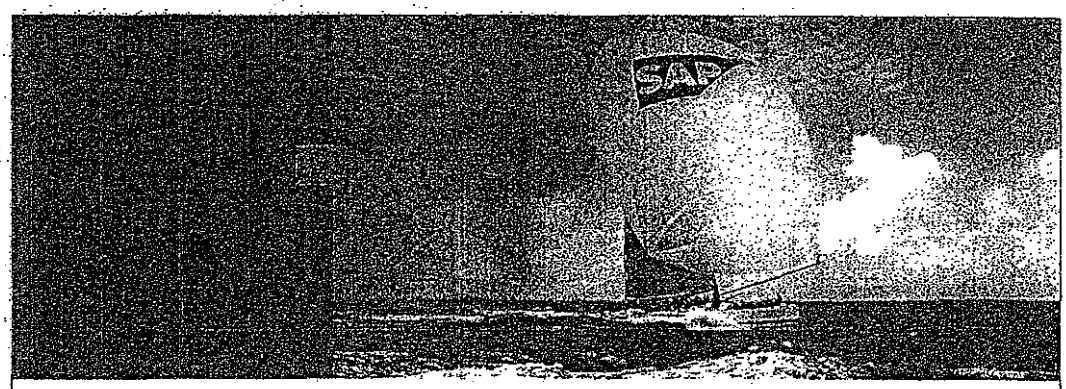
Oracle Corporation et al v. SAP AG et al
Doc. 783 Att. 13

EXHIBIT M

Dockets.Justia.com

PS. 36



TomorrowNow Acquisition Monitoring

Status Update

December 1, 2006

Thomas Ziemen, SAP AG
Andrew Nelson, TomorrowNow

THE BEST-RUN BUSINESSES RUN SAP

Supervising 2 Mnt Fed — Summary, P&L, KPI

→ Global Doc

→ Contract Dct → Rev.

→ ~~Scale / Profitability~~ ⇒ 2010

(How / when we will achieve 30%

⇒ 2007 / 2008 / 2009

→ Expense — ORM — Contract — Revenue

EXHIBIT NO. 450

jmsteno.com

Management Summary – TommorowNow

Value Proposition

- Offer lower priced 24x7 maintenance alternative to PeopleSoft, JD Edwards, and Siebel customers with 50% savings on current support and maintenance fees
- Provide those customers with a choice to migrate to SAP (at their own pace) — Customer View

- Serves as bridge for future SAP license business for (smaller, not SAP-minded customers)
- Hurt Oracle by taking away maintenance revenue — SAP View

Business Case Analysis

- TomorrowNow established as cornerstone of the Safe Passage Program
  - Safe Passage pipeline (264 opportunities currently in process), TomorrowNow pipeline (872 open opportunities), and revenues justify the cost of the acquisition and additional operating expenses — CRM License
  - Installed base grown to 193 customers with 161 TomorrowNow customer contracts signed in the first ten months of 2006 (106 new contracts and 55 renewals in 2006; 121 signed in 2005 with 75 new deals and 46 renewals) N
  - € 25.7 million reduction of Oracle maintenance revenue in the first ten months of 2006 (€ 36.5 million in total including 2005) 2% of Oracle maint. recognized / booked
  - € 6.9 million TomorrowNow stand-alone revenue in the first ten months of 2006 (€ 3.5 million in 2005)

Net 90% it is purely 50%

Lessons Learned

- Field: Another year needed to finalize global alignment with SAP Sales organization
- Marketing: Oracle Disruption Campaign Q3/2006 resulted in high lead success rate for TomorrowNow, i.e. high return on marketing investments
  - Oracle Turn up the Heat Campaign resulted in 150+ opportunities for TomorrowNow (15 contracts signed)
- F&A: Globalization of business in cooperation with SAP regions is a challenge and was underestimated as such → Need to actively manage regional shared services for TNow

→ Homdepot severly discount → Helps

Conclusion

- TomorrowNow is a strategic investment and serves as strategic weapon against Oracle
  - Take away maintenance revenue from Oracle
  - Create pre-pipeline of future SAP customers
- TomorrowNow still operates at a loss in 2006 but Break-even is expected for 2008 after completion of globalization and business scoping in 2007 (in line with board assumption to become a profitable business within 2-3 years after acquisition)

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