

DIGITAL RIVER

CORPORATE FACT SHEET

Investor Information

NASDAQ Symbol: DRIV
 Shares Outstanding (12/31/98):
 19.5 million
 Approximate Market Capitalization:
 \$750 million
 Trading Range: \$61.38 to \$5.00
 Average Daily Volume: 875,000
 Approximate Float: 7.5 million shares
 Inside Ownership: 40%
 Institutional Ownership: TBD
 Analyst Coverage:
 Shaun Andrikopoulos - BT Alex Brown
 Keith Benjamin - BancBoston Robertson Stephens
 Scott Ehrens - Bear, Stearns
 Stephen Franco - Piper Jaffrey
 Steven Weinstein - Pacific Coast Securities

Executive Officers

Joel A. Ronning
 CEO
 Tech Squared

Perry W. Steiner
 President
 Wasserstein Perella & Co., TCW Capital

Robert E. Strawman
 Chief Financial Officer and Treasurer
 Caribou Coffee, Software Etc. Stores

Terence M. Strom
 Senior VP of Marketing
 Egghead Software, Best Buy

Kelly J. Wical
 Chief Technology Officer
 Oracle, Artificial Linguistics

Draper M. Jaffray
 VP of Business Development
 The Firm, Tech Squared

Gregory R. Smith
 Secretary and Controller
 Secure Computing, Ernst & Young

Randy J. Womack
 Chief Information Officer
 Xerox, Oracle, Artificial Linguistics

Corporate Headquarters

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 Eden Prairie, Minnesota 55344

Worldwide Offices

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 London, United Kingdom WRG54

Information Contact

For additional information on Digital River, call Investor Relations at 612-253-1234 or e-mail investorrelations@digitalriver.com

Transfer Agent:
 Norwest Bank Minnesota

Mission Statement

Digital River's mission is to be the world's largest source of inventory, transactions and fulfillment of software over the Internet.

Corporate Profile

Digital River is the leading provider of comprehensive electronic commerce outsourcing solutions to software publishers and online retailers. The Company has developed a technology platform that allows it to provide a suite of electronic commerce services to its software publisher and online retailer clients, including electronic software delivery (ESD), Web store hosting and physical fulfillment. The company also provides data mining and merchandising services to assist clients in increasing Internet page view traffic to, and sales through, their Web stores. Rather than maintaining its own branded Web store that would compete with its clients, Digital River provides an outsourcing solution that allows its clients to promote their own brands while leveraging Digital River's investment in infrastructure and technology.

Based in Minneapolis, Digital River has more than 110 employees. The company possesses the world's largest online software inventory and specializes in seamless electronic delivery of products. Digital River's comprehensive services and proprietary technology are used routinely by more than 1,400 software publishers to distribute their products via the Web. In addition, Digital River has partnered with more than 1,000 retailers operating online software "stores" using Digital River's database and proprietary technology. Growing daily, there are currently more than 100,000 products in Digital River's inventory.

Digital River Client Base

Digital River partners with more than 2,500 software publishers and online retailers.

Publisher Clients

Digital River supports e-commerce solutions for use by more than 1,400 software publisher clients. Digital River helps publishers improve sales performance from their sites as well as provides prime online shelf space in the Digital River dealer network.

Sample Publisher Clients

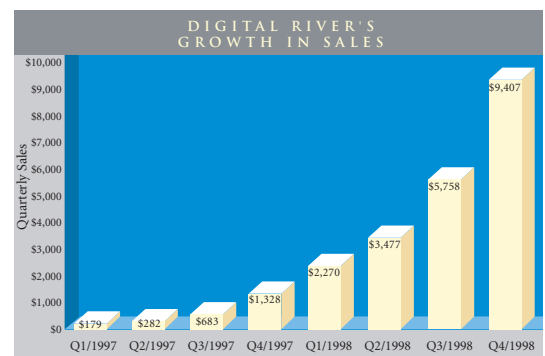
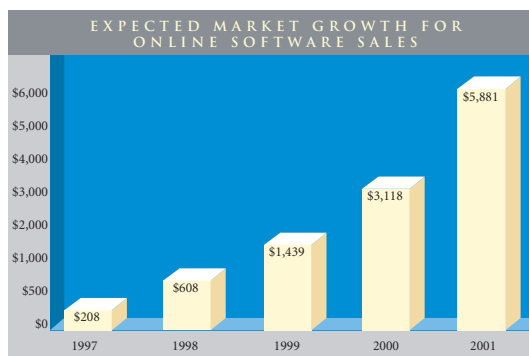
Acclaim, Adaptec, Aladdin Systems, Bitstream, Caere, Cendant Software, Corel, JASC, Live Picture, Lotus-IBM, McAfee, Monotype, Olympus, Powerquest, Speedlane, Symantec, Ulead Systems

Retailer Clients

Digital River currently works with more than 1,000 retailers who sell more than 100,000 software products from Digital River's inventory. Digital River strategically places and promotes products on dealer sites and provides opportunities for increased product offerings as well as custom advertising programs and marketing support.

