

- 2 million desktops and over 300,000 servers
- 10 million end-customers in 125 countries
- 30+ awards in the last 12 months

Market Leadership

- #1 mass-market cloud enablement provider
- #1 cloud virtualization provider with well over 1 million instances
- #1 desktop virtualization provider with over 2 million users

Parallels Partners



> The Opportunity is in Small Business



Small Businesses – Global

North America
9.5 M

EMEA
22.8 M

Japan
4.4 M

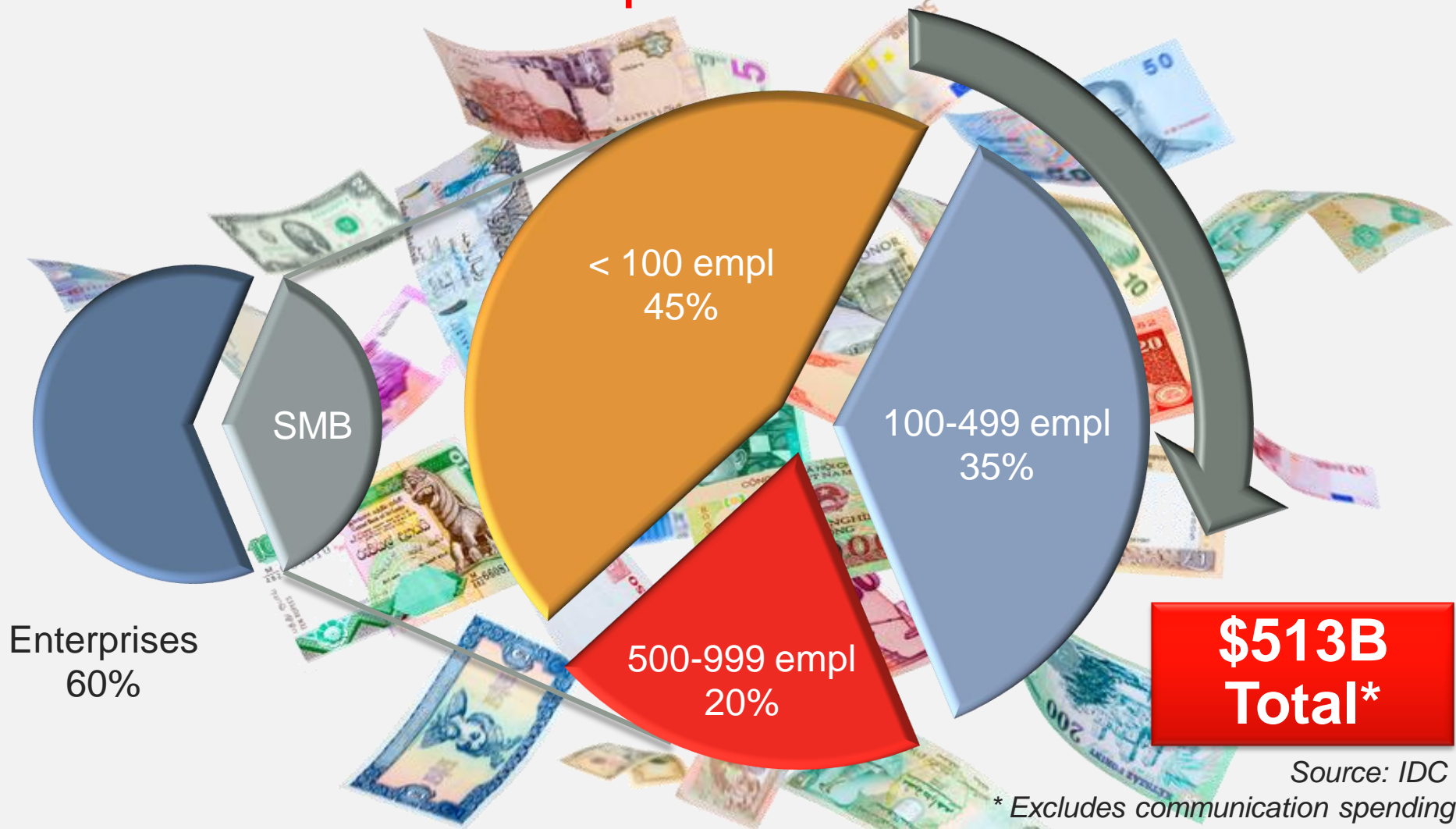
Latin America
12.8 M

APAC
24 M

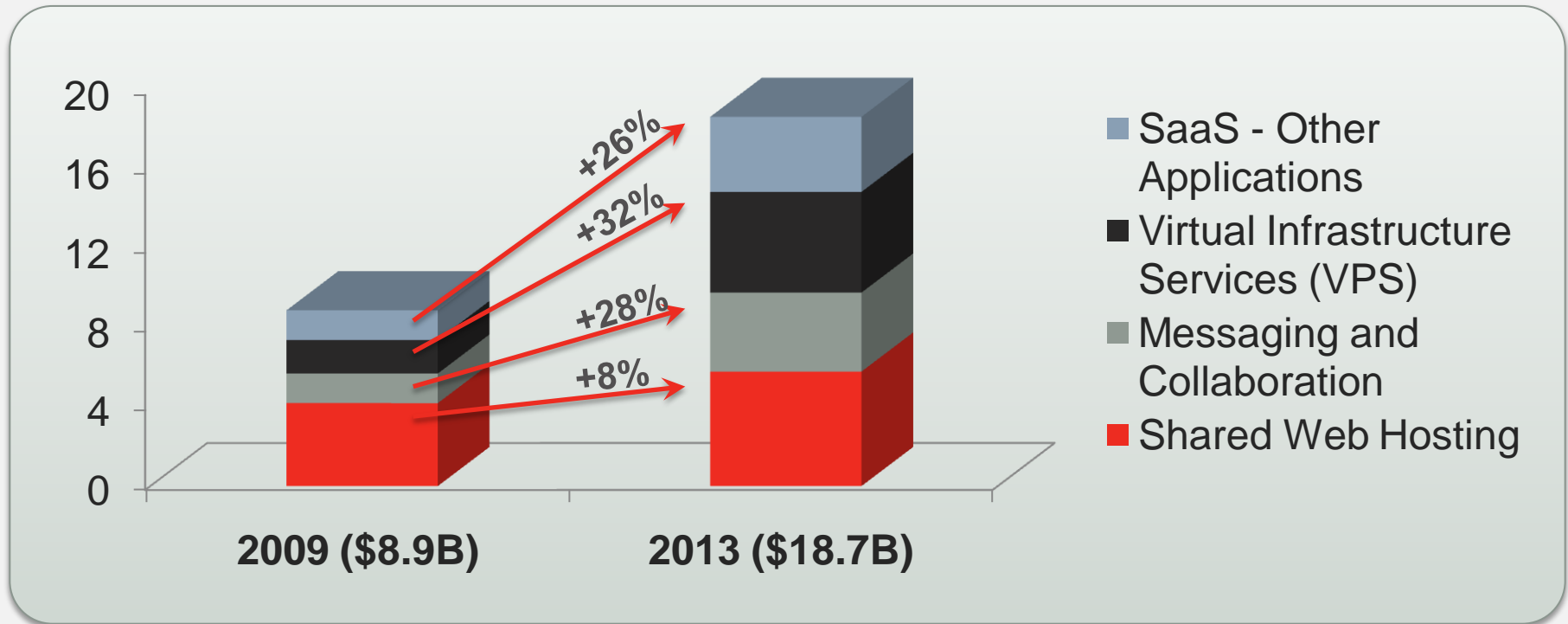
**Global Small Businesses – 73.5M
– and over 100M Home/Small Offices**

** Typical small business size is less than 10 employees*

Small Business IT spend – 40% of total



Small Business Cloud Services



Shared Web Hosting will remain the largest segment of the market for Small Business in 2013. The highest margins and absolute growth will be a healthy \$1+B!

Mass Market Cloud Landscape –

Where we are headed

2009

- SMB Clouds (~\$15B)
 - Shared Hosting
 - Dedicated Hosting
 - Managed Hosting
 - SaaS, etc
- SMB IT Market (~\$1,000B)
 - Telco
 - Hardware Vendors
 - Networking Vendors
 - Software Vendors
 - VARs/SIs
 - Distributors
 - Retailers
- SMB Other IT Services

2020



> Changing Market Conditions



We Understand Your Challenges

Customer Acquisition

Customer acquisition lead generation; without differentiation or new services, you feel the squeeze.

10x More Expensive

Customer Retention

Customers also feel the squeeze and seek lower prices and products or services that you don't offer.

Churn is Evil!

Cost Pressure

High costs associated with Infrastructure investment (hardware & datacenter), support, administrative and marketing.

High Investment

We Provide Solutions Through Partnership

Customer Acquisition

Customer Retention

Cost Pressure

Virtualize

Deliver what the market demands.
Become a cloud provider.

Automate

Open a path to offer SaaS from a
time-saving platform.

Incremental Upsell

Increase revenue through
added products and
services.

Add Services

Expand your
offerings and create
stickiness.

Marketing Resources

Professionally-designed content to
promote new services.

