

MakeMusic Annual Meeting of Shareholders

AUGUST 22, 2012



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Agenda

- Official Meeting Bob Morrison
 - Introductions
 - Voting Results
- Chairman Comments Bob Morrison
- Company Updates Karen VanDerBosch
- Technology Initiatives Paul Carlson
- Product Demonstrations Justin Phillips/Gary Garritan
- Questions

Cautionary Statement

During the course of our presentation, various remarks about future expectations, plans and prospects for the company will be made that constitute forward-looking statements for purposes of the safe-harbor provisions under the Private Securities Litigation Reform Act of 1995.

Additional information concerning important factors that could cause actual results to materially differ from those in the forward-looking statements is contained in the company's filings with the Securities and Exchange Commission.

Company Updates

KAREN VANDERBOSCH, COO&CFO



MakeMusic Initiatives

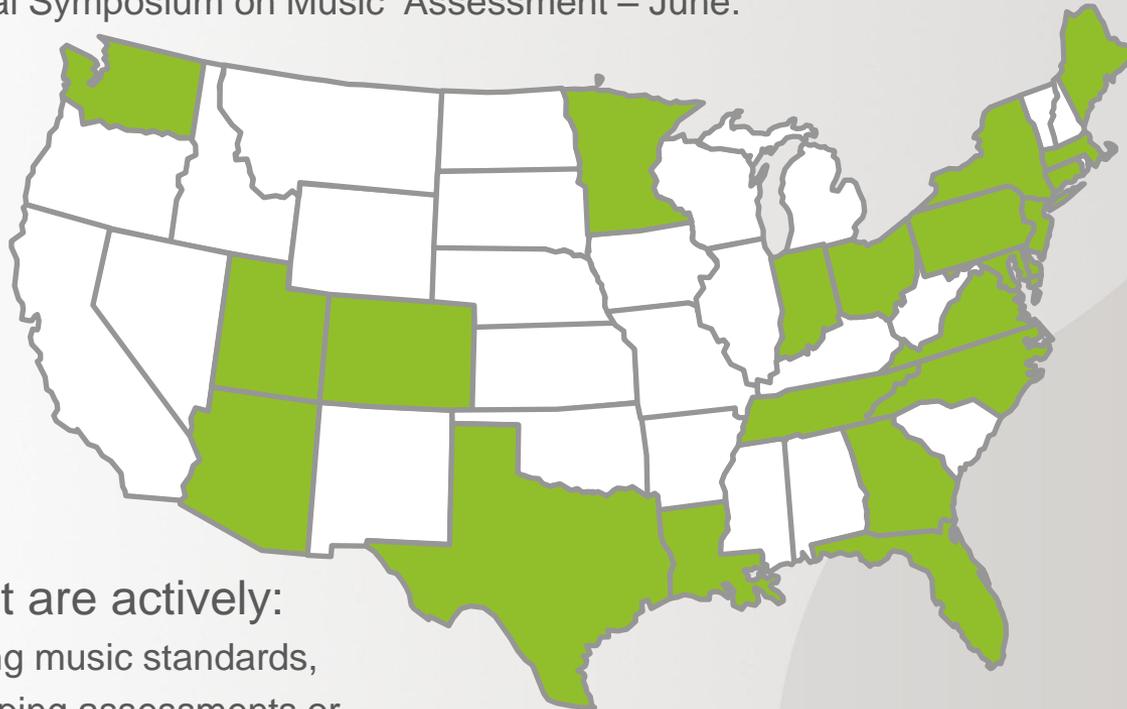
- Enhancing our technology architecture
- Developing and leveraging existing distribution channels
- Strengthening our marketing strategy and focusing on our brand promise
- Extending our core product value into new product innovations and platforms

Company Updates

- Acquisitions
 - Garritan Corporation
 - Sound Libraries
 - ARIA Player
 - Recordare
 - Music XML
- SmartMusic
 - Vocal
 - Site Reading

Company Updates (continued)

- Assessment
 - National Symposium on Music Assessment – June.



States that are actively:

- Revising music standards,
- Developing assessments or,
- Establishing teacher evaluations based on student achievement

Company Updates (continued)

- Mobile Applications
 - SmartMusic InBox
 - Finale SongBook
- Pay-per-Title
 - Hal Leonard Agreement
 - 500+ titles provided
 - 2nd Quarter 2013 launch anticipated
- Branding

