



NSB CORPORATION

— Secure Digital Content Distribution™

Content

When you want it
How you want it
Where you want it

C O N T E N T O N - D E M A N D

1

THE FUTURE IS Entertainment On-Demand



The entertainment industry is poised for a revolution.
It's called content on-demand.

For consumers, it represents the inevitable evolution in home entertainment, allowing them to experience music, video, and online games on-demand by using their existing Internet connection to view rich media on their computer, television, or personal media device.

For film, television, music, and game producers, it represents a powerful and compelling opportunity to grow their revenue through new distribution channels. Industry experts estimate that video on-demand via the Internet and television will grow into a \$10 billion industry by 2008¹.

For cable television companies that have already invested over \$85 billion in broadband-related infrastructure in the United States over the past 5 years, and for telecommunication companies striving for the triple-play in voice, data, and video delivery, content on-demand represents the culmination of decades of commitment to building a robust technology infrastructure.

But piracy remains a challenge.

To date, there has been no vehicle that allows rich media to be securely delivered over the Internet without the risk of illegal download, reproduction, and re-distribution by end-users without authorization from the content owner.

NS8 Corporation has effectively overcome the piracy challenge.

The future of entertainment has arrived.

NS8 Corporation is positioned to lead the way.

C O N T E N T O N - D E M A N D

1

REVOLUTIONARY New Anti-Piracy Technology

Introducing NS8 Security Protocol Integration™

NS8 Security Protocol Integration (NS8 SPI™) represents a seminal development in anti-piracy technology. It provides content owners with continuous control of their intellectual property while offering consumers the freedom to purchase and enjoy the entertainment they desire when they want it on the display device of their choice.

For the first time, it is possible to deliver on-demand movies, television, music, and other rich media over the Internet and Internet Protocol-based networks while protecting it persistently from unauthorized downloading, duplication or distribution on a multi-generational basis.

For the first time, producers of movies, television, music, and video games can securely deliver and control the distribution and usage of their intellectual property online and over digital networks such as those provided by cable, telecommunications, and direct broadcast satellite companies.

For the first time, NS8's ground-breaking Security Protocol Integration and Non-Resident Software technologies enable consumers to view full-screen, full-resolution movies on their existing desktop or laptop computer or television with a digital set-top box in real-time – without downloading delays, additional software requirements or degradation of picture or sound.

NS8 SPI technology is nothing less than revolutionary

Relying on multiple levels of embedded security, NS8 SPI makes any type of rich digital media resistant to existing decryption technology.

NS8 SPI is the next step in the development of a viable mass market for entertainment on-demand by enabling film, television, and music producers to efficiently, securely and cost-effectively monetize their premium content for distribution over IP-based networks.

NS8 Security Protocol Integration

Multiple levels of embedded security makes any type of rich digital media resistant to existing decryption technology

NS8 Digital Distribution

Delivers video, music or games in real-time with better than broadcast quality picture and sound - all without additional software downloads or memory upgrades

Smart Content

NS8's technology encodes rich media with the security and distribution information required to track and report the location of the content and authenticate the user

THE CREATION OF "Smart Content"

THE POWER TO Monetize Content

NS8 SPI enables delivery of "smart content"

At the core of NS8's anti-piracy solution is a proprietary patent-pending technology that encodes rich media with the security and distribution information required to track and report the location of the content and authenticate the user.

By embedding distribution information directly into the content, content owners can monitor and control distribution and limit end-use according to individual license agreements.

NS8 technology transforms data into "smart content" that knows where it is located on the network, what rights have been purchased by the consumer, and how the media can be consumed.

Above all, NS8 technology has the capability to disable the file in the event of any attempt at unauthorized use.

NS8 SPI is a significant development in the evolution of anti-piracy technology, and by enabling content owners to monetize their content in ways that were not before possible, greatly expands economic opportunity for both content owners and retail distributors.

NS8's technology does more than secure content. It turns a content stream into a revenue stream

Content owners and retail distributors now have the technology to control end-use, enabling them to develop new retail channels and gain new sources of revenue. As a result, broadband service providers such as cable, telecommunication, and direct broadcast satellite companies are able to offer value-added premium programming, giving them new and incremental sources of subscriber-based revenue.

NS8 SPI is the breakthrough technology that the entertainment industry has been waiting for. It makes on-demand video, music, and games viable and affordable for consumers, content owners, and retail distributors alike.

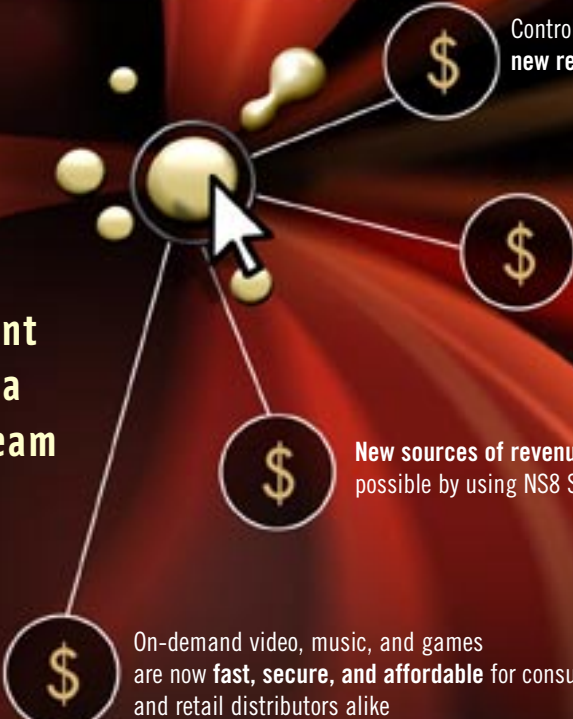
Turn a content stream into a revenue stream

On-demand video, music, and games are now **fast, secure, and affordable** for consumers and retail distributors alike

New sources of revenue are now possible by using NS8 SPI to protect rich media

Broadband services providers are now able to offer a wider variety of **value-added premium programming**

Controlled end-use enables **new retail opportunities**



INTRODUCING
**The NS8 Digital
Distribution**
Network for Content On-Demand

It's more than a simple network

The NS8 Digital Distribution Network for Content On-Demand redefines conventional notions of what a consumer can do on their computer.