Parallels Partnership Benefits

> Making Cloud Services a Reality



Our engineering was product-focused

Control Panels

Parallels Panels

Provisioning

POA

Billing

PBA

Virtualization

PSBM, PVC



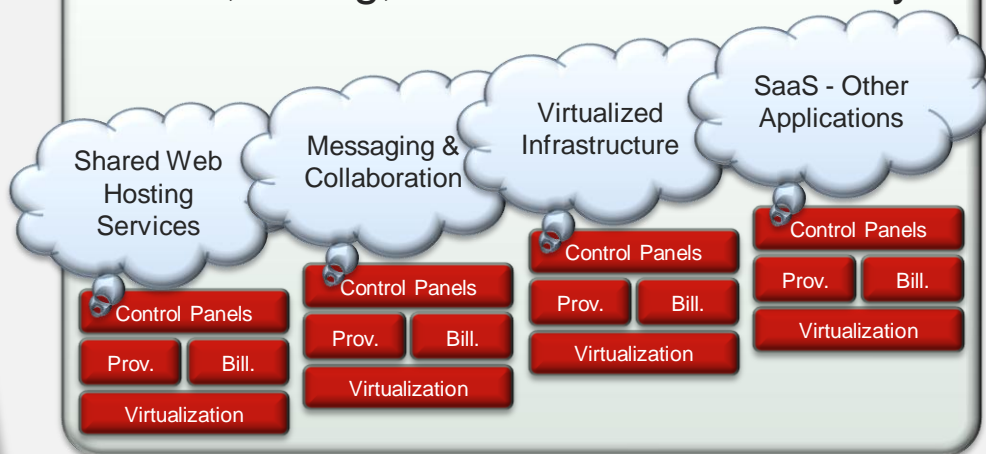
Refocusing Engineering on Services

• What makes ~~Marriage~~ Service successful?

- Service **Components**
- Selling/**Billing** Options
- Operational and Infrastructure **Costs**

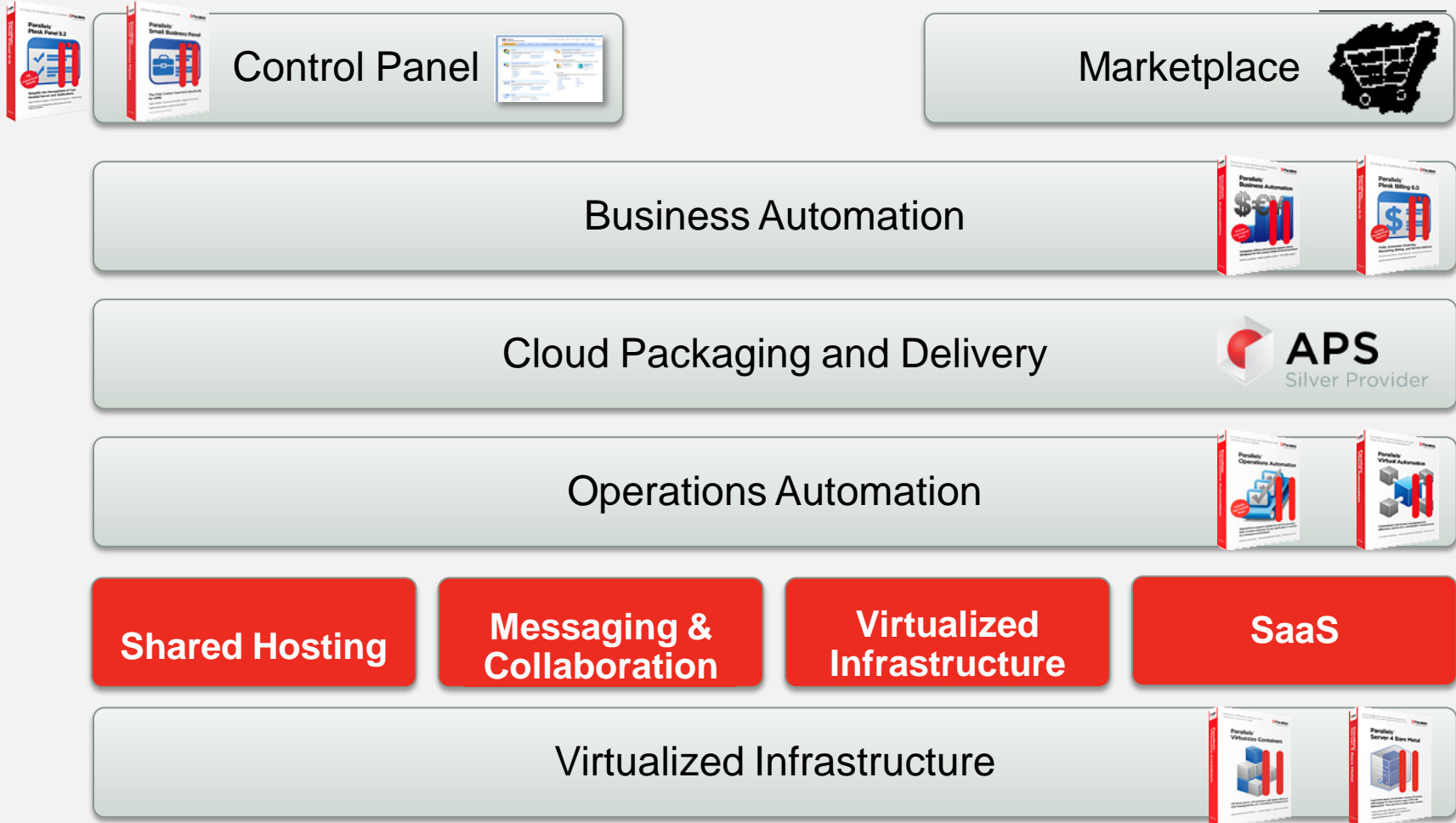


Common Services Architecture: APS, Billing, Cloud Services Delivery



Engineering leaders to own integrated **Service Delivery Software Solutions** required to provide the most competitive **Services**

