

Marketing Agenda

- ◆ An historical perspective
- ◆ Mobile PC market
- ◆ Mobile Internet devices market
- ◆ The Crusoe brand
- ◆ Transmeta's business model

The Smart Microprocessor Architecture



VLIW
Engine

+

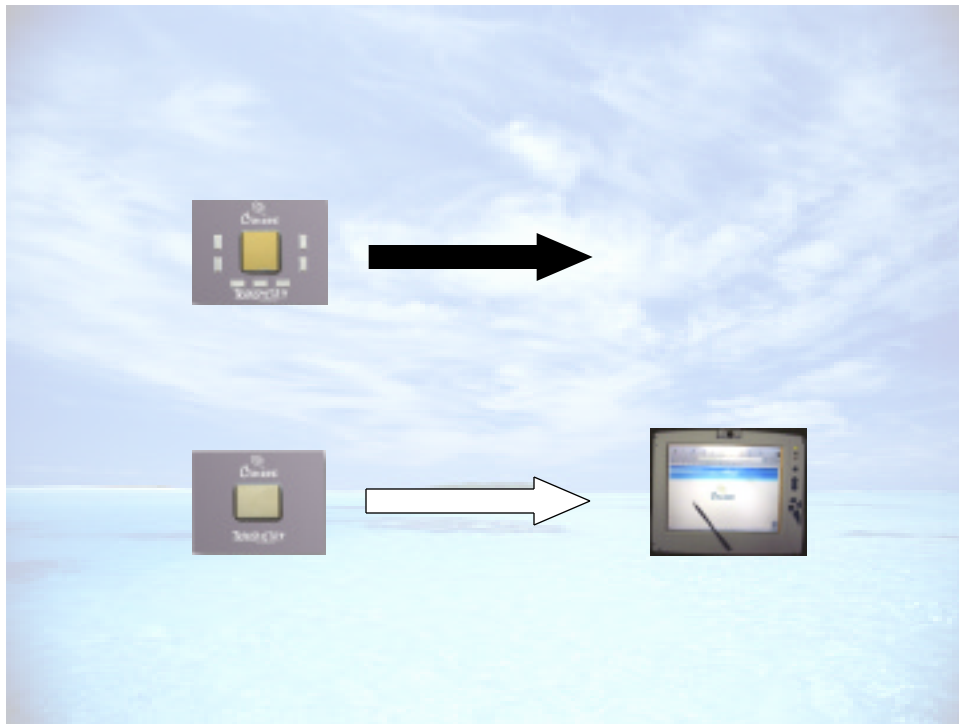
Code
Morphing
Software

=

Very Low Power

x86 Compatibility

PC Performance



Crusoe's Mobile PC Market Focus

- ◆ Fastest growing segment
- ◆ OEMs #1 focus
- ◆ Area of greatest innovation

Ultra-Light Mobiles



3lb Mobile PC

- ◆ 1 Spindle
- ◆ HDD
- ◆ Windows



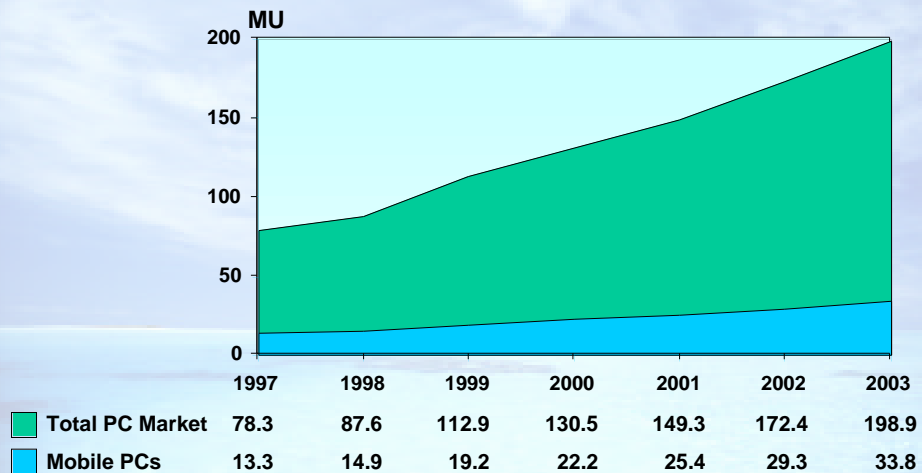
4lb Mobile PC

- ◆ 2 Spindle
- ◆ HDD and DVD
- ◆ Windows

Crusoe's Benefits for Ultra-Light PCs

- ◆ Highest performance (700MHz)
- ◆ Highest quality multimedia experience with LongRun technology
- ◆ Longest battery life in all applications
- ◆ Better thermal characteristics that lead to
 - ◆ Easier OEM design implementation
 - ◆ Lighter weight
 - ◆ Lower costs

Mobile PC Market Forecast



Source: Dataquest 11/99

Crusoe Market Impact

- ◆ **Mobile's 17% of total PC market**
- ◆ **Crusoe improves ultra-light PCs**
 - ◆ Battery life
 - ◆ Weight
 - ◆ Performance
- ◆ **Crusoe + OEM focus should lead to rapid displacement of heavier laptops**
- ◆ **Will it lead to a higher mobile share of the total PC market**

Mobile Internet Devices

- ◆ **The market needs a standard**
- ◆ **Linux O/S is the logical choice**
- ◆ **Low power processor is a must**
- ◆ **X86 compatibility a requirement**

Mobile Internet Devices



2lb Web Pad 2lb Handheld

- ◆ **No spindles (drives)**
- ◆ **Flash card storage**
- ◆ **Mobile Linux O/S**
- ◆ **\$500 - \$999**

Quotable Quotes

Although Intel produces the StrongARM processor, it decided to use Celeron for its initial Web appliances.

