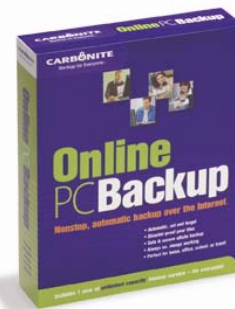


Introducing Carbonite's Online PCBackup 2.0

Overview

Online PCBackup from Carbonite™ is Internet-based Backup for Everyone.™ It is the simplest, least-expensive, and first service to make secure, offsite backup affordable and effortless for the average consumer. Software for the service can be downloaded or installed from www.carbonite.com or purchased in retail stores (see box at right) and installed from a CD. Installation takes less than two minutes and **Online PCBackup** requires little or no ongoing user involvement – a truly “set and forget” service. Integrated with Microsoft Windows® Explorer, Carbonite does not require users to learn a new interface.



Data Backup Features: Simple. Safe. And always on.™

- **Unlimited storage capacity**
- Automatically finds all your data files – photos, documents, music, emails, everything
- Instantly detects and backs up changed files
- Always on – whenever and wherever you're connected to the Internet
- Set and forget – just start Carbonite and relax
- Never slows down your computer or Internet connection
- Exclude files you don't want to back up
- Strong encryption for super security
- Backs up approximately 2GB per day over DSL or Cable

Data Restoration Features

- Restores files to their original folders (onto any PC)
- Restores everything or just selected files or folders
- Restores using Windows Explorer
- Restores 10-15GB per day over DSL or Cable



A Price Consumers Can Afford

Online PCBackup costs only \$4.95 per month (get two months free with a one-year subscription) regardless of backup storage size. Unlike other low-cost backup solutions, Carbonite is *not* Adware, and will not bombard users with third-party advertising. In-store retail pricing is \$49.95 for one year of service (two months free!)

Availability: Online Download or CD

Online PCBackup is currently available for purchase and as a free trial download from Carbonite's website at <http://www.carbonite.com> and will also be available at major retailers nationwide later in 2006. Carbonite's first product, PhotoBackup is currently available at Staples stores.

Compare Prices for Online Backup

Price Comparison Chart	Monthly Pricing Plans				
	1 GB	5GB	10GB	20 GB	40GB
Carbonite	\$5	\$5	\$5	\$5	\$5
xDrive	\$10	\$10	\$20	\$40	\$25
iBackup	\$10	\$10	\$20	\$50	\$50
Intronis	\$10	\$30	\$50	\$99	\$198
Spare Backup	\$10	\$18	\$28	\$48	\$88
Data Deposit Box	\$10	\$22	\$37	\$67	\$127
Backup Solutions	\$15	\$25	\$25	\$37	\$100
Connected	\$15	\$25	\$25	\$50	NA
@backup	\$15	\$50	\$65	\$110	NA
Iomega	\$15	\$42	\$102	\$167	\$333

Prices based on public web sites 4/4/06

The Carbonite Vision

Carbonite was founded in order to provide Internet-based Backup for Everyone™. Although data loss is a very common problem, few people back up their PCs because existing methods of backup are tedious, time consuming and often too expensive. Furthermore, most don't provide protection against PC theft, damage and natural disasters.

We've been careful to keep Carbonite free of the superfluous and intimidating options and interfaces that are necessary if you have hard limits on backup capacity as virtually all of our competitors do. At Carbonite, we believe PC users

shouldn't have to think about backup. Our mission is to provide an inexpensive, reliable and truly easy-to-use solution for the mainstream PC user; one that is simple, safe and always on™.

Release notes for Online PCBackup 2.0

Release date: May 1, 2006

Downloading and Installing

System Requirements

Carbonite currently supports Windows XP (32-bit) PCs running Microsoft Internet Explorer® version 6 or higher (however, web-based downloads can be completed from virtually any web browser). Users must have a high-speed (e.g. DSL or Cable) Internet connection.

Installing Carbonite

Online PCBackup 2.0 can be downloaded and installed from Carbonite's website or from the CD found in Carbonite's retail package. If you're installing from our website, double-click the CarboniteSetup.exe icon that downloads to your desktop – Carbonite should install within a minute. Your PC will have to be rebooted since Windows Explorer must be restarted in order to support Carbonite's Explorer interface (see "User Experience" below.)

If you have Carbonite's retail package, Carbonite's installer should start automatically upon insertion of the CD. If not, open the CD-ROM drive from "My Computer" and double-click on the setup.exe file. The Carbonite installer will collect basic account information and prompt you for your "Activation Code" which can be found on the sleeve/envelope in which your CD was enclosed.

The User Experience

Peace of Mind at your Fingertips – "Set and Forget"

Carbonite's small application installs in minutes and places a lock icon in the system tray. The color of the lock icon indicates the status of your backups so you'll always know what's going on. Double-click on it to view more detailed information or get technical support.