Cloud Services Architecture



Shared Web Hosting Services

OPPORTUNITY

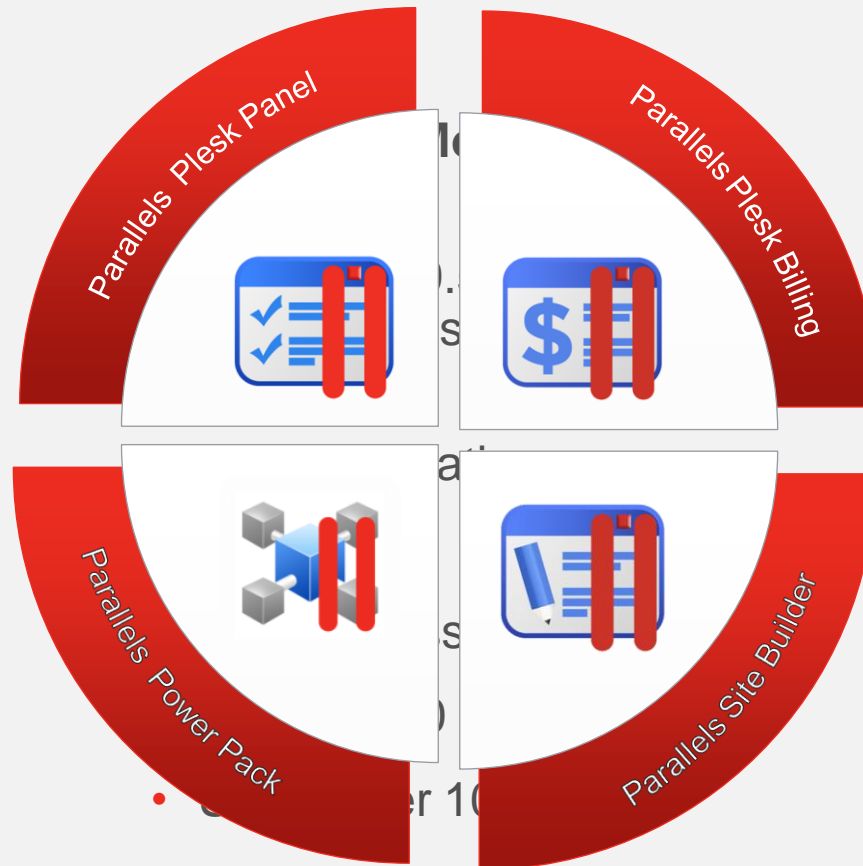
Growth 2009 – 2013:
8%

2009	2013
\$4.2B	\$5.8B

TRENDS

- “Must offer” – foundation for growth
- Services are still evolving:
 - More non-technical users
 - More included apps
 - From php to Joomla and WordPress
- Price stabilized but perceived competition with “free” “offerings”

Plesk Panel 9.5 Suite: Hosting in a Box





Profit from the Cloud

We will be discussing unique ways to grow your business and profit from the many opportunities in cloud computing.

Welcome Jason Frisch, President, Tsukaeru.net

Customer Profile: Tsukaeru.net

Company Overview

- *Operating for 10 years in Japan with over 13,000 customers, \$4MM revenue 2009-10.*
- *Focused on budget priced shared and VPS hosting. 400+ new VPS monthly.*

Relationship with Parallels

- *Partnered with Parallels in 2004 to offer majority of available products.*
- *Recently commenced implementation Parallels Automation Enterprise.*

Benefits

- ***Complete automation*** of business processes has enabled us to focus on superior support and marketing, to become one of the benchmark players in the Japanese mass-market hosting industry, without excessive investment.
- Significantly increased **competitive advantage**
- Lowered development and **time to market**.

Virtualized Infrastructure Services (VPS)

OPPORTUNITY

Growth 2009 – 2013:
32%

2009 2013
\$1.7B - \$5.1B

TRENDS

- Highest growth
- ISV enablement - battleground
- Services are a commodity
- End customers are larger SMBs
- Storage, Monitoring, Backup, DR, limited SLAs.

Virtualized Services in the Cloud Today



Virtual Private Servers

Virtual Desktops / VDI

Elastic Cloud Computing

SaaS applications and
Virtual Appliances

“Dedicated” server
offerings

Integrated Virtualization Solution: Details

Parallels Virtual Automation

Self service Tools

Resource accounting & reporting

Role-based permissions

Mass Management

Provisioning & configuration

Monitoring & alerting

Migration

Backup & Recovery

Unified Service Delivery and Lifecycle Management

Parallels Containers

Container 1

Container 2

Container 3

OS Virtualization Layer

Standard Host OS

Hardware

Parallels Server Bare Metal

VM 1

Guest OS

VM 2

Guest OS

VM 3

Guest OS

Container 1

Hypervisor or containers

Hardware

APIs, SDKs, Templates Library, CLI

Freedom of Choice

Cloud Services Providers can choose the best server virtualization approach for the services they offer

Parallels Virtual Automation

Unified Service Delivery and Lifecycle Management
APIs, SDKs, Templates Library, CLI

Container-based Services

Large numbers of homogeneous environments on a single server

- Virtual Private Servers
- Virtual Desktop Infrastructure
- SaaS hosting
- Virtual Appliances
- Standardized developer environments

Hypervisor-based Services

Multiple heterogeneous OS environments on a single server

- Server consolidation and DR
- Dedicated VM to a server
- Kernel-level development
- Replacement for low-end dedicated server offerings



Optimize for the Cloud

We will be discussing unique ways to differentiate your business and stand out from your competition.

