NetSchools Forum Presentation to Berkeley Wireless Research Center

August 19, 1999

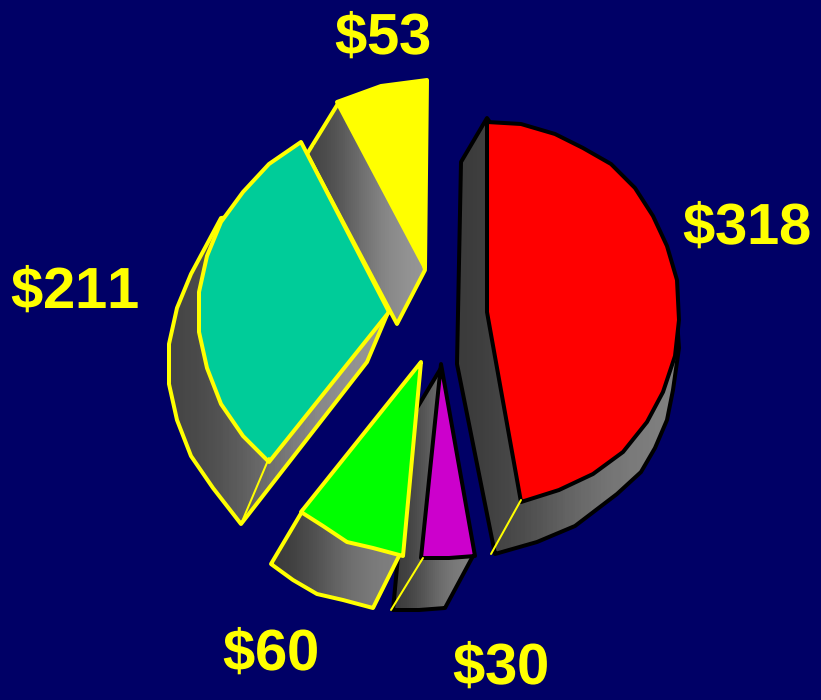
Who is NetSchools?

- 30-month-old startup.
- Headquartered in Mountain View, CA.
- Market: K-12 schools.
- Focus: Systems approach to providing a computer for every student and teacher.