Branding



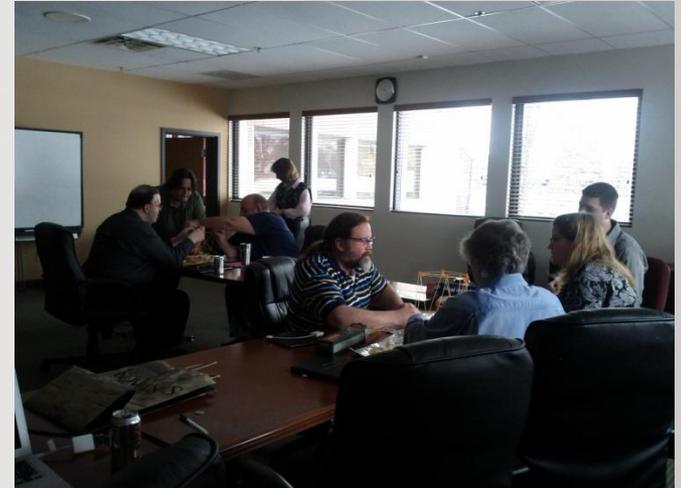
Technology Organization

PAUL CARLSON, CTO



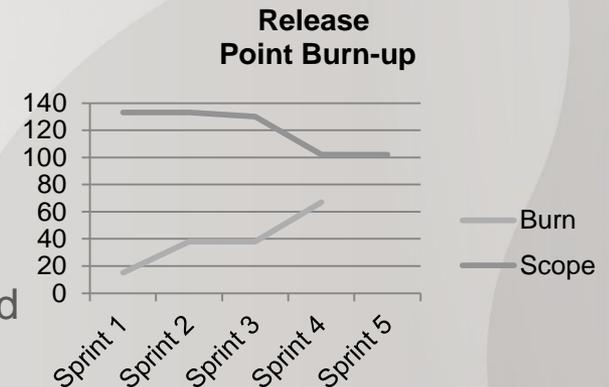
People

- Formed Technology Leadership Team
 - Blend of existing and new teammates
- Outsourced non-core activities to trusted partners
 - Desktop support, email administration, network management, purchasing, server management and hosting
- Staffed key technology roles across the organization
 - Project Managers, Software Engineers, Continuous Integration Engineers, Quality Engineers, User Experience Engineers
- Achieved 98% retention rate
 - Testament to the passion our teammates have for this company, its products, and its customers



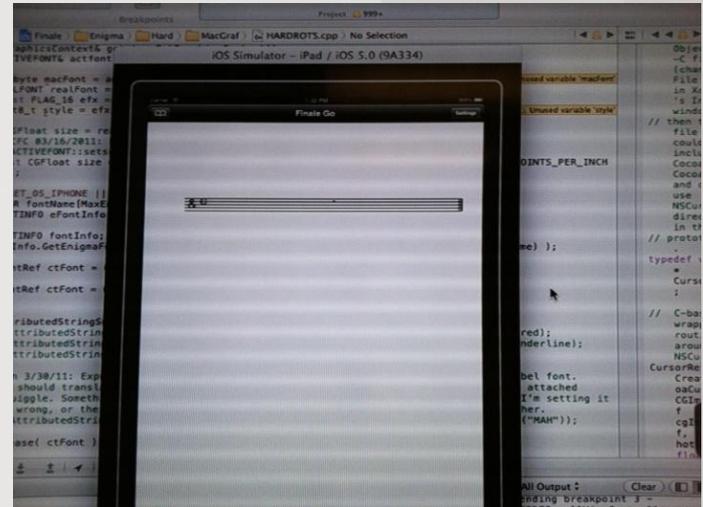
Process

- Enhanced software development methodology
 - Why? Improve predictability and transparency
- Greater emphasis on engineering with quality through test automation and unit test construction
 - Why? Improve quality of software we deliver
- Greater emphasis on production environment controls and procedures
 - Why? Improve stability and uptime for all our websites
- Deployment of continuous integration capability
 - Why? Surface defects introduced via new development as quickly as possible so they are fixed as quickly as possible
 - Improves team productivity



Technology

- Filed two patents
 - DISTRIBUTION OF AUDIO SHEET MUSIC AS AN ELECTRONIC BOOK (Michael Good, Steve Mills)
 - METHOD AND APPARATUS FOR COMPUTER-MEDIATED TIMED SIGHT READING WITH ASSESSMENT (Dan Massoth, Michael Dripps, Paul Sturm)
- Integration of two acquisitions (Recordare, Garritan)
 - Recordare integration complete
 - Garritan, phase I integration complete (website, knowledge-base remain)
- Major investments in modernizing our codebase
 - Elimination of deprecated APIs, improve modularity, modernize file formats, enhance testability and overall quality
- Emphasis on mobile development
 - Finale SongBook



– SmartMusic InBox
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What's been delivered since our last meeting?