**Welcome Richard Kloosterman, CEO
Network Group Europe**

NETWORK GROUP

Network Group delivers Microsoft Hosted Unified Communication and Collaboration solutions.

Network Group offers partnerships to ISP's, VAR's and ISV's allowing them to enter the fast growing enterprise SaaS market, without any of the financial risks and headaches related to exploitation of an enterprise class SaaS platform.

Microsoft®
GOLD CERTIFIED
Partner



THE BUSINESS CHALLENGE

A (white labeled) solution to empower VAR's, ISP's and ISV's to deliver, manage and invoice hosted services.

A solution allowing Network Group to invoice on multiple levels and in multiple regions.

Being of service to resellers that want to add:

- Hosted Exchange
- Hosted Sharepoint
- Hosted Microsoft Dynamics CRM
- Hosted Office Communication Server to their service portfolio



Business Scenario

BUILD

- + Total control of process
- + Fully tailor made
- + Only necessary components

- Expensive
- High risk factor
- Unreliable planning of time to market
- No external help(desk)
- Difficult to keep up with market demand

BUY

- + Short time to market
- + Well documented
- + Expertise of 100+ developers

- Standard customized product
- No influence on architecture
- Limited access to roadmap

INCREASING POWER AND CONTROL

Parallels Operations Automation enables Network Group to deploy new services five times faster = five times more revenue.

Parallels control panel offers an unmatched manageability tool to Network Group resellers, which makes it a core competitive advantage for both.



CONCLUSION



Choosing Parallels was the smart choice for Network Group.

Parallels enables Network Group to deliver an integrated control, management, provisioning and billing solution to it's (white labeled) resellers.

By using Parallels both Network Group and the resellers gain a core competitive advantage.

New Network Group resellers get a very short time-to-market.

– Richard Kloosterman

Messaging and Collaboration

OPPORTUNITY

Growth 2009 – 2013:
28%

2009 2013
\$1.5B - \$4.0B

TRENDS

- Small Business moving email offsite very quickly
- Mobility is driving new ways to communicate
- VoIP/PBX – Better, more useable, services emerging
- Traditionally dominated by big players

Messaging & Collaboration Services

- Best automation of Microsoft Hosted Exchange, OCS, SharePoint and Dynamic CRM related – used by leading providers worldwide with **100+ successful deployments**
- **Ready-to-launch**
- Proven implementation services
- **Highest ARPU** allows attractive entry-level pricing
- Best **reseller** capabilities
- Best end-user **self-service control panels**
- Solutions based on Open-Xchange or simple Linux mail

Innovate in the Cloud

We will be discussing unique ways to grow your business and profit from the many opportunities in cloud computing.

Welcome Sal DiPiazza, President & CEO, Exchange My Mail

Exchange My Mail Success Story



**Sal DiPiazza,
President & CEO,
Exchange My Mail**

After two decades in the wireless industry, Sal DiPiazza joined up with Exchange My Mail as an investment partner and mentor, Sal became more involved in the company's daily operations. In 2008, Sal began devoting his full time to Exchange My Mail and took the role as President and CEO. His non-technical background in launching and operating large scale, fast growth companies is proving valuable as Exchange My Mail experiences the daily challenges of a business experiencing accelerated growth.

Exchange My Mail Success Story

Offers messaging & Collaboration services – very profitable service!

Business Situation

- 2005 – unique opportunity to provide wireless synchronization to BlackBerry users
- First system was completely manual and very time consuming
- Goal was to compete for large enterprise business but needed to automate and upgrade first
- Make end user experience faster and more seamless

Key Challenges:

- Identify a software company that had experience in the hosting industry
- Required a full solution that offered:
 - Quick deployment
 - Scalability
 - Integrated billing
 - Single sign on

Exchange My Mail Success Story

Parallels Solutions

- Choose Parallels to power our growth with the Parallels Automation solution for Hosted Exchange
- System was fully deployed and all legacy users were quickly migrated to the new platform.
- Integrating billing and automated provisioning gave us a clear path for increasing sales while lowering support needs.
- Exchange 2003, Exchange 2007, based on Parallels VPS Virtuozzo Containers. Our newest solution will be Exchange 2010.