"It's not out of the realm of possibility (for the future), but today the direction StrongARM is headed is to power-sensitive applications," Miller said. "We're striving for a platform that doesn't compromise on plug-in support."

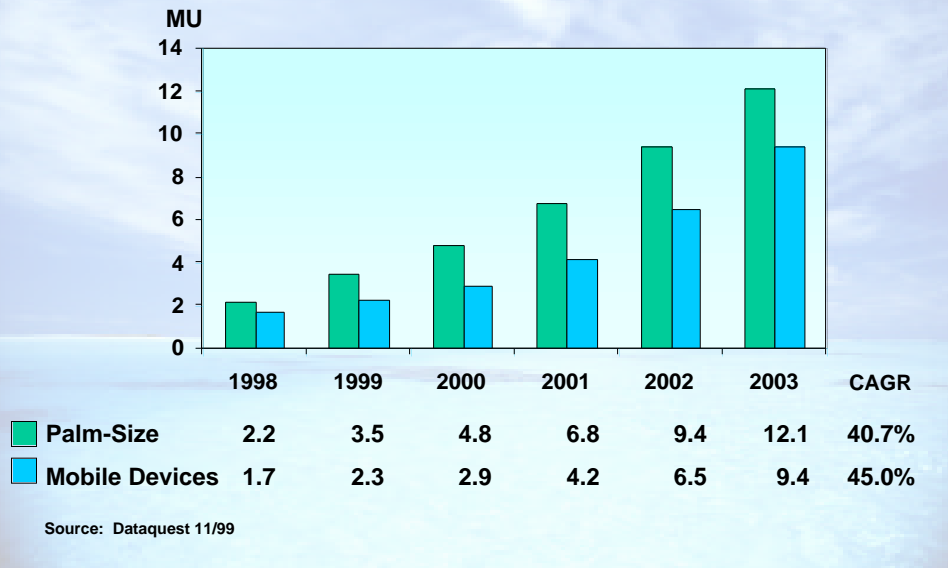
"Several [customers] asked for Linux by name. They felt Linux gave the best flexibility and best Internet experience. We concurred. We did prototypes using other operating systems, and felt they were lacking."

Craig Miller
Home Products Group
Intel Corporation
EE Times.com 1/7/2000

Crusoe Platform Benefits for Mobile Internet Devices

- ◆ **Lowest power x86 compatible processor**
- ◆ **"Mobile Linux" shown on Crusoe platform today**
 - ◆ New power management features
 - ◆ ROM based mobile Linux
- ◆ **Performance for the full Internet experience**

Internet Device Forecast



Crusoe Market Impact

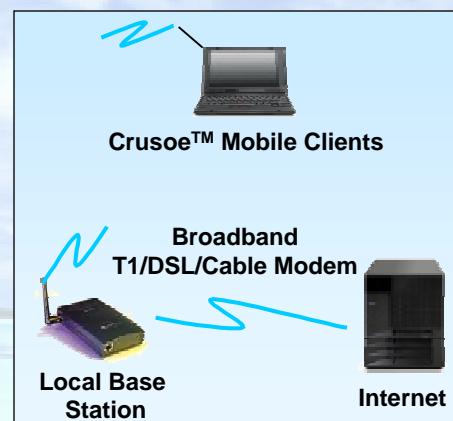
- ◆ **Market today growing at 40%+ rate for Palm and HPC**
- ◆ **Crusoe solution focused on full Internet experience**
 - ◆ Graphical and multimedia content
 - ◆ Not just text oriented (palm, cell phone)
- ◆ **Forecasts unaware of Crusoe platform solution**
 - ◆ Low power Crusoe processor
 - ◆ Mobile Linux O/S
- ◆ **Major deployments of mobile Internet devices planned with wireless broadband rollouts**

**“If the old paradigm was
waste watts and transistors,
The new paradigm will be
waste bandwidth and save watts”**

George Gilder

Typical Mobile Client and Wireless Deployment

- ◆ **Broadband to home and office will be pervasive**
- ◆ **Crusoe wireless clients will delight users**
- ◆ **Question: How big is this market?**





Crusoe Naming



Crusoe Brand Values

- ◆ End product enhancing
- ◆ End-user considerate
- ◆ Industry growth stimulating

Transmeta Business Model

- ◆ Do original, innovative R&D; create breakthroughs
- ◆ Add value through software; change the rules
- ◆ Hardware optimized for “fabless” model
- ◆ Focus on fast growing market segments and deliver real value

TRANSMETA 