

Ashlar-Vellum Channel Partner Newsletter July 2006

Argon Huge Success with Girlstart

The Argon tutorial created especially for the Girlstart day campers was a tremendous success at both week-long camps, June 19th-23 and 26th-30th. Each girl designed and rendered her own 10" vase in Argon with professional looking results.

On Friday morning, Robert and Julie Bou got a few minutes to talk to the girls about careers related to 3D modeling and answer questions. "Imagine creating things like this to be sold in West Elm, Pottery Barn or William Sonoma," she told the team of wide-eyed 11-13 year old girls. "Or maybe you'll design a heart valve or a space ship or a new telephone." Robert talked about



how the software did things in 3D and how it was first invented by Martin Newell, who came from Xerox Palo Alto Research Center. He described Xerox PARC as a place where people go to work and think about the future all day. "I want to work there!" shouted several of the girls in unison.

Email Mania

Jimmy Mills and the Ashlar-Vellum marketing team sent out over 30,000 emails in the month of June. In addition to the User Newsletter, we have been regularly contacting Graphite and legacy Vellum users in North America about pre-ordering their upgrade to Graphite v8. We are also sending regular progress reports to those who have already purchased v8 to keep them

informed as they wait for the release in the fourth quarter.







Graphite Sales News

With the release of v8 we anticipate that the retail price of Graphite will increase to about US\$1395 for the e-only version. This means that e-only upgrades will range from US\$495 to \$695 depending on the version a customer is upgrading from.

Between now and the release of v8 we are offering excellent discounts on the pre-sale of upgrades to v8. We are also offering a discount from v6 and prior just to v7 as a way to get as many users as possible out of legacy software so that when the free v7 Service Pack3 is released the new network security will reduce the number of unlicensed users.

Each month the price of the upgrades increases so there is an incentive to buy now. Pre-sales of Graphite v8 have continued through June and mid July at an

	Aug 31,	Sept 30,	Oct 1
	2006	2006	Until Release
Graphite v7 Users to v8	\$373	\$435	\$495 including a <i>Graphite Tips</i> & <i>Trick</i> book
Graphite v6 /prior Users to v7 and v8	\$523	\$610	\$695 including a <i>Graphite Tips</i> & <i>Trick</i> book
Graphite v6	\$273	\$335	\$395 including a <i>Graphite Tips</i>
/prior to v7 only	•		& <i>Trick</i> book

excellent pace. As of this writing we've sold nearly 300 upgrades to Graphite v8 and anticipate a strong finish at the end of the month since the price will increase again in August. This promotion is supported through a massive email campaign and a postcard to those mostly in North America.

Above are the e-only prices to:

- Pre-order the upgrade from Graphite v7 to v8.
- Pre-order the upgrade from

- Graphite v6 or earlier to v8 receiving v7 (including SP3) in the interim.
- Upgrade from Graphite v6 or earlier to v7 only (including SP3).

We highly encourage our international channel partners to offer a similar promotion in their own region/language/currency. Your standard discount applies to the sale price. You will find it an effective way to help support sales through the summer months.

Voloshin and Chigarev Train in California

Ashlar-Vellum software developers Andrey Voloshin and Anton Chigarev met product manager Greg Morgan in the San Francisco Bay Area this month for training on the HOOPS 3D graphics pipeline at Tech Soft America's offices in Berkeley, California. Robert Bou met the team in California mid week. It has not been determined if HOOPS will be incorporated into the next release of Ashlar-Vellum software, but a serious evaluation is underway.



Anton, left and Andrey, center, with HOOPS trainer Ruben Hawkins.



Andrey and Greg on the Bay.



Graphite v8 Progress Reports

We are sending out regular Progress Reports to all customers who pre-ordered Graphite v8. On June 26th the first one went out featuring the Mid-point Line Tool. On July 11th we featured Spacebar Panning and also the Mouse Scroll Wheel Support for Zooming in v7 sp3. On July 20th we covered Direct PDF Creation with Embedded DXF/VC6 files. Those same features were also used in slightly different emails

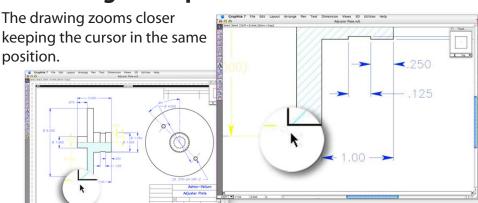
to our customer base to encourage pre-ordering their upgrades. This is just one more way that Ashlar-Vellum continues to build customer confidence and increase sales.

Mouse Scroll Wheel Zoom Coming in Graphite v7 SP3

In the upcoming Graphite v7 SP3 you'll be able to use the mouse scroll wheel to zoom in and out of a Graphite drawing using the cursor as the anchor point.

For example, to zoom in:

- 1. Place the cursor at the desired area to anchor the zoom.
- 2. Scroll the mouse button toward you.



Spacebar Panning Coming in Graphite v8

Use the spacebar to activate dynamic pan.

- 1. Place the cursor over the portion of the drawing to move.
- 2. Hold down the spacebar. The cursor changes to the hand.
- 3. Move the cursor in the drawing area in any direction.
- 4. The drawing dynamically moves with you at the same zoom level.

Welcome Tanaka-san

Tanaka Ryuji of Comnet, an OEM of Graphite for box and packaging development software, and Ashlar-Vellum's distributor in Japan, visited Ashlar-Vellum for a week in July for further training and business talks. In between contract negotiations and training in 3D modeling Mr. Tanaka enjoyed a wave-runner experience on nearby Lake Travis and jazz in the Elephant Room amidst Austin's 104°F/40°C temperatures.



Mr. Tanaka slices bread for Italian bruschetta in the Bou's home kitchen with Julie.



Greg's Podcast

Have you heard Greg's newest Podcast? If not, it's an absolute must for a great run-through, complete with graphics, of what was included in Cobalt, Xenon and Argon v7 SP1, released in May. Greg covers:

- · Gradient color backgrounds
- File open times
- Copy as instance feature
- Layout settings for Model to Sheet

- User pen styles
- Chamfering faces
- Gaps detected function
- Enhancements to the tangent circle tool
- Flip direction options for chamfering
- Right mouse click to copy a surface's history
- Fixes to the print preview dialog box

Greg also includes a nice tech tip, an update on our new support site, and highlights Cobalt Share.

If you haven't already subscribed, go to www.ashlar.com and click on **Community>Podcasts**. Under Greg's Ashlar, choose Episode 3.

New STU Temporary Registration Codes in Place

As of July 1st, all new STU registration codes will require renewal every year in November 2007. Starting in August 2007, the software will prompt them to contact our customer service department or their local distributor for a new code, provided that they still qualify under the original terms of the agreement. If they have moved on

to where an ACO or COM license would be more appropriate, we will offer them an incentive to upgrade.

When existing STU and EDU users download the Cobalt/ Xenon/Argon v7 SP2 or Graphite v7 SP3 update, their software will also prompt them to re-qualify and will not recognize their permanent registration code after November 15, 2006.

This is just one way we have of preventing users from taking unfair advantage of our outstanding educational pricing after they've graduated and gone on to become thriving design professionals.

Congratulations Graduates





Graduates Maria Bondarenko, left and Tatyana Zavyalova, right.

Tatyana Zavyalova and Maria Bondarenko graduated in June from the Kiev Polytechnic Institute with advanced degrees in Automation and Computer Science. Both women are valued members of our Marketing Support team. Tatyana is our web goddess. Maria works part time on our Digital Asset Management project.