Outcomes & Benefits of Partnering with Parallels

- Partnership allowed us to consistently grow our customer base year after year
- Improved customer retention through simplified upgrade paths
- Better than expected new customer referrals
- Kept tech support levels steady even while supporting additional users
- Parallels partnership has proven to have the greatest positive customer impact

SaaS - Other Applications

OPPORTUNITY

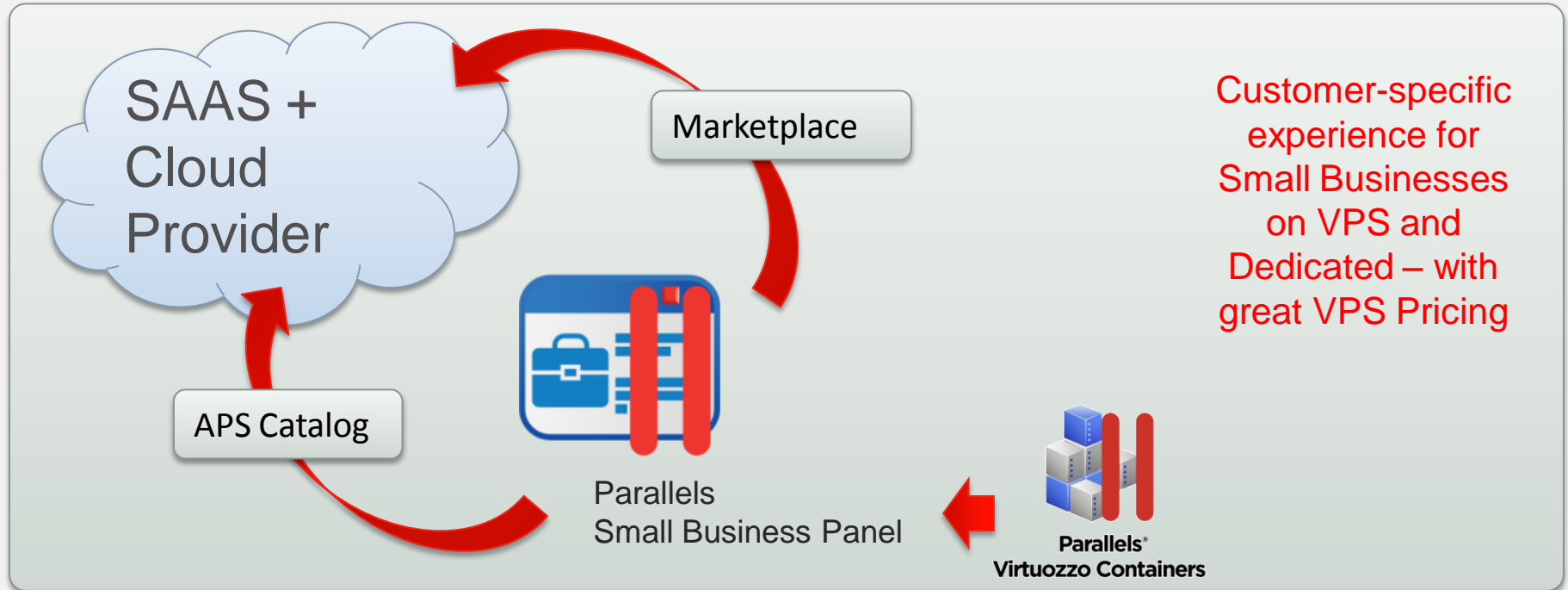
Growth 2009 – 2013:
26%

2009 2013
\$1.5B - \$3.8B

TRENDS

- Sales and Marketing Tools – winner so far
 - CRM, SEO and Social Media
- Aggregation
- ISVs looking for new channels
- Built-in multi-tenancy