Sample Retailer Clients

BuyDirect, CompUSA, Cyberian Outpost, K-Mart, Micro Warehouse, Wal-Mart, Multiple Zones, Shopping.com



Dollars in millions.
 Data source: *Electronic Software Distribution Part Two: The Landscape Refined*
 © International Data Corporation.

Dollars in thousands.

Services

Digital River enables the sale and download of software from individual publisher Web sites, as well as through independent retailer sites. The company provides the system framework that makes e-commerce sales possible from these various points of entry. Digital River provides the following services including various features and benefits:

Service	Feature	Client Benefit	Consumer Benefit
Electronic Software Delivery (ESD)	<ul style="list-style-type: none"> Freedom from inventory, packaging and warehousing 100% product registration Unlimited shelf space 	<ul style="list-style-type: none"> Reduced expense, increased profits Increased marketing capabilities through buyer profiles Increased sales through expanded inventory 	<ul style="list-style-type: none"> Immediate delivery of software to the desktop 24 hours a day Easy-to-use shopping process Huge selection of software choices
Web store hosting	<ul style="list-style-type: none"> Complete e-commerce site development 24X7 server management customer service and phone ordering options Quick up -time 	<ul style="list-style-type: none"> Reduced expense for development Improved site sales performance Reduced expense and increased sales 	<ul style="list-style-type: none"> Efficient and customer-friendly sales processing and marketing functionality Choice of buying process Easy access to online help Quicker access to more products
Physical fulfillment	<ul style="list-style-type: none"> Physical delivery capability 	<ul style="list-style-type: none"> Reduced time and expense for coordination, warehousing and shipment 	<ul style="list-style-type: none"> Next-day delivery options for boxed software packages
Merchandising	<ul style="list-style-type: none"> Maximize site traffic and increase product sales Up-sell, cross-sell and bundling of products One on one marketing 	<ul style="list-style-type: none"> Increased revenues and return on investment Increased product sales Increased sales through personalization 	<ul style="list-style-type: none"> Opportunity for new products and reduced prices Opportunity for multiple product purchases and price breaks Receive information on products that meet specific needs
Data warehousing and data mining	<ul style="list-style-type: none"> Use of sales data for marketing and development of promotions 	<ul style="list-style-type: none"> Enhanced customer relationships Increased repeat sales and revenues 	<ul style="list-style-type: none"> Learn about new products and offers Immediate upgrade notification

Technology

Digital River's proprietary commerce network server (CNS) technology serves as the platform for the Company's outsourcing solutions. The CNS incorporates custom software applications that enable ESD, Web store authoring, fraud prevention, export control, merchandising programs and online registrations, and features a database of more than 100,000 software products. Using its CNS platform, the Company creates Web stores for its clients that replicate the look and feel of the clients' own Web sites. End-users can browse for products and make purchases online. Once purchases are made, the Company delivers the products directly to the end-user, primarily through ESD. Digital River's proprietary Database Security System (DSS) is an Internet server that uses multiple safeguards to offer customers secure financial transactions as well as protect software publishers against piracy of intellectual properties. Digital River technologies, features and benefits include:

Service	Feature	Client Benefit	Consumer Benefit
Commerce Network Server (CNS)	<ul style="list-style-type: none"> Scalable technology, reliability, expandable bandwidth Online reporting and analysis Auditing capabilities 	<ul style="list-style-type: none"> Reduced costs for system development and administration Increased marketing information leading to increased sales Validation of all sales information 	<ul style="list-style-type: none"> Easy access to products and a fast, easy buying process Improved relationship with the software provider Capabilities for transaction analysis
Database Security System (DSS)	<ul style="list-style-type: none"> Heuristic fraud control Software piracy protection 	<ul style="list-style-type: none"> Reduced fraud expense Reduced copyright infringement risks 	<ul style="list-style-type: none"> Confidence of secured credit card transaction Confidence in safe use of software

Except for the historical information contained herein, the information above may contain forward-looking statements, including statements containing the words, "believes," "anticipates," "expects" and similar words. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others: the Company's limited operating history and variability of operating results; market acceptance of electronic software delivery; the Company's ability to maintain relationships with software publishers and online retailers; competition in the electronic commerce market; and other risk factors referenced in the Company's public filings with the Securities and Exchange Commission.

