

Frequently Asked Questions (FAQ)

Frequently Asked Questions (FAQ) for SDL acquisition of Fredhopper

This document provides background information on the SDL acquisition of Fredhopper. It provides an overview of the company, the business reasons for the acquisition and the future go-to-market strategies of the newly-created 'SDL eCommerce Technologies' business unit.

Overview of acquisition

SDL is a publicly traded company with annual revenues of \$250M. The company has grown over the last 16 years to become the leader in Global Information Management. Its technologies empower companies to manage global content from authoring through to translation and publishing. Based in the UK, SDL is a global company with 50 offices spread across 32 countries. SDL is seen as an innovator within the industry, winning awards for its technology and service.

In 2007, SDL acquired Tridion, a world leader in Web Content Management software with customers such as Hewlett-Packard, AIG, Canon, Toyota and Reebok. Since the Tridion acquisition, SDL has seen an increasing demand for online marketing solutions.

With the acquisition of Fredhopper, SDL makes a strategic entry into the online retail market.

Fredhopper is a recognized leader in eCommerce targeting and marketing software which counts Clarks, Toys R Us, B&Q, Waitrose and Otto Group - the world's second biggest eCommerce company behind Amazon.com - among its stable of over 100 large international retail customers.

Fredhopper adds another essential building block to SDL's Global Information Management platform, and reaffirms SDL's strategy and commitment to delivering the best solutions to manage online customer interaction.

Fredhopper will become an independent business unit of SDL that will be named 'SDL eCommerce Technologies.' The unit will be led by Fredhopper's current management team, and be focused on providing targeting and marketing software for online retailers.

Why did SDL decide to acquire Fredhopper?

Online retail is a very large and fast growing market, with more than \$200 billion revenues in both Europe and the US, in which SDL was not yet participating.

Fredhopper has a leading position in providing critical targeting and marketing software to large international online retailers in the UK, Germany, France and the Netherlands.

Fredhopper is a healthy, fast-growing company with strong visionary management. In 2009 Fredhopper grew total revenues by about 50%.

SDL will create significant additional value by expanding Fredhopper's products to customers in the US and Asian markets, leveraging SDL's global operational scale.

SDL will also enable Fredhopper to launch its online targeting technology into new verticals – namely financial services, insurance, telecommunications and manufacturing, through SDL's existing Web Content Management product portfolio.

What are the benefits for Fredhopper Customers?

Joining forces with SDL will allow Fredhopper to embark on a global rollout of its product suite and expand operations into the US and Asian markets. The company currently operates in four European countries: the UK, Germany, France and the Netherlands.

Competing in more markets will give Fredhopper the opportunity to partner with more premier retail brands which will further enhance its products, making them better for all customers.

The acquisition will also enable Fredhopper to launch its online targeting technology into new verticals – namely financial services, insurance, telecommunications and manufacturing, through SDL's existing Web Content Management product portfolio.

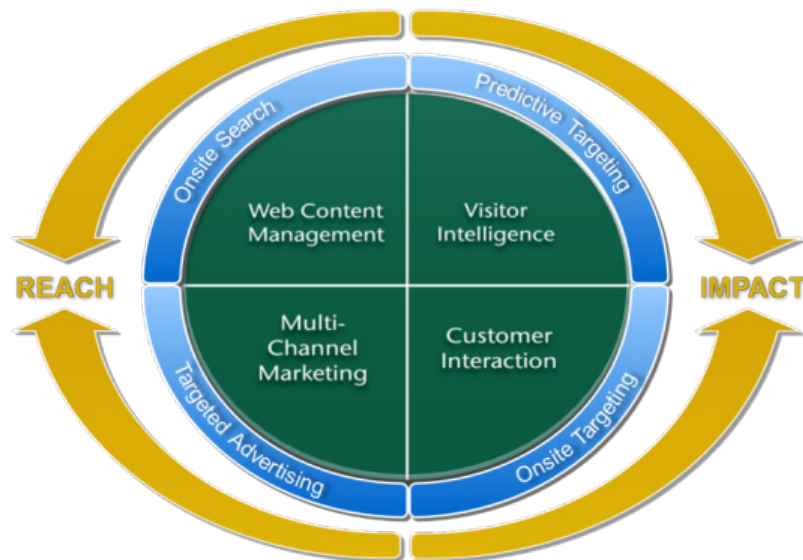
Cross fertilization across verticals always brings out new insights that will again deepen products for the benefit of all customers.