NETSchools

The Market

1997 U.S. Expenditures on Education (Billions)

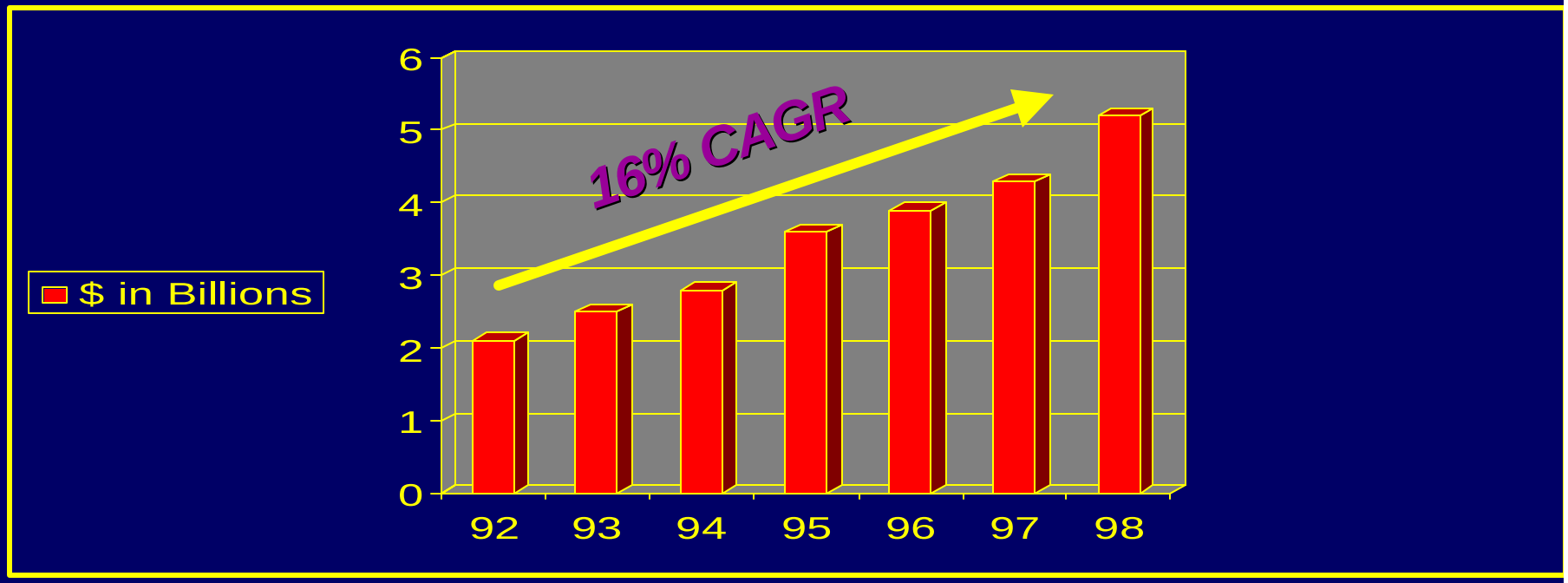


Source: BT Alex Brown 1997

NETSchools

The Market

U.S. K-12 Technology Expenditures



Sources QED, THE Journal 1998

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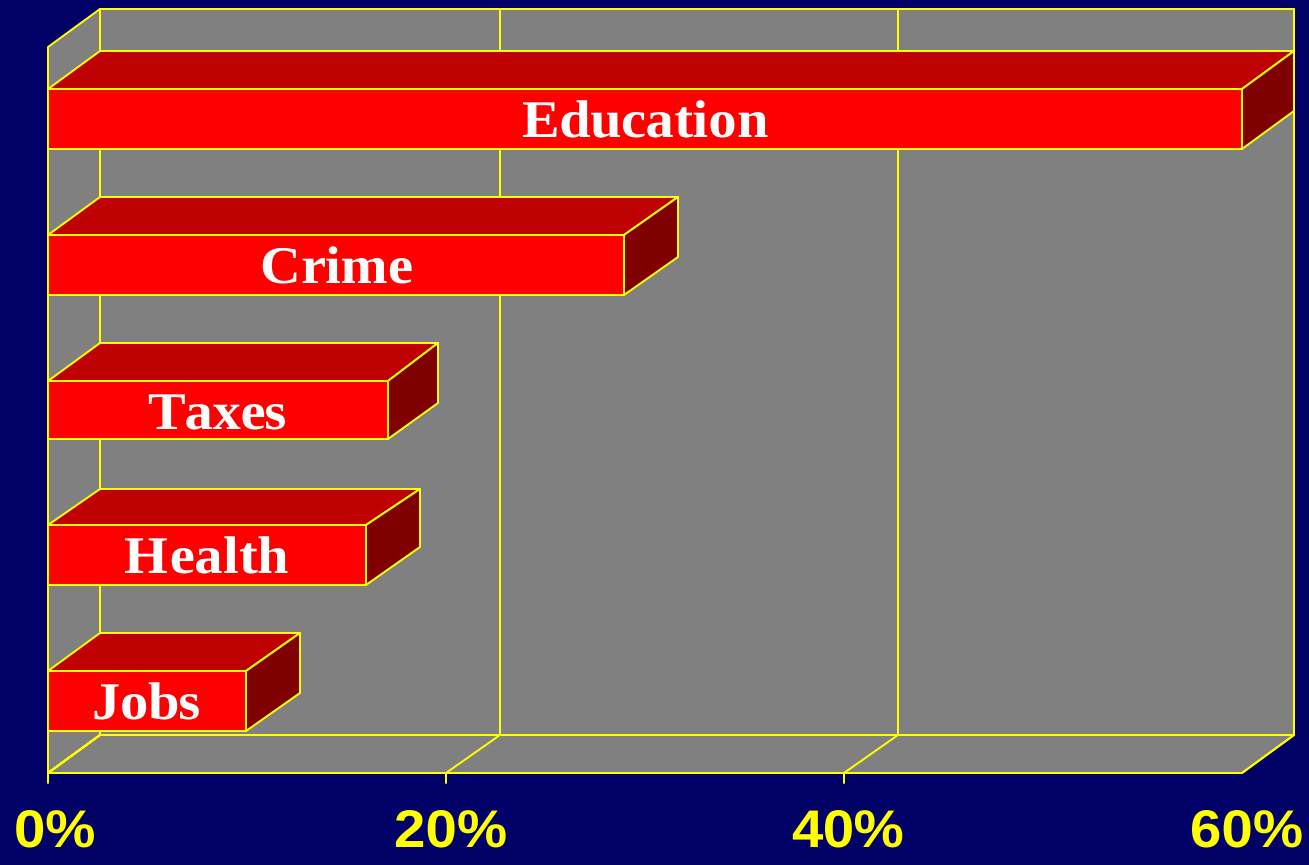
The Market

U.S. K-12 Market

- Large and growing:
  - 85,000 public schools in 14,800 districts
  - 26,000 private schools
  - 52 million students growing by 1 million per year*
- Over $318 billion estimated annual spending
  - Over $5 billion on technology alone
  - E-rate adding $2 billion subsidy

*Source U.S. Department of Education 1997 Student Census

Education - The Top Issue



San Jose Mercury News, September 6, 1998, Page 9A

NETSchools

The Market

Market Drivers

- Growing concern that “schools don’t work”
- Public demanding accountability
  - Strong education-economy connection
  - School funding a major political issue
- TECHNOLOGY A KEY COMPONENT OF EVERY REFORM SOLUTION

Current Problem

- 98% of schools have at least one computer
- 3% of schools effectively integrating technology
- Today: Student-to-computer ratio is 9:1
- Tomorrow: Projected ratios

