

THE WALL STREET TRANSCRIPT

Questioning Market Leaders For Long Term Investors

Mindjet Corporation



SCOTT RASKIN is Chief Executive Officer of Mindjet Corporation. With more than 20 years of experience in the high-tech industry, he is working to extend Mindjet's leadership position by expanding the company's portfolio with innovative and leading-edge products, new partner initiatives and a keen focus on Mindjet's community of passionate users. Mindjet has sold over 970,000 global licenses and is in 85 of the Fortune 100 companies and in more than 50% of Global 2000 organizations. Under Mr. Raskin's leadership, Mindjet has returned its fourth consecutive year of double-digit growth. Mr. Raskin came to Mindjet from Telelogic where he served as Chief Operating Officer for over five years. He joined Telelogic in 2001 and led the company through extensive growth to a market cap of over \$750 million with 1,100 employees and operations in over 30 countries. Before joining Telelogic, he held senior marketing, sales and business management roles at Nexgenix, Bachman Information Systems and MAI Basic Four.

TWST: May we start with a brief overview of your company?

Mr. Raskin: Mindjet was established in 1994 focused specifically on automating what people were then doing on paper. The original concept is called mind mapping, which is about organizing your thoughts in a structured, visual format. The company founder saw the benefit of automating that process to give people greater clarity and thinking while organizing their thoughts. That vision was correct because Mindjet has grown, and has become the most widely used software application of its type by business professionals. They use MindManager for visually managing ideas and all forms of information, allowing team collaboration, organization and accelerated action. It's a uniquely effective, knowledge-driven and visual way for people to work. This is what many of our customers are telling us.

TWST: Having automated this function, what can the software do that a paper and pen cannot?

Mr. Raskin: Paper and pen are one-dimensional. Primarily, it doesn't have the abilities to grow and expand over time as

you are thinking and as you're collaborating with others. More important, paper and pen can't interact with all the various forms of digital information that are available, whether it's on the Internet, enterprise data or connecting with other people. So what this product allows is to capture your thoughts, information, and ideas, organize them, and then see the inter-relationships as an individual or as a team. Then you can inter-connect those thoughts and ideas with relevant structured digital information and bring it into one place where you can work with it and organize it and decide on priorities for action.

TWST: Would you comment on the product's evolution leading up to your latest version?

Mr. Raskin: In its earliest incarnation, the software captured what you were thinking, or what a group was thinking, and organized those thoughts and structured them, maybe putting some prioritization in place. Where we are now and how the product has evolved is we've integrated this visual working environment with all of the systems that people use on a daily basis that manage content like e-mail, word processing, spreadsheets and PowerPoint, letting

you link with information from websites. MindManager enables you to make connections to pieces of information regarding a project such as resources, timing and scheduling. You can organize things more effectively and assign priorities and people to tasks with timelines. The software has greatly matured and is sophisticated in features, yet simple to use. The average user experiences productivity gains and clarity of thought within their first few maps and then graduates to integrating their map with other application, resulting in sophisticated business processes.

TWST: Who do you include within your customer base and what are you seeing in terms of business momentum?

Mr. Raskin: Over 85% of the Fortune 100 is using MindManager. Close to 70% of the Fortune 2000 global companies are customers. The user community is a Who's Who of commerce and government. You'll find MindManager in nearly every office. It's being used by the CEO and his reports for strategic business planning and corporate organizational development. It's being used by administrative people for meeting planning and everything in between:

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project management, marketing and sales. It's found within all types of companies from top to bottom. We have recently reached a million licensed users and are growing rapidly.

TWST: Which industry verticals have not adopted your solution but would be ideally suited for it?

Mr. Raskin: MindManager is found broadly and deeply among knowledge workers. Where you wouldn't find it is outside that community. We are highly focused on knowledge workers, information workers, people and teams that are creating new information or knowledge used to drive their businesses. Government agencies are effective users. Police detectives use it to help solve crimes. We typically measure against the Microsoft Office user. Where people are working in that application, they are prime candidates for MindManager. Take a look at the myriad of ways customers are using and talking about MindManager: Customer Successes (http://mindjet.com/us/company/our_customers/index.php)

TWST: How does your software differ from other mind mapping solutions?

Mr. Raskin: Our difference is we go well beyond just mind mapping. That's the important distinction. Mind mapping is only among the many things you can do with MindManager. There are companies that just provide mind-mapping products. We do that extremely well and we are considered the leader in the market. A recent independent survey shows us with 74% market share in that function. MindManager is the most powerful choice, yet quick and easy to use.

The product's real value is going beyond mind mapping and getting into what we consider business mapping. This is where users are integrating other pieces of data and information sources, their e-mail system, backend sales system or financial reporting systems, or linking it to information on the Web. They are using it to set project priorities. So again, the difference is our product takes those ideas, integrates them with a variety of data types and then allows you to take action immediately and over time. Pushing beyond mapping is why we've attracted such a large percentage of the Fortune 2000 large companies.

TWST: What is the cost of ownership?

Mr. Raskin: We have professional versions for either PC or the Mac and we have a Lite version. Prices range from \$349 to \$99. It's a very quick installation and easy to get up and running. As a company, we have minimal professional services, because the product is effectively self-taught. We have a plethora of resources, guides, map templates, and examples on our Website for anyone to get up and productive fast. So once someone is licensed, they have a world of tools and resources depending on what they want to do and what their challenges are.

