



MicroStrategy and Exchange Applications Announce \$65 Million Strategic Alliance for eCRM

MicroStrategy's Intelligent E-Business Software to be Utilized As the Platform for Exchange Applications' eCRM Analytic Solutions; Exchange Applications to Become Strategy.com Master Affiliate

VIENNA, Va., and BOSTON, Jan. 6 -- MicroStrategy® Incorporated (Nasdaq: [MSTR - news](#)), a leading worldwide provider of Intelligent E-Business(TM) software, and Exchange Applications, Inc. (Nasdaq: [EXAP - news](#)), which optimizes interactive relationships between customers and companies, today announced a multi-year, \$65 million software licensing and technology agreement. The agreement, signed in the fourth quarter of 1999, includes an investment by both companies in technology infrastructure, integration, and marketing.

MicroStrategy's Intelligent E-Business Platform(TM) will be used to power Exchange Applications' next-generation analytical solutions, code-named Project eValueate, for eCustomer Relationship Management (eCRM). This agreement further strengthens the relationship between the two companies that was announced in July 1999.

Under the terms of the agreement, Exchange Applications will pay MicroStrategy an initial \$30 million fee, payable through a combination of cash and Exchange Applications stock, of which approximately one-third will be recognized by MicroStrategy as revenue during the fourth quarter of 1999. In addition, MicroStrategy can earn up to an additional \$35 million for future eCRM applications over the next two to three years.

Other highlights of the partnership include:

- Development of vertical and cross-functional eCRM applications based on MicroStrategy's Intelligent E-Business Platform. These applications will be designed to adapt to the intricacies of online and offline businesses;
- Exchange Applications becomes a master affiliate of Strategy.com(TM), MicroStrategy's Personal Intelligence Network (TM). Exchange Applications will join the Network, sell Strategy.com affiliations, and sell MicroStrategy products and services to enable businesses to incorporate and leverage their own information into customer intelligence channels that can be offered through the Strategy.com Network;
- MicroStrategy will license development copies of Exchange Applications software for integration into MicroStrategy's Intelligent E-Business Platform, MicroStrategy 6(TM). MicroStrategy will also re-sell Exchange Applications' eXstatic(TM) to its Strategy.com affiliates; and
- Commitments by both companies to create at least a 30-person eCRM development team. This team will leverage MicroStrategy's 10-years of experience developing the world's leading customer analysis platform and Exchange Applications' industry-leading campaign management and marketing automation technology.

Exchange Applications Turns to MicroStrategy's Platform to Deliver Comprehensive eCRM Solutions

MicroStrategy's Intelligent E-Business Platform provides the segmentation, personalization, broadcasting and interaction engines which enable companies to build, maintain and leverage personalized, one-to-one relationships with their customers. MicroStrategy and Exchange Applications are focused on developing the industry's first end-to-end solution that will enable a complete, flexible, and open eCRM offering.

“We are pleased that Exchange Applications has selected our platform to help organizations develop and leverage 360-degree views of their customers,” said Sanju K Bansal, chief operating officer at MicroStrategy Incorporated. “Our visions for the future of eCRM are closely aligned and we see tremendous synergies between our companies.”

“In order to dominate the exploding eCRM market, it was important for Exchange Applications to align itself with a company like MicroStrategy that has unmatched expertise in terms of customer-centric analysis and proactive personalization,” said Andy Frawley, chairman and CEO of Exchange Applications. “By combining our eCRM technology with MicroStrategy's Intelligent E-Business Platform, we will provide customers with an integrated, packaged solution that we believe is several iterations ahead of any competitive offering.”

New Applications Provide Web-Based Window into Customer Relationships

Exchange Applications' new analytical applications will bring unprecedented benefits to companies seeking eCRM solutions. Exchange Applications and MicroStrategy will deliver enterprise-class analytical software that is packaged and scalable, yet open and flexible enough to serve large, mid-size and small companies. eValueate will not only let companies gain insights into customer trends and behavior, but enable these firms to easily take action on their discoveries. The eValueate application will

capitalize on MicroStrategy's industry-leading platform for eCRM and Exchange Applications' software products and domain expertise in eCRM.

"We believe that analytical CRM is an untapped market, poised for enormous growth," said Liz Shahnam, senior program director, Application Delivery Strategies, META Group. "Customer-centric analytical applications must provide a scalable analytical platform including fine-grained segmentation capability and proactive personalization engines as well as domain-rich application software. Analytical CRM solutions such as those from the MicroStrategy/ Exchange Applications partnership enabling a 360-degree view of their customers will raise the bar in the CRM marketplace, and provide a compelling offering for organizations looking to grow and leverage their customer relationships."

Exchange Applications Becomes Strategy.com Master Affiliate

As part of the agreement, Exchange Applications will become a master affiliate of Strategy.com. Strategy.com delivers up-to-the-minute information on finance, news and weather via web, wireless and voice. As a master affiliate, Exchange Applications will join the network, sell Strategy.com affiliations, and sell MicroStrategy products and services to enable businesses to incorporate and leverage their own information into customer intelligence channels that can be offered through the Strategy.com Network. This will enable Exchange Applications' customers to develop one-to-one relationships and strengthen loyalty with their customers.

About Exchange Applications, Inc.

Exchange Applications, Inc. helps optimize interactive relationships between customers and companies. Grounded in the principle of permission-based marketing, its eCRM software ensures that customer communications are relevant, timely and coordinated across all customer channels. By providing a single view of customer relationships, Exchange Applications bridges online and offline customer communications, facilitating higher ROI on emarketing and ecommerce practices. More than 100 of the world's most innovative companies, including Ameritrade, Citigroup, DaimlerChrysler, Microsoft, Sprint and theglobe.com are currently using Exchange Applications' solutions to strengthen customer relationships and earn a greater share of each customer's business. For more information, visit <http://www.exapps.com>.

About MicroStrategy Incorporated

MicroStrategy is a leading worldwide provider of Intelligent E-Business(TM) software and related services. MicroStrategy's product line enables both proactive and interactive delivery of information from large-scale databases, providing Global 2000 enterprises a platform for developing solutions that deliver insight and intelligence to their enterprise, supply-chain, and customers.

MicroStrategy's platform enables users to query and analyze the most detailed, customer-centric databases, turning data into business intelligence. In addition to supporting internal enterprise users, MicroStrategy's platform delivers critical business information beyond corporate boundaries to customers, partners and supply chain constituencies through a broad range of pull and push technology such as the Internet, e-mail, telephones, pagers and other wireless communications devices. MicroStrategy's platform is ideal for developing e-business solutions that are personalized and proactive, and that reach millions of users. MicroStrategy also offers a comprehensive set of consulting, training and support services for its customers and partners. For more information, please visit MicroStrategy's Web site: <http://www.microstrategy.com>.

Notice to EXAP and MSTR investors: The two companies will jointly host a teleconference for investors at 10:00am Eastern Standard Time today. To participate in the call, please call 800-659-6183 prior to 10:00 AM EST. For 48-hour playback access, please call 800-252-6030 with the access code 5414522. In addition, the call and replay will be webcast from the Investor Relations section of the MicroStrategy web site www.microstrategy.com.

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SOURCE: MicroStrategy Incorporated; Exchange Applications, Inc.