  ≈ California - 4:1 by 2000

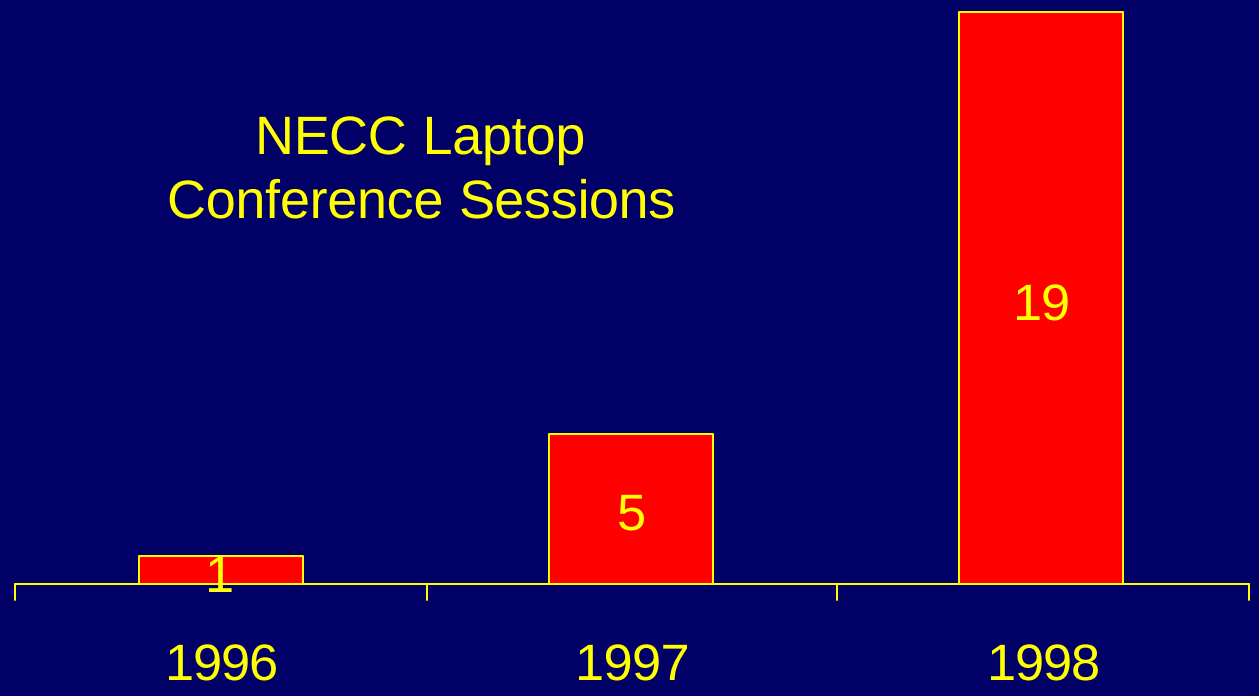
  ≈ Texas - 1:1 by 2003 - 2007

≈ How do you get to a 1:1 ratio?

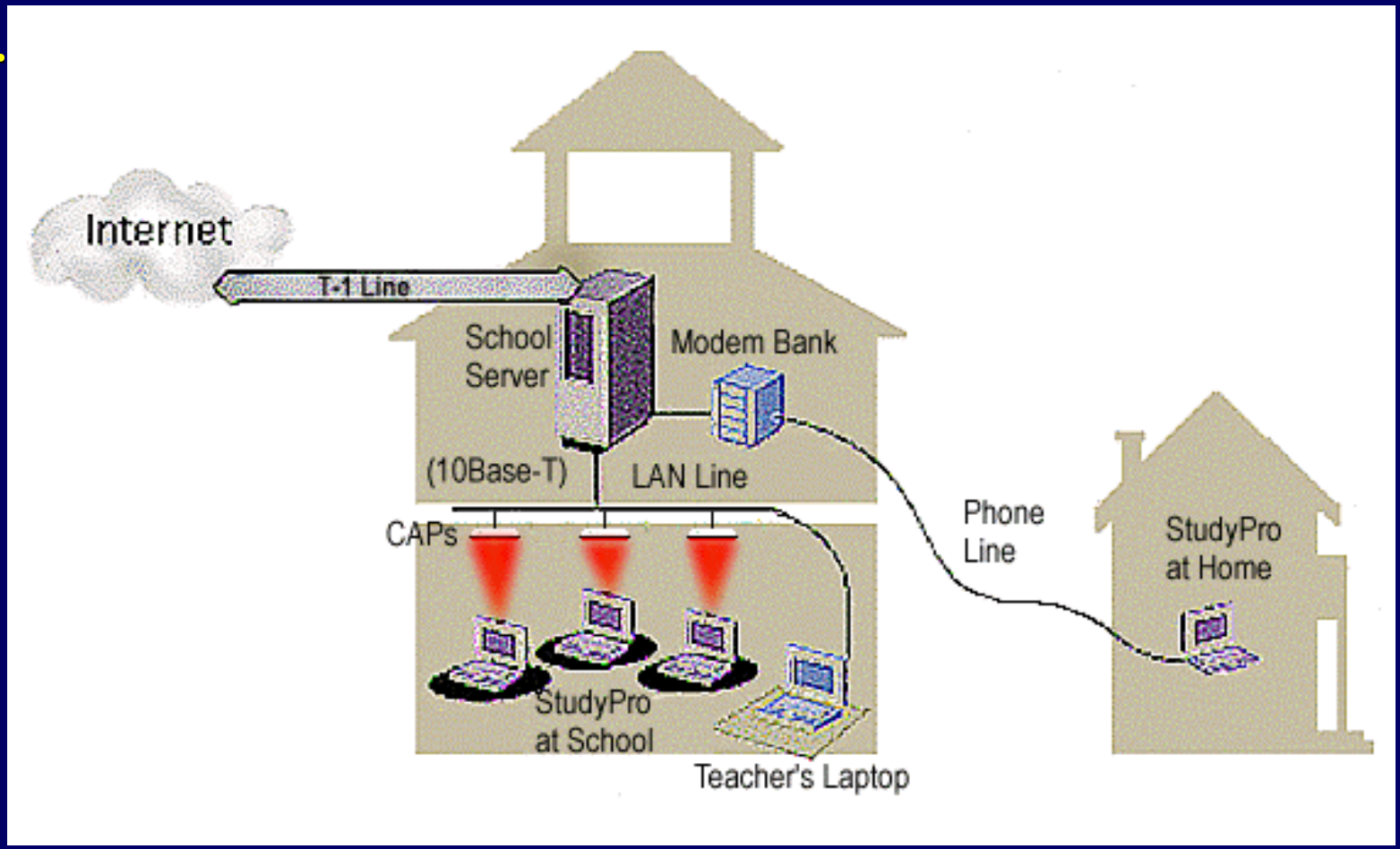
One to One inevitable, but...

