

Emptoris Acquisition Announcement

Purpose

The purpose of this document is to address particular questions and provide additional insight about IBM's intent to acquire Emptoris. To view the full press release, go to: <http://www.ibm.com/press>.

Q. What are you announcing today?

On December 15, 2011, IBM announced that it has signed a definitive agreement to acquire Emptoris, a privately held company headquartered in Burlington, Massachusetts.

Emptoris delivers strategic supply and contract management solutions that enable Global 2000 companies to maximize financial performance and optimize commercial risk around the world.

Q. When will this transaction be finalized?

This transaction is subject to customary closing conditions and regulatory clearance and is expected to close in early 2012.

Q. Who is Emptoris? What do they do?

Founded in 1999 in Burlington, Massachusetts, Emptoris is a world leader in delivering strategic supply and contract management solutions that enable Global 2000 companies to maximize financial performance and minimize commercial risk. The company's award-winning sourcing, contracts management, spend analysis, supplier lifecycle management, services procurement and telecom expense management solutions are leveraged by 350+ customers in 75 countries and translated in 16 languages.

By providing a single, accurate and robust source of spend, contract and supplier data and intelligence, Emptoris solutions enable individuals and organizations to make optimal business decisions that impact key corporate objectives; from managing global growth, enforcing compliance and mitigating volatility and risk – to reducing and controlling costs.

Q. Why is IBM planning to acquire Emptoris?

A Smarter Planet requires Smarter Commerce to redefine commerce in the age of the customer. Smarter Commerce is a unique approach that increases the value companies generate for their customers, partners and shareholders in a rapidly changing digital world. It is designed to help companies better integrate and more effectively manage their value chain, including buy, market, sell, and service processes to put the customer at the center of decisions and actions, leading to greater customer loyalty, revenue / margin growth and agility.

The acquisition of Emptoris will extend IBM's leadership in Smarter Commerce by adding strategic supply management capabilities to help manage procurement cost and improve contract administration and supplier management across the supply chain process.

Emptoris' solutions will provide sourcing and procurement professionals the ability to optimize their supply chain processes to better control spending and enhance supplier performance. Furthermore:

- By combining IBM's B2B Integration with Emptoris' Strategic Supply Management solutions, IBM will provide clients with the ability to manage their supplier interactions and compliance to better control spending and enhance supplier performance.
- By combining IBM's extensive Source to Pay BPO capabilities with Emptoris' Strategic Supplier Lifecycle Management functionality clients will be able to accelerate cost savings and speed to benefit.

Together IBM and Emptoris will deliver the industry's most comprehensive end-to-end solution to drive intelligent, adaptive, and optimized extended supply chains based on customer demand.

Q. How will Emptoris fit within the IBM software portfolio?

The Emptoris products will become part of Industry Solutions' Smarter Commerce portfolio within IBM Software Group. The Emptoris solution portfolio adds new capabilities to the IBM' Smarter Commerce Buy offerings, helping improving how our clients execute their supply chain, including what they spend with suppliers, how they contract with suppliers, and how they manage supplier performance, helping them maximize financial performance and minimize commercial risk around the world.

Q. How will Emptoris clients benefit?

Emptoris clients will benefit from the combined technologies and skills of both companies, giving them a complete set of spend optimization capabilities from spend analysis, sourcing, contracting and on-boarding through automated transaction execution and strategic supplier management. IBM provides these clients with the ability to bring higher levels of spend under management by offering a range of complementary solutions, from B2B integration, supplier compliance management, to strategic sourcing consulting and business process outsourcing (BPO) services.

In addition, clients can access skilled IBM sourcing and procurement professionals as part of Global Process Services' (GPS)' BPO offering in Supply Chain Management. These GPS professionals will enable clients to cover more categories, across more regions to negotiate more competitive contracts, and reduce the overall sourcing cycle. GPS will use the Emptoris solution to negotiate improved supplier contracts and increased savings, thereby increasing procurement ROI and accelerating savings.

Emptoris clients will also benefit from combining the supply and contract management capabilities with the IBM B2B integration technologies to enable clients to competitively manage more of their spend, more tightly integrate and collaborate with suppliers, and extend supply chain visibility. Finally, Emptoris clients will benefit from IBM's increased investment capacity, technologies, global reach, industry expertise and support. IBM remains committed to open standards and intends to continue to support and enhance the Emptoris products across heterogeneous information systems.

Q. How will the acquisition affect Emptoris Business Partners?

IBM intends to extend and grow with the skilled Business Partner community that has made the Emptoris technology successful. As IBM works hard to deliver portfolio enhancements based on Emptoris technology, Emptoris Business Partners are encouraged to find out more about establishing a deeper relationship with IBM, visit ibm.com/partnerworld/swvaluenet.

Q. How will the Emptoris team fit organizationally within IBM?

Emptoris will become part of the Industry Solutions business, lead by Craig Hayman, General Manager, IBM Industry Solutions, within IBM Software.

The team will also provide spend analysis and spend category support to IBM's Supply Chain Management business within Global Process Services (GPS). GPS is IBM's business process outsourcing (BPO) services organization, and through its SCM offering, IBM will provide clients with services that are complemented and differentiated by the Emptoris solution.

DISCLAIMER

Clients are responsible for ensuring their own compliance with various laws and regulations. It is the client's sole responsibility to obtain advice of competent legal counsel as to the identification

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