

NEWS RELEASE

TERADATA FILES SUIT AGAINST SAP

Alleges decade-long campaign of trade secret misappropriation, copyright infringement and antitrust violations by SAP

SAP developed and released SAP HANA by misappropriating Teradata's intellectual property

Suit filed in U.S. District Court for the Northern District of California

SAN DIEGO – June 20, 2018 - <u>Teradata</u> (NYSE: <u>TDC</u>), the leading cloud-based data and analytics company, today filed a complaint in the United States District Court for the Northern District of California against SAP SE, SAP America, Inc. and SAP Labs, LLC (collectively, "SAP") for trade secret misappropriation, copyright infringement and antitrust violations.

Teradata issued the following statement:

As set forth in the complaint, Teradata is alleging that SAP has engaged in a decade-long campaign of anti-competitive behavior, to the detriment of the parties' customers and Teradata alike. SAP lured Teradata into a purported joint venture in order to gain access to Teradata's valuable intellectual property. SAP's purpose for the joint venture was to steal Teradata's trade secrets, developed over the course of four decades, and use them to quickly develop and introduce a competing though inferior product, SAP HANA. Upon release of SAP HANA, SAP promptly terminated the joint venture, and SAP is now attempting to coerce its customers into using HANA only, to the exclusion of Teradata.

Teradata supports competition and innovation in the data and analytics space. SAP's conduct, however, is neither pro-competitive nor innovative. We believe seeking relief through legal action against SAP is a necessary step to protect the rights and interests of our shareholders and all of our other stakeholders, including our customers.

Teradata is seeking an injunction barring SAP's illegal conduct, monetary damages, and all other legal and equitable relief available under law and which the court may deem proper.

As detailed in the complaint:

- This case is about SAP's campaign of anticompetitive conduct directed at Teradata. Over at least the last decade, SAP has used its powerful position in Enterprise Resource Planning ("ERP") Applications to gain entrance to and quickly grab market share in the Enterprise Data Analytics and Warehousing ("EDAW") market, in which it previously had essentially no presence.
- SAP's strategy began in 2008, when SAP leveraged its position in ERP Applications to lure Teradata into a purported joint venture in order to gain access to Teradata's valuable intellectual property. The purpose of the joint venture — a purpose which Teradata now knows was a false one on SAP's part — was to combine SAP's ERP Applications suite and Business Warehouse reporting tool (SAP BW) with Teradata's industry-leading "massively parallel processing" (MPP) architecture for EDAW.
- SAP then stole Teradata's trade secrets (accumulated by Teradata over the course of four decades in the EDAW space), and used them to quickly develop and introduce a competing (though inferior) product: SAP HANA.
- Upon release of its new product, SAP promptly terminated the parties' joint venture, and it is now attempting to coerce its customers into using HANA only, to the exclusion of Teradata, by forcing its customers to adopt HANA in exchange for upgrading their ERP Applications. Moreover, and on information and belief, SAP has begun significantly restricting Teradata's ability to access customers' SAP-derived data.
- Through this conduct, SAP has deliberately sought to exploit its large, existing ERP customer base to the detriment of Teradata and its customers. Given the extremely high costs of switching ERP providers, SAP's ERP customers are effectively locked-in to using SAP's ERP Applications, and SAP is now attempting to lock them into using only HANA in the EDAW market as well.
- SAP could not have so quickly developed and marketed HANA in the first place without its theft of Teradata's trade secrets. Now, using the fruits of that theft and its position in ERP Applications, SAP is attempting to foreclose Teradata from supplying EDAW solutions to many of the largest corporations in the world.

The Court filings will be available on the website for the United States District Court for the Northern District of California, which can be accessed at https://cand.uscourts.gov/home.

The complaint will also be available on Teradata's <u>website</u>.

Morrison & Foerster LLP is serving as legal counsel to Teradata in connection with this matter.

About Teradata

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