- Inadequate software
- Fragile notebook computers
- Existing approaches don’t scale up
- Network cabling and power - “*It’s the wiring, stupid*”

Leading Indicators Show Strong Growth in 1:1 Computing Concept



NetSchools Solution



Solution Components

- Rugged portable computers.
- High speed wireless LANs.
- Network-centric Academic Information System.
- Training, support and systems integration.

NETSchools

The NetSchools Solution

Proprietary Technologies

- Infrared LAN*
- Anti-theft mechanism*
- Auto print service roaming*
- “Kid-proofing” features for laptop
- Microsoft Windows 95® in flash memory
- Hardened systems and application software
- AIS proprietary client/server software

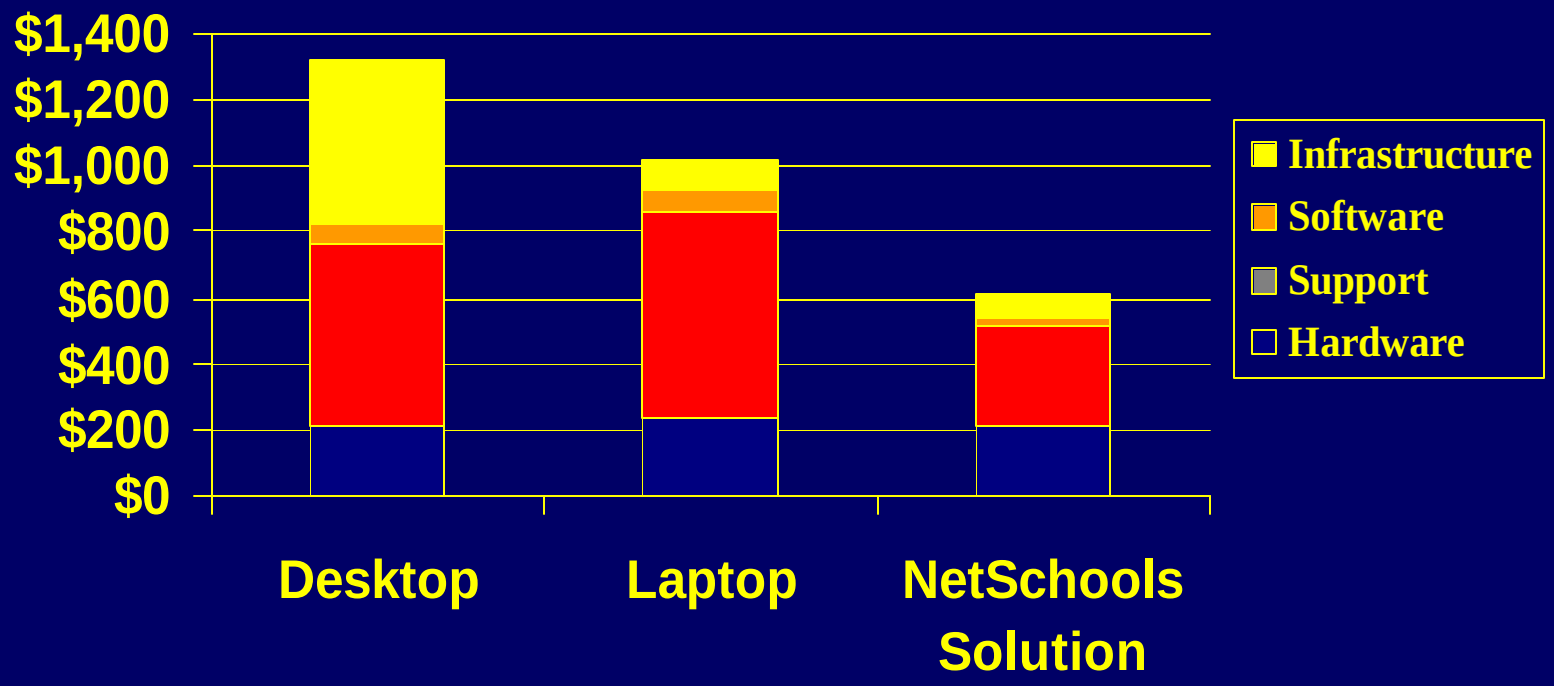
*Patents pending

High speed wireless infrared LAN

- Significant advantages over RF LANS
  - Aggregate bandwidth: 1 Gigabit vs. 10 Megabit
  - Cost
  - Power efficiency: 10% longer run-time
  - Automatic student locator

Low Cost of Ownership

Annual cost per student

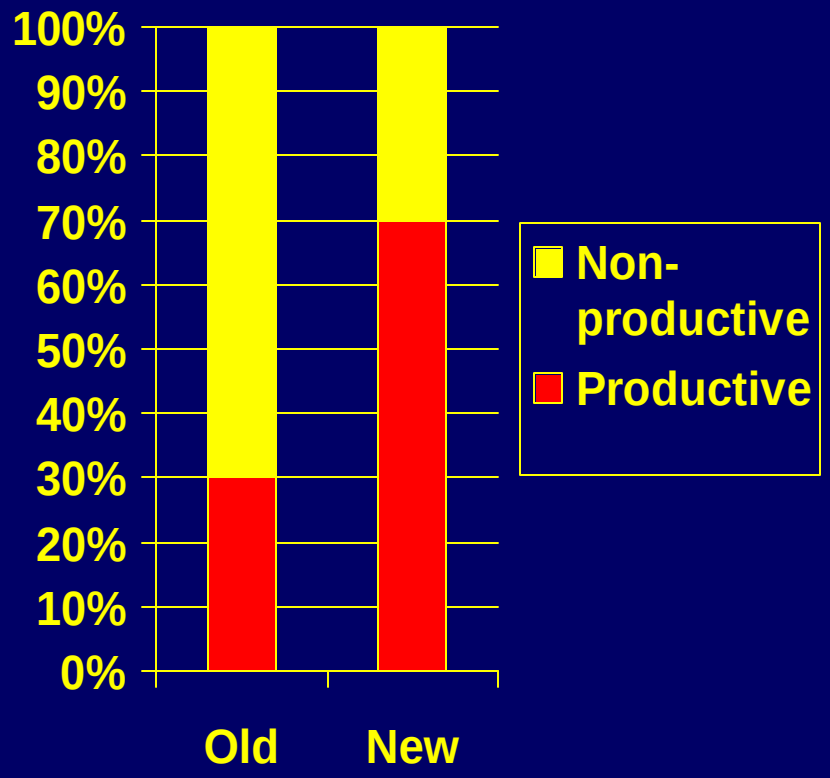


The benefits of 1:1

- Equity
- Availability
- Access
- Collaboration
- Lengthening of the school day
- Individualization
- Motivation