Effortless – Backup Status and Restore Capabilities Built into Windows Explorer®



Backed up

Backup Status of Individual Files/Folders

Carbonite does not require users to learn a new interface. Instead, colored dots built into Windows Explorer (accessible from file/folder views in "My Computer") tell you whether or not a given file or folder is backed up (see screenshot to the right).



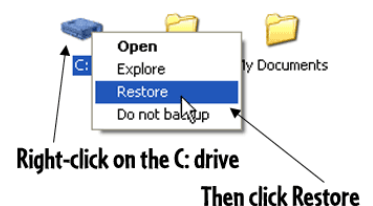
Awaiting backup



NOT backed up

Restoring Files

Restoring files is also simple. Whether you've experienced a catastrophic system failure or accidentally deleted a few files, you can access your entire set of backed up files or just a portion of them from a mirror image called "Carbonite Secure Backup" which is visible as a virtual drive from "My Computer." Just right-click on the hard drive icon or just the files/folders you want restored, then click "restore." Carbonite takes care of the rest.



Frequently Asked Questions

How long will it take to back up my data?

Your backup will go as fast as your Internet service allows. ***Your first backup may take some time, but subsequent backups will typically take minutes since we back up only new and modified data.*** A standard residential DSL or Cable Internet will allow upload speeds of 250-350 kilobits per second, or 32-43 kilobytes per second (KB). So if your computer is connected to the Internet via a standard DSL and you let it run 24 hours a day, you will be able to back up about 3GBs per day. Therefore if you have 3GBs of data on your PC, your initial backup will take one day. If you have 30GBs of data, your initial backup will take 10 days. That assumes, however, that you're not using your PC for other work. Carbonite slows way down when you're working on your computer so as not to interfere with your CPU or Internet speed. So if you use your computer 8 hours a day, your backup will be 33% slower than it would be if you left your computer unattended.

If you have a faster Internet connection, such as a T3 in your office or Verizon's FiOS for home, your initial backups will go 8 to 24 times faster than with a standard DSL. Verizon's fastest FiOS service, for instance, allows uploads at 5mbps, or 625KB/sec. A 3GB initial backup would take only 80 minutes.

To keep users with very high speed internet connections from hogging all our bandwidth and storage, we limit backups to .5GB per day once you have sent us 50GB of data. So if your initial backup is, say 40GB, the initial backup will go as fast as your Internet allows. If you add .5GB of new data each day, after 10 days you'll have 50GB in your backup. After 100 days, you'll have 100GB in your backup. There is no size limit. But you can only send us .5GB of new data each day once you have passed the 50GB threshold.

Is Carbonite really secure? Can anyone else, such as employees of Carbonite, see my backed up data?

Carbonite encrypts the data on your PC before it leaves your PC, so it just becomes a mishmash of unintelligible ones and zeros. In addition, the encrypted data is encrypted again using the same kind of secure SSL connection that most online merchants use for credit card information. So it's really doubly-encrypted. This combination makes our security comparable to what you would get with online banking or online bill-paying services – pretty strong stuff. So long as you do not disclose your password, your data is safe. If a court order forced us to turn over your backup files, they'd have a very hard time breaking the encryption. Frankly, it would be a lot easier to get a search warrant and take your computer! Our reputation and business depends on protecting your data, so it's a top priority for our engineers.

How much data can I store on Carbonite?

As much as you have on your PC. Carbonite will back up all the supported files on your hard drive whether you have 1GB, 10GB or more. As a practical matter, the speed of today's DSL and cable Internet services will make it very slow to back up more than, say, 40-50GB of data. Our Terms of Use (www.carbonite.com/TermsOfUse) will allow us to deny service to abusers.

If Carbonite is always on, won't it slow down my computer or Internet connection?

No. We know you don't want us to slow down your Internet or computer performance, so we'll do our job when your computer is idle. If you touch your mouse or keyboard, Carbonite automatically pauses until you've been idle for a few minutes. It's very unlikely that you will ever notice any change at all in the way your computer performs.

Is there a Mac version?

Carbonite hopes to launch a version of its service for Mac users in late 2006.

Other Frequently asked Questions and Answers

A complete list of FAQs is available on our website at <http://www.carbonite.com/faqs.aspx>. For more technical questions, you may wish to consult our technical FAQs at http://www.carbonite.com/faqs_tech.aspx

Known Issues

Firewall Conflicts

Certain firewall applications, Norton Internet Security in particular, may block Carbonite's Internet access. When asked by a firewall application whether or not Carbonite should be allowed to access the Internet, users should always grant access. Occasionally, certain firewall applications may not even prompt the user for such input. In that case, users will have to access their firewall software's settings and explicitly allow Carbonite access. Carbonite maintains a set "Hot Topics" questions on its website (www.carbonite.com/support.aspx) which explains how to resolve conflicts with Norton Internet Security. Carbonite's customer support team (customersupport@carbonite.com) can also provide assistance with resolving such issues.