TWST: Globally, where have you established your footprints?

Mr. Raskin: We have offices and presence all over the globe including our own offices in Tokyo, Sweden, Germany, France and the UK internationally. In the US, we have three regional offices and our HQ is in San Francisco. In addition to Mindjet's regional offices, we have hundreds of Value Added Resellers and Distributors who cover areas where we don't have an office. To give you a feel

for the breadth of our geographical coverage, I was recently in Iceland where we have a large user base and presented to 150 senior executives on improving productivity using MindManager. We are nearly everywhere you can imagine.

TWST: Are you targeting a specific business mix as you look ahead?

Mr. Raskin: As mentioned, our target user is the professional knowledge worker. Our product can be and is used in virtually every industry segment. Any team and/or individual managing a project and needing to create a plan or strategy with priorities, resources, and time frame would benefit from using MindManager. We also have a large community of people using MindManager as a personal productivity tool. One of the biggest pressures on people and companies alike is the stress of information overload. MindManager has been proven as an ideal application to help people deal with overload, gain focus and help them manage more effectively. So if you feel like you're drowning in information and don't have enough time, then MindManager is for you.

TWST: Would you comment on your customers' future needs and your response?

Mr. Raskin: The key trend we are addressing is team collaboration. That's the focus for us in 2008, providing greater functionality for teams working together, collaborating ad hoc or as needed. We're focusing on letting them not only integrate their information and ideas but also collaborate with people anywhere, any time. When you think about innovation and pushing forward, there is this huge need to manage ideas and information in synchronized ways. MindManager supports that. The next need we are focused on is bringing people together who will support the work process. These are the big trends and where we are focused.

TWST: What is the strategy for future growth?

Mr. Raskin: We are on a solid growth curve. We've had double-digit growth for five consecutive years. We see 2008 as our next big year on top of the records set in 2007. Driving greater penetration into enterprises with the benefits of team collaboration is a key strategy. We're bringing MindManager users together and then expanding that into a broader base. We are expanding our sales force and expanding our marketing reach, while simultaneously offering greater capabilities in the product that allow rapid user interaction.

TWST: How is 2008 shaping up?

Mr. Raskin: We are projecting aggressive growth as we continue to expand the capabilities and reach of Mindjet.

TWST: What could go wrong? What are your major challenges?

Mr. Raskin: Our challenges are primarily in managing the growth we are experiencing. Can we attract and hire the right talent fast enough? We've seen the market heat up for the kinds of highly skilled, highly motivated people who we want for our organization. Continuing to find those people at the pace we need is probably our biggest challenge. I would put any major economic

issues on the very low end of the scale of challenges because we are addressing something that's business-critical in good times or bad, which is information overload affecting low productivity. Businesses' most important asset is their skilled knowledge employee. Even in a downturn or slowdown, what becomes more critical is pushing innovation, pushing new ideas or pushing new ways to attack a market and become more efficient and effective. We are addressing that problem. We create an opportunity by enabling the most skilled and knowledgeable people to accomplish more. So, our challenge comes down to recruiting, growing and staying focused on execution.

TWST: How large is the current employee base and what will it grow to?

Mr. Raskin: We have approximately 180 employees and we are projecting to grow to about 250 employees this year.

TWST: Would you comment on the expertise of some of the key members of your management team, including yourself?

Mr. Raskin: I have 24 years of experience in software and services and prior to Mindjet ran a publicly traded software company with close to 1,500 employees in over 30 countries.

Our Chief Financial Officer, David Oppenheimer, was the former Vice President of Finance with Autodesk and then CFO for Digital Impact and HandsOn Mobile. His strengths are in the area of global operations, finance and controls. He has experience with taking a company public as well as M&A. We have Jon Wong as our VP of Operations who comes from McAfee, with heavy experience in online services, distribution and retail. His role is getting the product through the channels to the customer.

Uwe Richter is our Vice President of Europe, Middle East and Africa. Uwe comes to us from over 10 years at software giant Cognos where he managed various European operations and has a strong sales and marketing customer focus.

Our Head of Research and Development, Richard Barber, was responsible for building sophisticated online systems for US Oncology.

Michael Pricer is our Vice President of Sales in the US. He comes from BearingPoint, where he ran a large global account managing diverse types of customer needs, driving greater productivity and greater efficiency.

So we have a very strong management team, deep in the skills that are directly related to the high-growth nature of Mindjet. They are each amazing leaders.

TWST: Will acquisition be part of your strategy for growth?

Mr. Raskin: It's not part of the strategy, but it is always an option. Our plan includes expanding the product line and adding greater capabilities. That's going to keep us pretty busy, but if an interesting acquisition opportunity presented itself that is in line with our mission of helping people work better with the newest ideas and information, then we'd absolutely consider it.

TWST: How does the balance sheet look to you? Do you have your finances in place to take you to your goals?

Mr. Raskin: Our balance sheet is in great shape. We have the cash needed for achieving our goals. As mentioned, we've been profitable for some time. . We have no debt and are generating cash on a continual basis, as well as investing significantly in the future.

TWST: What is the vision for Mindjet?

Mr. Raskin: We took our first funding in 2001 and created the current corporate structure. We took another round in early 2005. So we are going to continue growing and expanding and looking for options to create greater value for shareholders.

TWST: Do you have any final thoughts?

Mr. Raskin: I'm truly excited about our company's future and I appreciate your time.

TWST: Thank you.

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