Besides this there will be no change for Fredhopper customers.

Fredhopper will remain fully focused on providing targeting and marketing software for online retailers. All management and staff will remain in place, all product development plans are unchanged and Fredhopper will not undertake any noteworthy integration activities with other SDL business units and products.

What are the benefits for SDL Customers?

Fredhopper brings innovative and proven targeting technology to the SDL product portfolio. The capabilities offered by Fredhopper will extend the reach of the SDL's overall proposition in the areas of onsite search, onsite targeting, predictive targeting, and targeted advertising.



SDL will launch SmartTarget in Q2 2010. SmartTarget combines Fredhopper technology with SDL Tridion, the global leader in Web Content Management solutions.

How does this acquisition relate to SDL's acquisition of Tridion in 2007?

The Fredhopper acquisition is a logical next step after the earlier acquisition of Tridion.

With the acquisition of Tridion, SDL became a major player in online marketing technology, particularly in the financial services, insurance and manufacturing verticals.

Fredhopper builds on that with a strong position in the online retail market. The combination of Fredhopper technology and Tridion will cement SDL's leadership position in online marketing.

Operationally, Tridion and Fredhopper will be separate independent business units.

How does Fredhopper fit with other SDL Global Information Management technologies?

Targeting is a key component of the set of technologies required to manage global content from authoring to publication.

Fredhopper's vision of targeting the right content to the right person at the right time fits seamlessly into SDL's Global Information Management strategy. It is SDL's vision that creating a compelling online experience starts with the right language. To address people in their own language, SDL offers best-in-class language technologies. To provide a consistent customer experience throughout on- and offline marketing materials, support content and all other sorts of documentation, SDL Tridion, SDL Contenta and SDL Trisoft offer best-in-class content management technologies to manage this customer experience. The Fredhopper acquisition is the next logical step to create a targeted and relevant experience, ultimately driving online conversion ratios.

With Fredhopper, SDL also extends the reach of Global Information Management to the global online retail market.

What are the details of this transaction?

Fredhopper is a healthy and fast growing company with about 40 employees. The company was founded in 2000 and headquartered in Amsterdam. It has offices in London, Munich, Paris and Sofia.

The gross assets being acquired are less than 5% of SDL's gross assets.

Where can I get additional information?

Additional information about the acquisition is available at our website.

About Fredhopper

Fredhopper is the ultimate marketing machine for eCommerce. Fredhopper's technologies make it easy for online marketers to systematically improve targeting the right content to the right person at the right time; increasing revenue, profitability and customer lifetime value.

Fredhopper offers software products for Onsite Search, Onsite Targeting, Predictive Targeting and Targeted Advertising. Customers include over 100 of the world's largest and most demanding international online retailers including Albert Heijn, Bijenkorf, B&Q, Clarks, Otto, Thomas Cook, Toys R Us and Waitrose. Analysts rate Fredhopper as No.1 in its sector.

Fredhopper is headquartered in Amsterdam and has offices in London, Munich, Paris and Sofia.

For more information, visit www.fredhopper.com

SDL is the leader in Global Information Management solutions, which provide increased business agility to enterprises by accelerating the delivery of high-quality multilingual content to global markets.

The company's integrated Web Content Management, Structured Content and Language Technologies, combined with its Language Services drive down the cost of content creation, management, translation and publishing.

SDL solutions increase conversion ratios and customer satisfaction through targeted information that reaches multiple audiences around the world through different channels.

Global industry leaders who rely on SDL include ABN-Amro, Bosch, Canon, CNH, FICO, Hewlett-Packard, KLM, Microsoft, NetApp, Philips, SAP, Sony and Virgin Atlantic. SDL has over 1,000 enterprise customers, has deployed over 170,000 software licenses and provides access to on-demand portals for 10 million customers per month.

It has a global infrastructure of more than 50 offices in 32 countries.

For more information, visit

www.sdl.com.