Theoretical Results

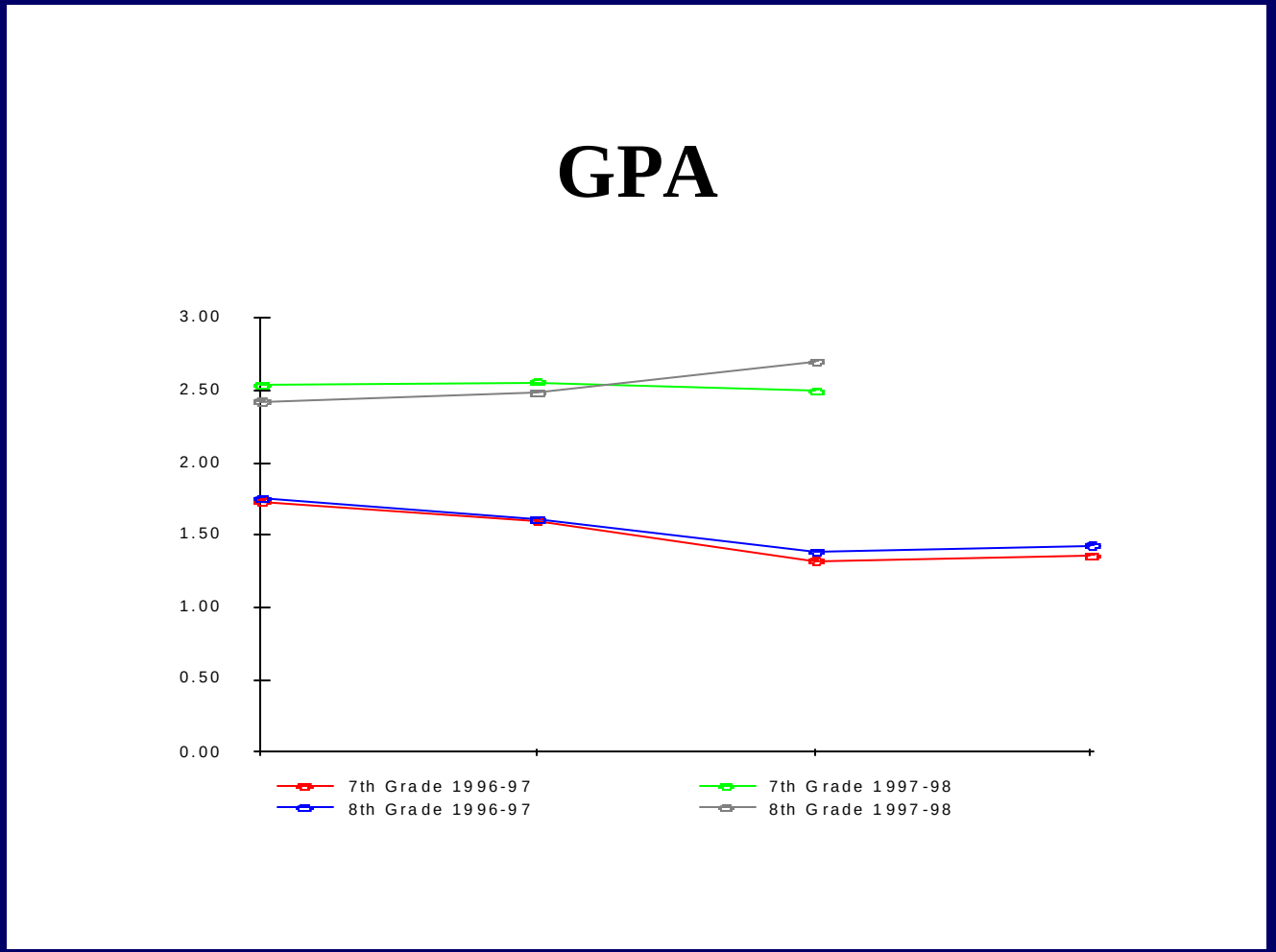
Learning Productivity



Research
Processing
Production
Collaboration
Communicating
Assessment

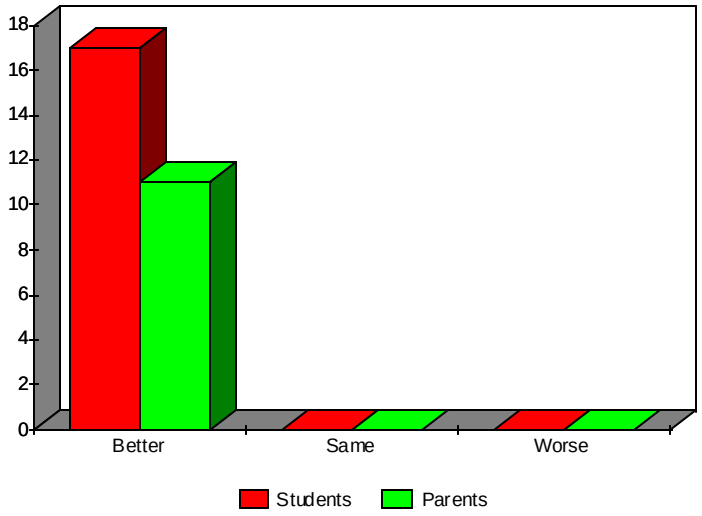
Ysleta Experience

Meridian Results



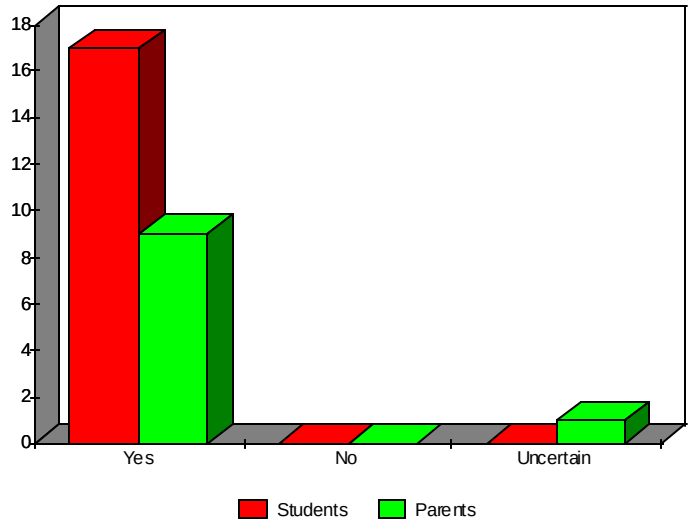
Meridian Results

“How would you compare your academic performance last year with this year?”