A Turnkey Small Business Solution



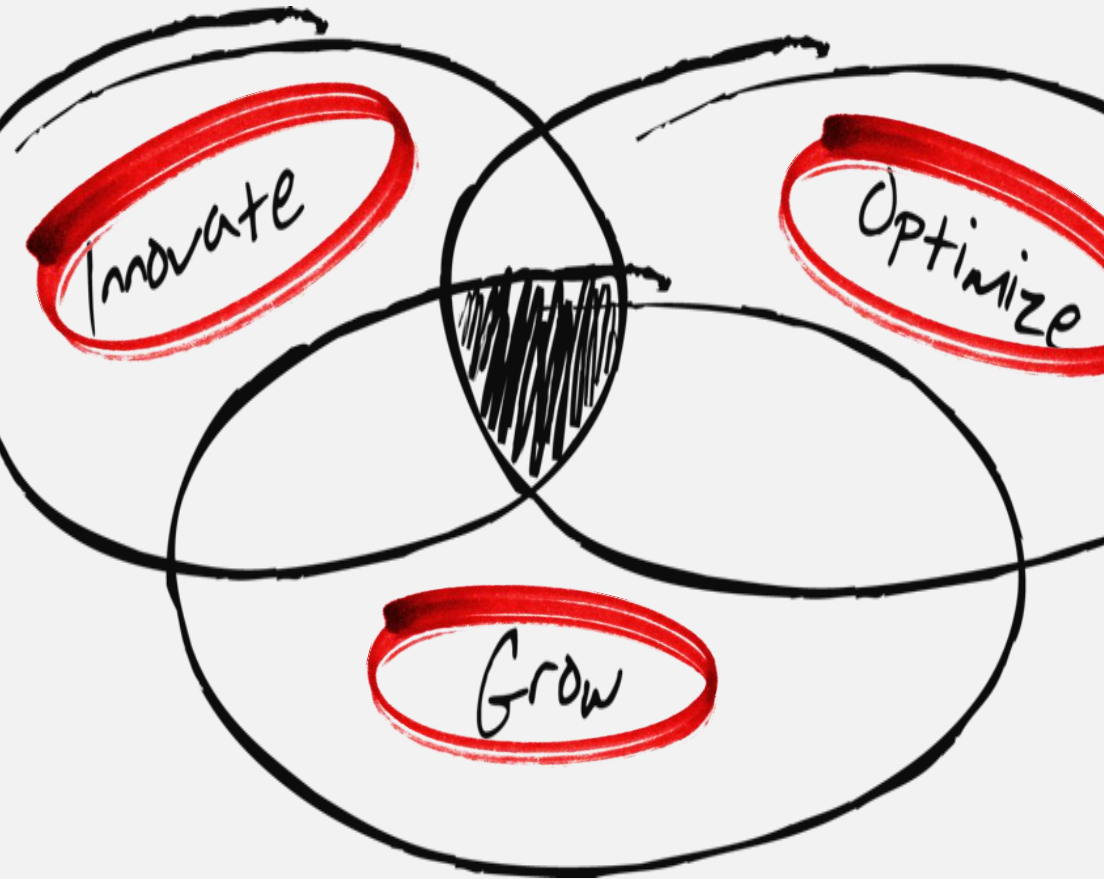
AUTOMATION

VIRTUALIZATION

INNOVATE & PROFIT

Only Parallels enables a Turnkey VPS and SAAS/ APPS business built for SMB Hosting

APS: Simplify Cloud Packaging & Delivery



ISV (Innovate)

- Focus on innovation not installation
- Expand reach
- Minimize distribution overhead
- Lower support costs

Service Provider (Optimize)

- Focus on innovation not installation
- Expand reach
- Minimize distribution overhead
- Lower support costs

Service Provider (Grow)

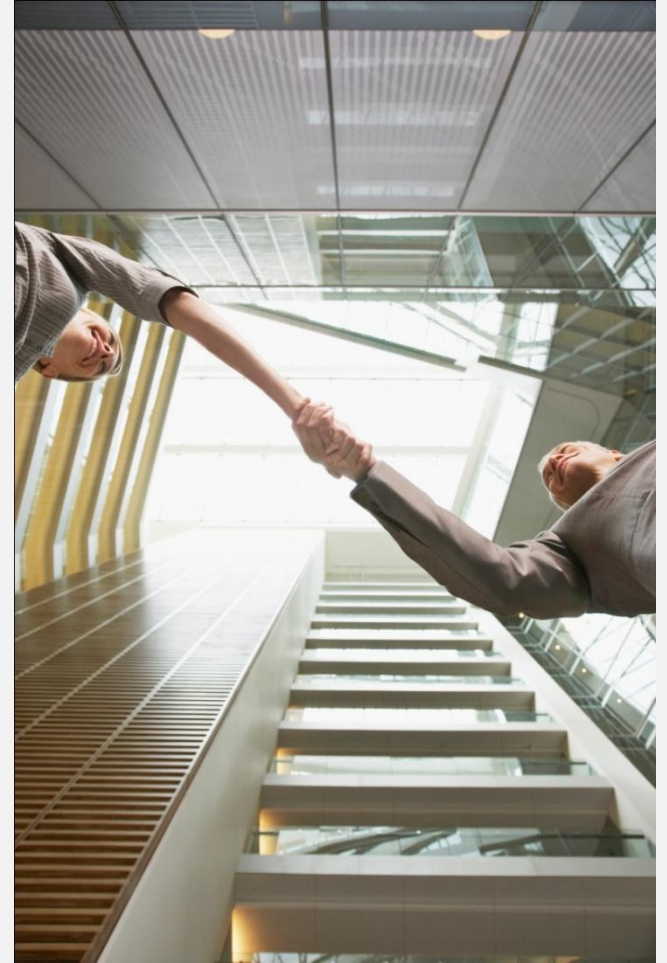
- Offload IT
- Pay-as-you-go subscription consumption
- Self-service access and management
- Wider choice of applications

> Parallels Is Your Partner in the Cloud



Parallels Partnership – A Joint Interest

- **Grow revenue and profit**
- **Run business operations with minimal staff and capital**
- **Quickly launch new services**
- **Expand market reach and potential**



Partnership Benefits

Dedicated Account Management

Take advantage of our ongoing consultations to get the most out of your partnership.

Marketing Resources

Tap our ever-expanding marketing materials to refine your messaging to end users.

Flexible Licensing Options

Improve your profitability and up-sell capabilities with more licensing options.

