



Adomo News Update – October 2006

Customers

In Q3 of 2006, positive things started to happen for the company. Sales for the quarter – measured in bookings – were the highest in the company's history. Adomo landed its biggest deal ever, a Minneapolis based law firm with approximately 1600 employees and offices throughout the U.S. and international offices in London, Hong Kong and Shanghai. This was an opportunity that we previously discussed in our May newsletter. As of early October, the pipeline for Q4 looks solid, and the company has a strong opportunity at breaking its own Q3 record quarter.

In our previous newsletter, we announced an initial purchase order for an evaluation system from a subsidiary of one of the world's largest oil companies. We have successfully concluded this evaluation and are currently negotiating Q4 procurement and deployment of approximately 600 users.

In Q4, Adomo's current largest customer deployment – around 700 users – will be surpassed if all goes well.

In Q4 we also plan to deploy an evaluation system at one of the world's largest aeronautic companies. We hope this could lead to a larger scale deployment in 2007.

Product Releases

We released release 5.1.2 of Adomo software in August and the team is now working towards deployment of a new release in Q4. This release will add capabilities that will allow us to deploy the product in large scale installations more easily and provide improved reliability and availability. It will also add new capabilities that allow Blackberry users to access their Adomo corporate voice mail directly from their Blackberry inbox.

Evolving Sales Channels

While most sales to date have been direct, the company did its first deal through a channel partner in June, and while the deal was relatively small, the sales team is working to build relationships with targeted channel partners starting in Q4.

The Year Ahead

The major milestones for Q4 2006 are to acquire referenceable new customers as well as to successfully complete the deployments in existing customers. The company is also looking ahead to refine its product roadmap to increase our distinctive value in the market and expand the company's total addressable market.

Changes in the Organization

As some of you may have seen on the Adomo web site, Andy Feit, our vice president of marketing, left Adomo in August to become Chief Marketing Officer in a public company. Andy's role has since been filled by Bob Schoettle as interim Vice President of Marketing. Bob Schoettle brings 20 years of high technology marketing and sales experience to Adomo, along with a successful track record of bringing new technologies and applications to market. Bob has served most recently as VP Marketing for Innopath and previously at Venturi Wireless, Intraspact, iPass, and Wayfarer Communications. Bob earlier held key marketing management positions with Compression Labs and ROLM/IBM. Bob holds a B.S. degree from the University of Virginia and a M.B.A. from Stanford University Graduate School of Business. Bob's proven strengths in product strategy will enable him to further develop Adomo's product line and expand its addressable market.

And one more change. When Menlo Ventures first funded Adomo in March of 2004 the plan was for me to get the company to a stage where we would bring in a new chief executive officer to scale the organization further. Earlier this year, the board and I began recruitment efforts. In September, Scott Arnold agreed to come on board as interim CEO. Scott's credentials speak for themselves. Scott most recently was the interim CEO at Borland Software, and previously had served as Borland's Executive Vice President and Chief Operating Officer. Prior to Borland, Scott was a partner with McKinsey & Company based in Silicon Valley where he worked with clients in the enterprise software and telecom markets. As of September 7th, I began to transition the company over to Scott. We completed this transition as of October 6th.

It has been a fantastic experience and highly satisfying for me personally to take Adomo from a company with few financial resources, 7 employees, no shipping product and no customers to the 40 person company with top tier venture investors, respected corporate customers and important progress in bookings during my final quarter. It has been a privilege to serve as Adomo's CEO the past five years, and I know I am leaving the company in capable hands.

Best Regards,

Jeff Snider

Adomo Chief Executive Officer (August 2001 – September 2006)