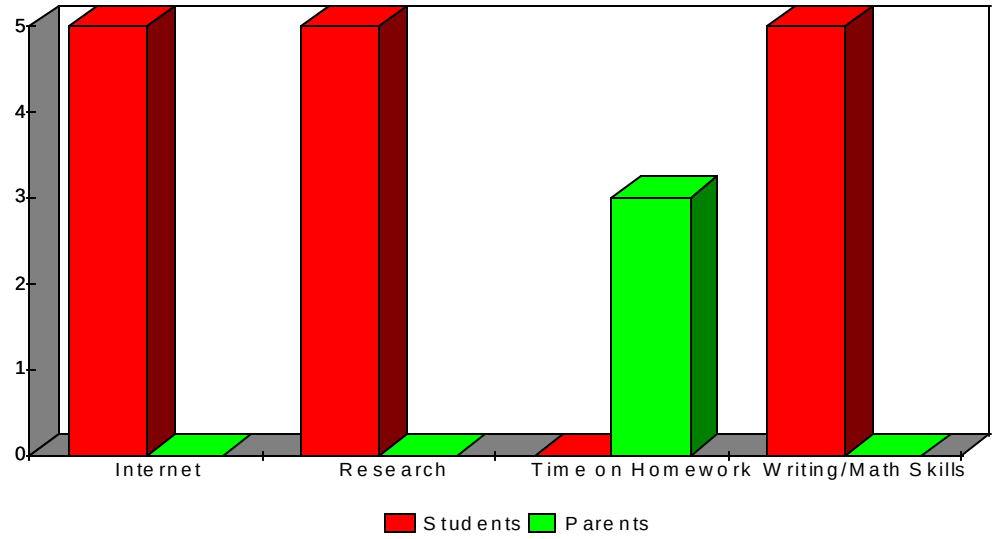
Meridian Results

“Have the computers been an influence?”



Meridian Results

“In what ways?”