Discounts on Products

Generate higher margins through discounts available exclusively to Parallels partners.

Parallels PartnerNet Site

Exclusive partner marketing collateral:

- Quick Start Guide to Branding
- Parallels logos, product names and icons
- Pre-formatted website content and PDFs
- How-to videos and Flash demos
- Downloadable marketing materials
 - product datasheets
 - Whitepapers
 - HTML and email templates

**“With Parallels expert help –
a Hostler with over
100,000 websites – increased
conversions by 30%
after redesigning
their website with
materials from PartnerNet”**

Partners place to:

- Submit support requests and view open tickets
- Provide product feedback and feature requests directly to Parallels Developers
- Learn about exclusive offers for Parallels Partners

Masterclass Online Marketing
Wednesday: 4:00 am – 4:40 pm

Parallels Certification Program

Becoming certified is important to your success as cloud services provider:

Partner Benefits

Be Recognized as a Branded Parallels Expert

The Parallels certified logo, website badges and icons validate your expertise and show customers you're a leader in hosting and cloud computing.

Gain Highly-Skilled Employees

We'll train your staff to become self-sufficient product experts who can expertly support your customers and maintain your virtualization and/or automation architecture.

Get Tier 2 Support

Skip right to a Tier 2 Parallels support specialist who is dedicated to answering more complicated questions and can speak the language of your trained, certified staff.

Individual Benefits

Gain Expert recognition

You're smart, so why not show off your skills and knowledge with certification badges from Parallels.

Increase your worth

Boost your knowledge, advance your career and increase your earning potential in the cloud computing field.

Earn privileged access

Connect and network with the industry's leading gurus in virtualization and automation technology.

Certification Training

Thursday: 9:00 am – 5:00 pm

Partnership Levels & Benefits

	Silver	Gold	Platinum
Website Reviews	✓	✓	✓
Email & Landing Page Templates	✓	✓	✓
End-user Content	✓	✓	✓
Conference Perks			✓
Invitation-only Webinars			✓
Customized Marketing Material			✓
Personalized PPT			✓

Take Advantage of Partner Benefits

- Increase Profitability
- Offer Innovative Products
- Reduce Costs
- Align with a Great Brand
- Grow your Business
- Become an Expert
- Market your Services Effectively



Make Cloud Services a Profitable Reality

Start with a **3 Month Free Trial** of Parallels Partner Program

Contact a sales rep today to find out more or visit:

parallels.com/spp/partnerprogram

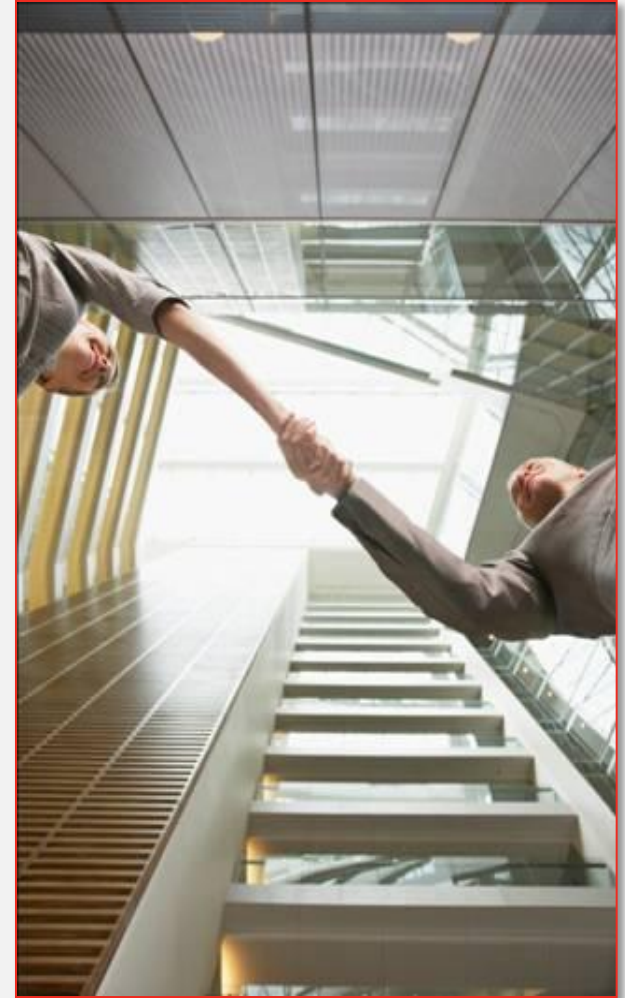
All info at: parallels.com/partners/become

Then **Profit with SaaS!**

Get 2X Royalty on Application Sales in Parallels Partner Marketplace

through Parallels Small Business Panel

See: parallels.com/landingpage/marketplace-2x/



> Innovate. Optimize. Grow Profit From The Cloud.

Join the Parallels Partner Program Today.

www.parallels.com/partners/become



|| Parallels™ Summit '10
Profit from the Cloud

**THANK YOU –
ENJOY THE SUMMIT!**

Questions?