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Board of Directors – Review Materials

Project Constellation

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Who is Sagittarius ?

- Sagittarius is the world's largest enterprise application vendor. It sells software products in three primary categories: enterprise resource management ("ERP"), customer relationship management ("CRM") and supply chain management ("SCM"). The Company's software helps enterprises more efficiently manage their financial and operational processes and resources, both internally and with suppliers and customers
- Approximately 65% of the Fortune 500 and most of the Global 2000 are running at least some Sagittarius applications. The company has an installed base of more than 20,000 customers, with high customer retention rates (90%+)
- Of the top enterprise applications vendors (Ophiuchus, Sirius, Pegasus), Sagittarius has approx 57% of the total license revenue in that peer group
- Total 12 month trailing revenue of approximately €7.1 billion, split almost evenly among license revenue (31%), maintenance revenue (36%) and services revenue (33%). The company sells globally, with 55% of sales coming from Europe (23% from Germany), 33% from the Americas and 12% from Asia Pacific
- Headquartered in Walldorf Germany, Sagittarius employs 29,374 employees worldwide. The company was founded in 1972 by five former IBM employees (including current Chairman Hasso Plattner) and went public in 1988

For more
detail see
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Strategic Rationale for a Combination - “Better Together”

- Sagittarius and Mensa operate in large and complementary segments with minimal product overlap
- A combination would offer great benefits to multiple stakeholders
 - Enhances our relationship with enterprise customers
 - Creates innovative new customer scenarios and products
 - Complementary businesses and breakthrough innovations create value for the entire industry
 - New revenue streams and expense synergies drive increased profit and shareholder value

Strategic Rationale - Enhances our Relationship with Enterprise Customers

- Achieve leadership in ERP applications for Fortune 500 companies
 - An objective we will not pursue in the absence of this combination
- Increase Mensa mindshare with senior non-IT business executives
- A more complete offering for the enterprise will enhance relationships with global systems integrators

Strategic Rationale - Innovative New Customer Scenarios and Products

- Development of innovative new products that break barriers between end users users and backend enterprise data
- Improved CRM user experience with Office
- Major simplification and cost savings in configuring line of business applications
- Improved experience for ecommerce between Mensa's Small and Medium Business ("SMB") and Sagittarius'enter prise customers
- Ability to create seamless enterprise application roadmap for growing customers

Strategic Rationale -- Creates Value for Entire Industry

- New wave of innovation in business process customization unleashed
- Simplified ability for partners to customize enterprise workflow processes across applications
- Best of SMB offering and strengthened SMB channel attracts and benefits independent software vendors and partners
- Global phenomenon with global benefits

REDACTED

Strategic Rationale - New Revenue Streams and Expense Synergies

■ Innovation brings new revenue opportunities

- Portal / Business Intelligence – new license revenue stream via utilization of Mensa Office applications for back-end data presentation and analysis
- New opportunities in customer relationship management segments
- More integrated and complete solutions with deeper functionality drives increased monetization in small and medium business segments
- Opportunity to better promote existing Mensa products (SQL, Windows Server) in Sagittarius customer deployments

■ Cost efficiencies

- More efficient use of R&D and Sales & Marketing resources via unification and consolidation of overlapping resources and functions
- Elimination of unnecessary and duplicative corporate overhead

High Level Combination Assumptions

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- Sagittarius brand persists and division maintains independent enterprise selling effort

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- Maintenance of strong R&D and Sales & Marketing presence in Germany;

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- Support and services remain for the most part separate

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Preliminary Combination P&L – Prior to Transaction Expenses/Charges
(\$ in billions)

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Revenue Synergies Summary -- Base Case

Portal / Business
Intelligence (BI)

Customer Relationship
Management (CRM)

Small and Medium Business

SQL Server

Windows Server

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Cost Synergies Summary -- Base Case

Research & Development

R

Sales & Marketing

General & Administrative

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Preliminary Synergies Analysis – Case Comparison (\$mm)

REDACTED



Preliminary Synergies Analysis – Case Comparison (\$mm)

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Framing of Price:

REDACTED

Preliminary Contribution Analysis

REDACTED



Exchange Ratio Background

REDACTED