It's a network that enables consumers to get the entertainment they want, when they want it, on the viewing device of their choice.

The NS8 Digital Distribution Network transforms any PC or Macintosh computer into a powerful and exhilarating entertainment experience by delivering video, music, or games in real-time with better than broadcast quality picture and sound – all without additional software downloads or memory upgrades.

Best of all, this entertainment experience is delivered via a conventional high-speed Internet connection from a local cable, telecommunications, or direct broadcast satellite company.

MAKING PIRACY
A Thing Of The Past

**Optimize existing infrastructures and
provide secured rich media**

Piracy of intellectual property represents the single greatest obstacle to bringing on-demand video, music, and games to a mass market. The music industry alone lost over \$4 billion to piracy in 2003¹, while the software industry is estimated to have lost over \$13 billion² during this same period.

Using the revolutionary NS8 SPI encryption technology, with its multi-layered embedded security, the NS8 Digital Distribution Network is resistant to existing decryption technologies.

Just as significantly, NS8 SPI embeds the content with license and tracking capabilities, allowing it to monitor its own whereabouts and usage. Moreover, this technology enables the distribution of shared revenue based on license agreements between partnering companies.

All NS8 Corporation technologies are designed to seamlessly integrate with existing technology and business infrastructures, thereby enabling the content owner and retail distributor to minimize deployment and support costs.

Compared with other multi-vendor solutions that are cumbersome and expensive to deploy with obvious security shortcomings, the NS8 Corporation turnkey solution for content on-demand offers cable, telecommunication, and direct broadcast satellite companies a single vendor solution with unparalleled security, a superior user interface, and cost-effective deployment for their content on-demand strategies.

THE SECRET
Behind The Speed

**NS8 Non-Resident Software™ delivers a new
level of speed and picture quality**

The NS8 Digital Distribution Network for Content On-Demand is based on server-side software. NS8 refers to this as Non-Resident Software, meaning that the consumer does not have to download any special software to view the content.

By retaining all the software on servers, the consumer's computer is transformed into a powerful entertainment center, enabling them to experience movies and video games at full TV resolution without delays, downloading hassles or degradation of picture or sound quality.

For entertainment content producers, aggregators, and retail distributors such as cable and telecommunication companies, this powerful new technology offers a viable, cost-effective and technically elegant method for delivering content on-demand to the mass market.

NS8 Non-Resident Software is the future of on-demand entertainment. And it's here today.

A COMPANY
Poised For The Future

In 1999, the founders of NS8 Corporation anticipated the emergence of a new paradigm for the delivery of entertainment content — one that relied on existing Internet and Internet Protocol-based networks to deliver content on-demand.

Today, with cable and telecommunications companies investing billions of dollars in digital-related infrastructure, the broadband-enabled future of digital entertainment is upon us.

According to Paul Kagan Associates, the video on-demand market alone will triple by 2008, because video on-demand capable households are expected to expand from 12 million to 31 million homes over that same period^{iv}.

The founders of NS8 Corporation anticipated this future, and have developed technologies and a company to capitalize on the emergence of this new and exciting vehicle for delivering home entertainment.

Today, with more than 40 employees and proprietary patent-pending technologies, NS8 Corporation is emerging as a leader in the content on-demand market.

NS8 Corporation's technology leadership is supported by an impressive executive management team. With more than 150 years of combined technology and business experience in senior roles with companies such as Boeing, Honeywell, Microsoft, and F5 Networks, NS8 Corporation is poised to usher in the future of digital entertainment.

NS8 Corporation is in the process of pursuing a series of strategic alliances and commercial partnerships for full commercialization of its technologies and business solutions.

The future of content on-demand has arrived. And NS8 Corporation is positioned to lead the way.

Footnotes:

- i. Paul Kagan Associates
- ii. International Federation of the Phonographic Industry, 2003
- iii. Business Software Alliance, 2003
- iv. Paul Kagan Associates

C O R P O R A T E
I N F O R M A T I O N

Trading Symbol: NSE0

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The information contained herein may include forward-looking statements within the meaning of U.S. federal securities laws. The words "believes," "expects," "estimates," and similar expressions are intended to identify forward-looking statements. Statements regarding future events and developments and our future performance, as well as our expectations, beliefs, plans, estimates, or projections relating to the future, are forward-looking statements within the meaning of these laws. All forward-looking statements are subject to certain risks and uncertainties that could cause actual events to differ materially from those projected.

The risks and uncertainties which could affect our performance or results include, without limitation: changes in product demand; economic conditions; uncertainties relating to intellectual property ownership, enforcement, and rights; the limited operating history of our company; growth management; delays in testing and introductions of new products; rapid technology changes; a highly competitive market; and the entry of new, well-capitalized competitors into our markets and other risks and uncertainties.

Other important risk factors are discussed in our Form 10-K filed with the Securities and Exchange Commission with respect to our last fiscal year and may be discussed in subsequent filings with the SEC. Our forward-looking statements are based on current expectations and speak only as of the date of such statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of future events, new information, or otherwise.