EXHIBIT 21

≋ IDC
Analyze the Future

==MARKET ANALYSIS==

==Worldwide Enterprise Applications 2004–2008 Forecast and Analysis: 2003 Vendor Shares and First-Half 2004 Results==

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IDC OPINION

Despite rapid consolidations, the enterprise applications market is expected to post decent growth rates through 2008 for the following reasons:

☒ Macroeconomic conditions are conducive for applications investment as companies need to become more efficient and productive when competing in the global market.

☒ New technologies like RFID and Web services are paving the way for broader enterprise applications adoptions throughout international supply chains as well as organizations that are increasingly becoming virtually integrated (i.e., real-time connection to business partners and customers) as opposed to vertically integrated (i.e., building everything within the four walls of an enterprise).

☒ While the recent wave of mergers and acquisitions in the enterprise applications market could be distracting for corporate buyers, the long-term effects will be minimal as new players continue to enter the market, replacing outdated legacy systems with high-quality software and services that come with money-back guarantees to mitigate risks for customers.

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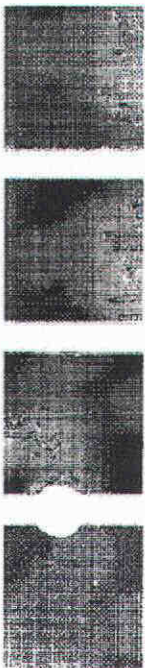
geopolitical conflicts, rising interest rates, and surging commodity prices, as well as a general weariness of too much technology (a line of thinking perpetuated by critics who promoted "IT doesn't matter"). Users described SAP as their last remaining favorite.

However, SAP's strategy — highlighted by its relentless push into the integration market with Netweaver as well as enhancements in upcoming MySAP ERP 2004 — does not automatically translate into long-term success. So far, customers of Netweaver, especially those that have been running early releases of XI, have not been particularly satisfied with its performance. Their perception may well change once they upgrade to the latest version. Given the amount of conversion work required, it could take years before users are standardized on Netweaver, or for that matter, My SAP ERP 2004. Migrating to MySAP ERP 2004 would entail the adoption of a new General Ledger application, which despite its fancy features like doing reporting right out of data warehouse, rather than at the portal level, may not appeal to certain users who may find it more than they can handle, compared with Web services, services-oriented architecture (SOA), or outsourced services that tend to be less costly to deploy and less disruptive to their organizations.

Table 1 shows the market shares of 670 enterprise applications vendors.

TABLE 1

Worldwide Enterprise Applications License and Maintenance Revenue by Vendor, 2001–2003 ($M)

	2001	2002	2003	2003 Share (%)
SAP AG	3,993.8	4,247.4	5,068.7	7.70
Peoplesoft	1,909.3	1,822.8	1,685.8	2.56
Microsoft Corp.	935.5	1,238.3	1,609.2	2.45
Oracle Corp.	1,522.9	1,343.7	1,529.7	2.32
Synopsys Inc.	592.0	851.5	1,136.3	1.73
SunGard Data Systems Inc.	752.5	973.8	997.1	1.52
Cadence Design Systems Inc.	1,167.1	1,138.1	988.3	1.50
Siebel Systems Inc.	1,585.6	1,277.9	910.0	1.38
SAGE Group PLC	655.4	769.4	860.8	1.31
McKessonHBOC	714.9	796.9	822.9	1.25
Autodesk Inc.	732.0	637.3	739.5	1.12
Dassault Systemes	578.0	635.0	729.0	1.11
Intuit Inc.	620.0	638.9	695.2	1.06