




Investor Overview

 **Webcast** [investor.blackboard.com/phoenix.zhtml?p=irol-eventDetails&c=177018&eventID=1887685]
Blackboard, Inc. at CanaccordAdams Annual Global Growth Conference (Replay)
08/12/08 at 2:00 p.m. ET

Blackboard Inc. is a leading provider of enterprise learning software applications and related services. Founded in 1997, Blackboard enables educational innovations everywhere by connecting people and technology. Millions of people use Blackboard everyday around the globe. Blackboard is headquartered in Washington, D.C., with offices in North America, Europe, Australia and Asia.



From their Website www.canaccordadams.com/aboutus/events.htm#past

Canaccord Adams Events

Canaccord Adams hosts global events with a global perspective, bringing institutions and issuers together with world-class ideas and investment opportunities. These robust and objective meetings are designed to advance knowledge and build relationships in our areas of expertise - Mining and Metals, Energy.

Past Events

Date	Events	Location
12-14 August 2008	28th Annual Global Growth Conference	Boston

Notes from the Blackboard In. Presentation
at the Canaccord Adams Annual Global Growth Conference
12-14 August 2008, Boston, Massachusetts USA

- 02:17 Chasen: "The mission of the company has expanded as well beyond teaching and learning. Today Blackboard provides the enterprise technology that institutions to improve all aspects of academic life and student experience." There are thousands of students and millions of student that interface with Blackboard and use us in a branded way.
- 04:38 Chasen: "Today we have over 3200 clients and an estimated 15 million users."
- 12:51 Beach: "The model has significant predictability. If you look out the next 12 months approximately 70% of our revenues would be derived from the existing customer base just renewing existing relationships with the company. 20% of our revenue would be derived from new sales to new customers and new sales of extra modules to the existing customer base. About 10% of our revenue would be derived from service offerings." "Looking at the next quarter about 80% of our revenues comes from the existing customer base renewal of existing licenses with the company."
- 13:37 Beach: "Nice revenue growth from 2006 to 2007 revenue grew over 31%."

Questions and Answers begins here:

- 16:51 Chasen: "The majority of our clients use [Blackboard] to supplement traditional classes. You still go to class twice a week, but [online blackboard] is a third dimension and added interface to the course." "A lot of college freshman now days not only take a number of courses that are going twice a week, but usually take one or two courses fully online. And now more courses than ever are being offered entirely online."
- 19:02 Chasen: Two big open source competitors ... primarily you read about them mostly for our e-learning product. Technically there is another open source competitor out there, The larger one that people say that is called Sakai—a consortium of universities established together to create an open source course management system product. Certainly open source is a competitor to Blackboard. However actually a lot of the schools that are involved in the open source community are actually Blackboard clients. Being involved in such a community means by definition you are interested working together and collaborating and

communicating everything that, you know, open source is about. That being said, when schools are putting mission critical processes online like teaching and learning they really are often defaulting to work with a vendor that can provide them support, consulting, and upgrades and integration work that they need. A good majority of the people actually even involved in this are Blackboard clients and have standardized it across their campus. One school in particular, for example, has one system administrator running Blackboard and has their entire campus online. They are actually running an open source solution online as well for a dozen teachers and have six people working on that full-time. So, certainly open source is something we have to deal with. Another way that we work to compete with open source is that we have hundreds of public APIs [application programming interfaces] and Web Services of our product. We have dozens of companies that exist solely to make add-on technology to Blackboard. A whole ecosystem of educational content, and technology and applications that exist that enhance the Blackboard product. We have actually probably more people working on enhancing Blackboard outside the company than developers inside the company. We have a really robust development community. So when people come to us and say : 'Hey, I am really looking at a platform that we can customize, personalize, or create add-ons for.' Then way we compete against open source is we have a public set of APIs for software development. 'At the same time our core code we continue to work on and support and update so you don't have to worry about incompatibilities if you want to build upon and extend upon that.' "

21:45 Chasen: [Question: Building computing technology in house] "A number of years ago that was our biggest competitor. Back in 1998 and 99 a lot of schools developed their own technology because there weren't commercial vendors that had competitive solutions in the marketplace. Today very rarely are schools serving their own systems. Today I have two hundred developers that are working full-time on this product eight years now. We are pretty far along on advanced technology. It would be very difficult for a school, even if they have a dozen students that are able to contribute part-time on it, that can compete with a commercial solution we are able to provide."

22:37 Chasen: 'There is a handful of schools that always have to develop their own technology. Some of the big schools like MIT always develop their own applications for all the different applications.'

23:02 Chasen: [primary revenue growth for the future] The majority of our revenue growth comes from taking advantage of our existing relationships and contracts we have with our existing clients and building and expanding that relationship. For a lot of our clients they did just have our learning system and then they go in an add-on community

system module or content system module, outcomes module or now, with the new acquisition of the Blackboard CONNECT product, Blackboard CONNECT. When we started the company back in 1998 the average client was paying us \$5,000 a year; today the average client pays us \$55,000 per year. And if that same average client had all of our products they would be paying us \$300,000 a year. “

24:50 Chasen: [Does Blackboard compete against something like SunGard] “[SunGard] Higher ed is equal size or close to revenue size as us. They are a leading provider of student information systems. They have about 1,000 or so schools that are their clients. That is ‘back office’ technology—the technology that runs the registrar’s office, the accounting and billing, and those products. Our technology interfaces with their technology.

“They tried in the past actually to sell a competing product, probably two or three times that actually failed and then stopped. I don’t think in the last couple of years we have ever seen them in a competitive situation.”

“We partner with actually all of them. Our technology work hand-in-hand with theirs so we have strong partnerships with them, PeopleSoft, Oracle and a number of other back office providers.”

After the presentation some went to a reserved room to continue the conversation. Recordings are not available from this meeting.