

SuccessFactors to Acquire Inform

Becomes First Company to Offer Business Analytics and Workforce Planning in Comprehensive Business Execution Software

SAN MATEO, Calif. and BRISBANE, Australia – February 4, 2010 – [SuccessFactors, Inc.](#)

(NASDAQ: SFSF), the global leader in business execution software, and Inform Business Impact, the global leader in analytics and workforce planning, today announced they have entered into a definitive agreement under which SuccessFactors will acquire Inform.

With this strategic acquisition, SuccessFactors will be the first company to offer business analytics and workforce planning as part of a comprehensive business execution software suite. With their unmatched applications and strategic consulting, Inform serves more than 130 enterprise customers, most with more than 100,000 employees, including 24 of the Fortune 500, such as Comcast, BHP Billiton, Starbucks, Nike and ANZ Bank, which represent approximately 2.5 million employees.

Inform has a rich 28-year history and 600 person-years of field and academic research, proprietary content and technology development in business analytics and workforce planning.

The addition of Inform's powerful, 100 percent cloud-based software and unique expertise dramatically boosts SuccessFactors' market-leading Business Execution Software (BizX) solution. The combined product will provide customers with a much more strategic use of workforce information, while expediting business execution, allowing SuccessFactors to deliver:

- Predictive analytics
- Strategic workforce planning
- Strategic reporting
- Workforce analytics
- Workforce reporting
- Over 2000 key performance metrics, and
- Peer benchmarking content for over 20 industries.

The combined solution extends value and builds on the investment customers have already made in SuccessFactors by enabling them to assess their readiness to execute their strategies, forecast the impact of their business decisions, mitigate risk and take action accordingly.

“All companies establish strategic plans. The critical challenge today is to execute on those strategies and improve overall business performance,” said Lars Dalgaard, founder and CEO of SuccessFactors. “With this acquisition, SuccessFactors is arming CEOs, CFOs and human resource professionals with actionable, high-value insights to perform better, gain competitive advantage, and lower costs. Our acquisition of Inform turbo-charges our focus and commitment to BizX and will dramatically drive further adoption within the \$36 billion business execution market.

“Our customers convinced us that this was the right move, and they were asking for this combination of products,” Dalgaard continued. “When we did the due diligence on 30 Inform customers, several of them blind references, we realized how big this could become combined. Despite the size of their sales force, Inform has been able to achieve a lot, and with our global distribution and the most paying unique users in the cloud, we think this is a great opportunity for them. I believe no one in the industry, even with other business intelligence or homegrown solutions, can come close to replicating Inform’s deep, proprietary intellectual capital and their set of robust and proven solutions. When you talk to Inform’s customers, they are just playing a different game. They are answering different questions. They are driving more impact. They are changing the way their companies make decisions.

“When SuccessFactors went public more than two years ago, we outlined three separate criteria for companies we’d look at for acquisition,” Dalgaard added. “As SuccessFactors continues to aggressively grow, very selective M&A will continue be a part of that strategy as it relates to the three criteria we announced in 2007: furthering our technology; resellable high margin content; or geographic presence to improve business execution world-wide for any size company. Just one of these criteria would be enough for us to do an acquisition if the customers were referenceable and renewing at strong rates, but Inform had a check in all three boxes. This acquisition allows us to provide something none of our competitors can – software specialized for business execution decisions based on people information that has a direct impact on how a company performs.”

“Inform’s mission has always been to give businesses the best information and insights possible in order to create a clear path to success. SuccessFactors is aiming to do the same thing, so this is a natural fit,” said Peter Howes, founder and CEO of Inform. “Acquisition wasn’t our goal. We have had many offers from American and European companies, but I was never interested until I saw the strategic fit with SuccessFactors. We’re incredibly excited about integrating Inform’s analytics tools with SuccessFactors’ Business Execution Software. We’re creating an even more powerful solution to help our customers better understand how their employees are impacting business performance – how the business as a whole is running so that they can make more strategic workforce decisions that directly affect the bottom line. No other company in the world can offer this.”

SuccessFactors’ and Inform’s combined solutions are immediately available to customers through an OEM agreement between the parties, enabling SuccessFactors to maximize cross-selling and up-selling opportunities and develop future versions of the integrated software quickly.

Under the terms of the acquisition agreement, SuccessFactors will pay \$25.5 million in cash and approximately \$15 million in SuccessFactors common stock for Inform, with additional contingent consideration payable based on the fulfillment of continuing employment and the achievement of specified growth targets.

The acquisition on a pro forma basis and excluding the write-down of the deferred revenue balance and any contingent consideration expense is expected to be neutral to SuccessFactors' net income.

The acquisition is expected to close in Q3 2010, subject to customary closing conditions.

For more information please visit <http://www.successfactors.com/inform/>.

About Inform Business Impact

Inform Business Impact is the global leader in analytics and workforce planning. Over the 28 years since its founding in 1982, Inform's brilliant and highly experienced leadership team has crafted a rich set of analytics and workforce planning applications anchored by unique intellectual capital. Inform now serves more than 130 customers with their applications and strategic consulting, including 24 of the Fortune 500, such as Comcast, BHP Billiton, Starbucks, ANZ Bank, Nike, and many others. To learn more, visit <http://Informimpact.com>.

About SuccessFactors, Inc.

SuccessFactors is the global leader in Business Execution Software. The SuccessFactors Business Execution Suite improves business alignment and people performance to drive breakthrough results for companies of all sizes, anywhere in the world. More than 6 million users and 3,000 companies leverage SuccessFactors every day. To learn more, visit: <http://www.successfactors.com>

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"Safe harbor" statement under the Private Securities Litigation Reform Act of 1995:

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are SuccessFactors' current expectations and beliefs.

These forward-looking statements include statements about timing of the closing, financial impact of the acquisition and market size. Factors that could cause actual results to differ materially from those contemplated by these forward-looking statements include: our ability to retain customers of Inform and to experience high customer renewal rates; whether Inform customers renew their agreements for additional modules or users; pricing pressures; the uncertain impact of the overall global economic slowdown,

including on customers, prospective customers and partners, renewal rates and length of sales cycles; the fact that the business execution market is at an early stage of development and may not develop as rapidly as we anticipate; risks related to the integration of Inform and managing geographically-dispersed operations, competitive factors; outages or security breaches; our ability to develop, and market acceptance of new services; our ability to continue to sell our services outside the HR area; our ability to manage our growth; our ability to successfully expand our sales force and its effectiveness; whether our resellers and other partners will be successful in marketing our products; our ability to continue to manage expenses; the impact of unforeseen expenses; and general economic conditions worldwide. If any such risks or uncertainties materialize or if any of the assumptions proves incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make.

Further information on these and other factors that could affect our financial results is included in the section entitled "Risk Factors" in our Annual Report on Form 10-K and in our most recent report on Form 10-Q and in other filings we make with the Securities and Exchange Commission from time to time.

These documents are or will be available in the SEC Filings section of the Investor Relations section of our website at www.successfactors.com/investor. Information on our website is not part of this release.

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