- Finale
 - Finale 2012
 - Finale 2012 updates
 - Finale NotePad
 - Finale SongWriter
 - Finale SongBook iPad App
- Garritan
 - Instant Orchestra
 - Classic Pipe Organs
- SmartMusic
 - SmartMusic 2012 updates
 - Numerous website updates
 - SmartMusic InBox iPad App

Product Demonstrations

JUSTIN PHILLIPS
SENIOR PRODUCT MANAGER

GARY GARRITAN
DIRECTOR OF INSTRUMENTAL SCIENCES



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Finale SongBook

Goals:

- Simplified User Interface
- Designed for mobile
- View, Play, Print
- Strong platform



Finale SongBook

Finale's Strengths:

- Quality notation
- World-class sound libraries
- Human Playback
- Sharing music
- Customer support & dedication

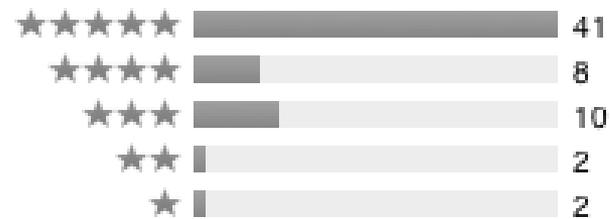


Finale SongBook



Customer Ratings

▼ Average rating for the current version:  63 Ratings



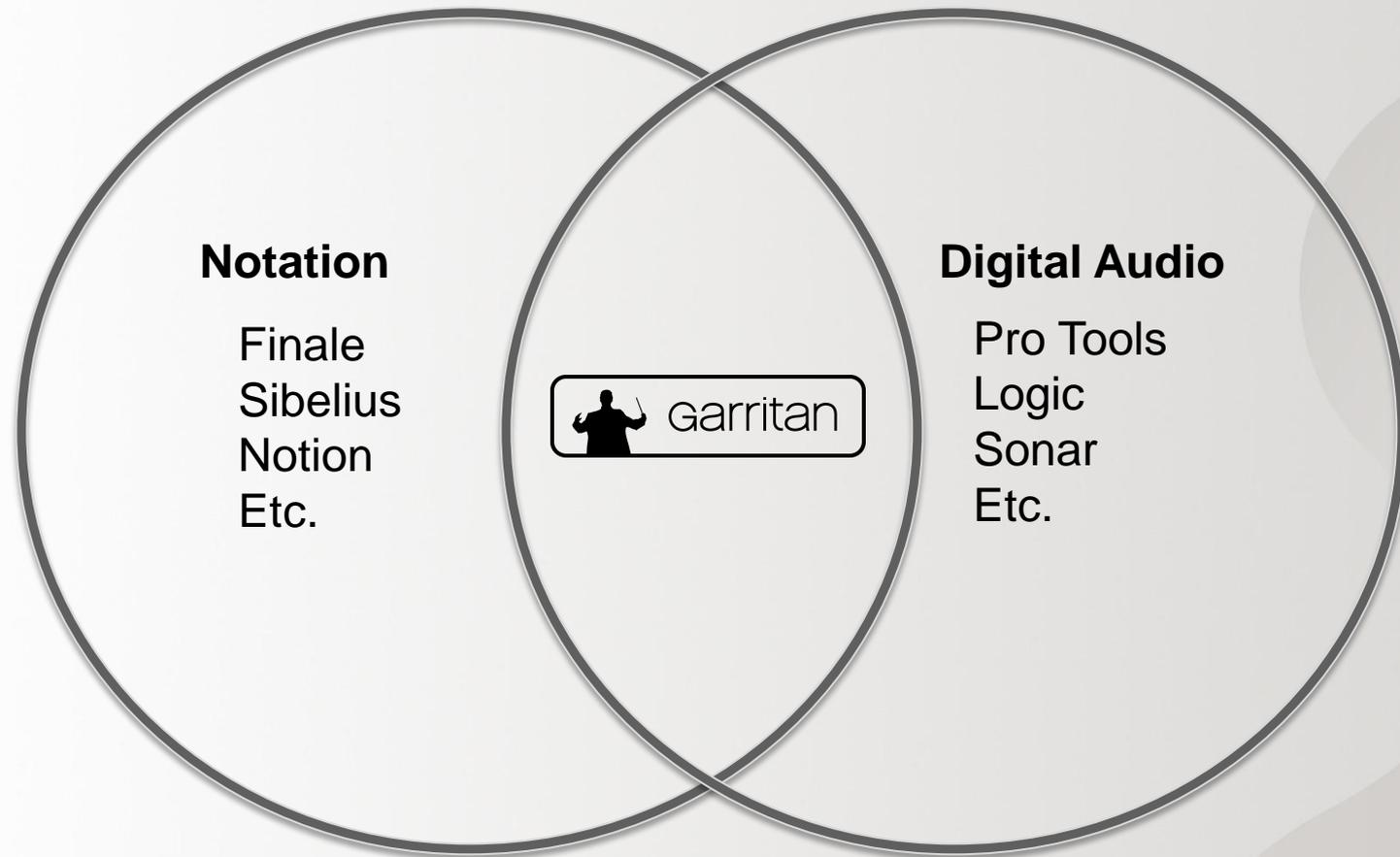
Product Demonstration





Garritan

Garritan



Current Products

- Personal Orchestra 4
- Jazz & Big Band 3
- Concert & Marching Band 2
- World Instruments
- Instant Orchestra
- Classic Pipe Organs



Product Demonstration



Questions



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Thank You



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