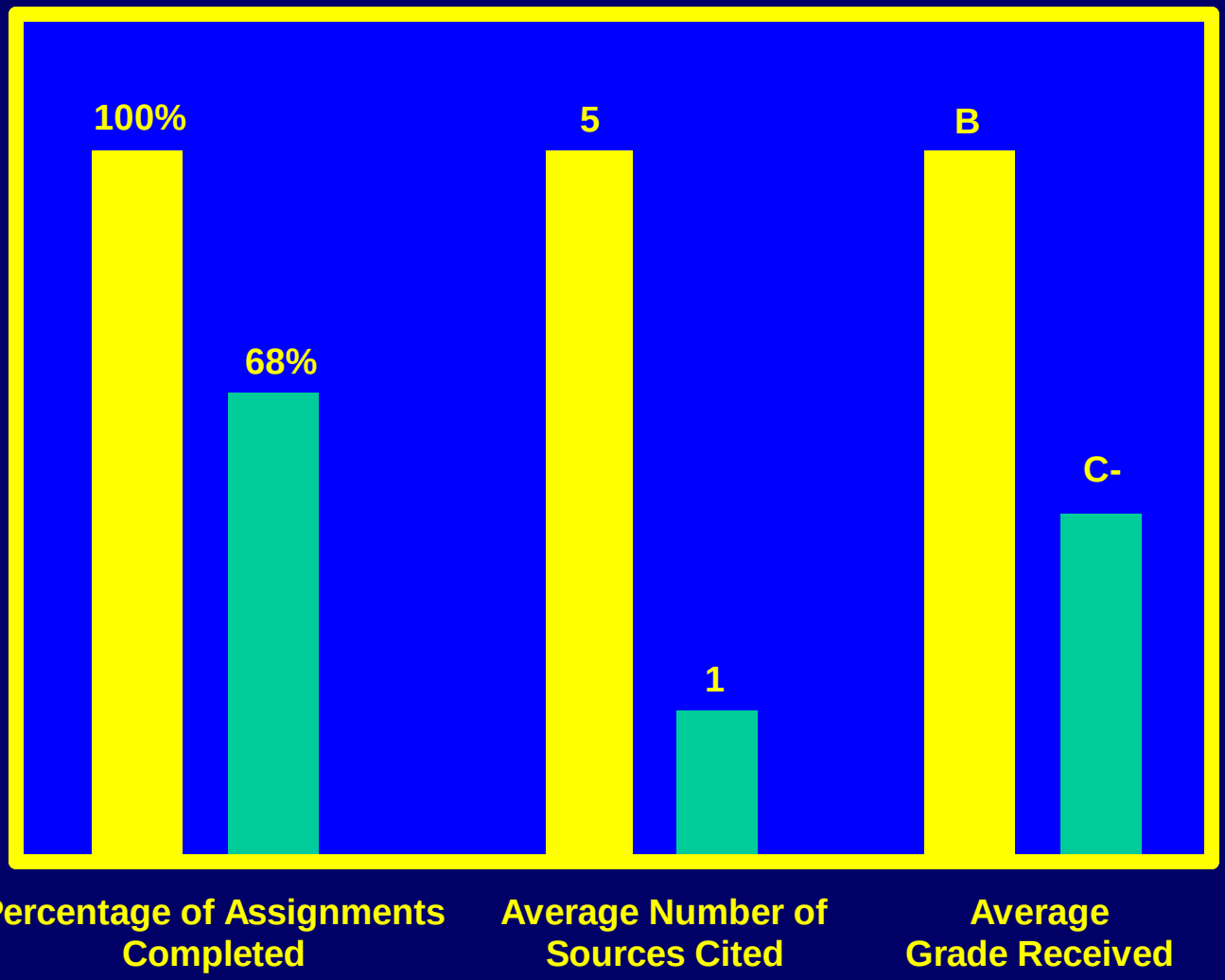
Case Study - Redondo Beach

Homework Assignment Comparison

Books vs. Computers*

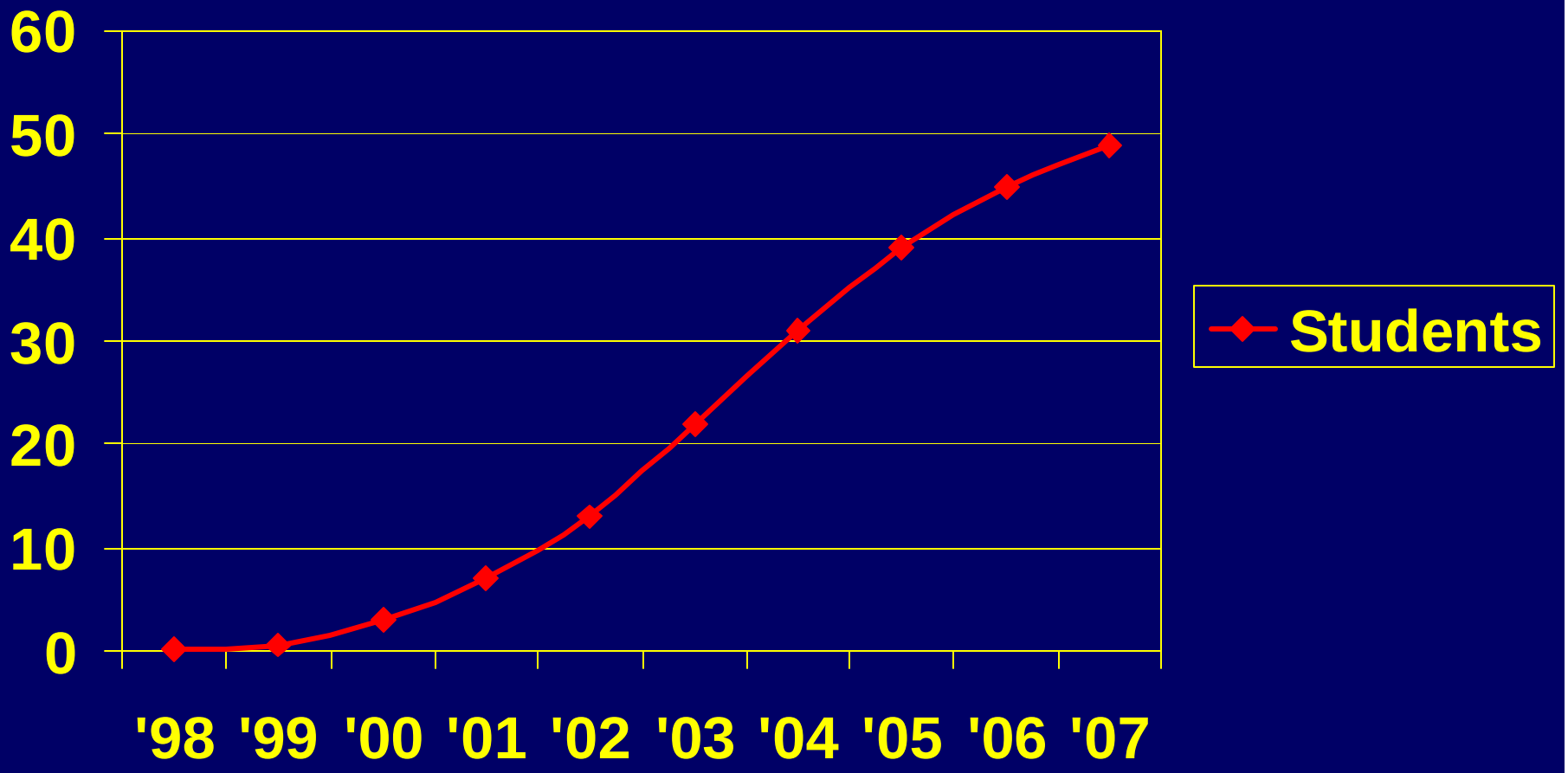
Students Using Computers

Students Using Books



*Source
Jan '97 Redondo Union High School—Cyber Study

1:1 Adoption Rate



Summary

- **There is no more pressing issue than education.**
- **The 1:1 paradigm is rapidly gaining acceptance.**
- **It has the potential to dramatically increase learning productivity.**
- **Every Student. Everywhere. This will change the face of education, business, and society.**

“Someday 52 Million Students will each have a computer”

The impact on education and the wireless world will be enormous...

What about you?

Are You READY?