



NetSuite Extends Market Leadership in Professional Services Automation Vertical with Agreement to Acquire QuickArrow

NetSuite's OpenAir Business to be Combined with QuickArrow to Create PSA Market Leader with 80,000 Subscribers

Cloud Computing NetSuite SRP Solution Automates Processes and Increases Profitability of Services-based Businesses

SAN MATEO, CA and AUSTIN, TX (July 22, 2009) -- NetSuite Inc. (NYSE: N), a leading vendor of [cloud computing](#) business management software suites, today announced that it has signed a definitive agreement to acquire QuickArrow, Inc., an Austin-based software maker of cloud computing software for professional services businesses. QuickArrow will be integrated into NetSuite's OpenAir business. The combination of QuickArrow and OpenAir will create North America's leading [professional services automation \(PSA\)](#) software company, with more than 80,000 subscribers and a customer base that includes such leading organizations as Symantec, Salesforce.com, Thompson Reuters, Genesys, Informatica, Proxicom, Siemens, Software AG, and PRTM.

This acquisition is expected to further advance NetSuite's creation of a next-generation cloud computing application suite for services-based companies. In October 2008, NetSuite announced NetSuite Services Resource Planning ([SRP](#)), the world's first cloud-based solution for the overall management of a professional services business - from marketing to project management, service delivery, billing, revenue management and driving repeat business from existing clients.

NetSuite SRP promises to do for services businesses what SAP's R/3 software did for the manufacturing industry in the early 1990s. The addition of QuickArrow and its deep services-automation industry expertise is expected to accelerate the development of NetSuite SRP's capabilities to address the needs of large services-based businesses.

"Underlying both the QuickArrow and the OpenAir acquisition is NetSuite's strategic commitment to lead the business application revolution taking place in the services sector," said Morris Panner, CEO of OpenAir. "Together, we have the resources and the platform to realize a vision to serve the global services economy of tomorrow."

"We are thrilled to be joining with NetSuite and OpenAir," said Kevin Bury, CEO of QuickArrow. "Nothing is more important to us than to provide our customers with a strong platform to run their businesses. With this combination, our customers will have a well-capitalized and visionary partner to drive their businesses forward."

"OpenAir and QuickArrow are the two most well respected companies in the PSA space," said QuickArrow customer Micheal Eicher, Vice President of Professional Services at Thompson Reuters. "We are excited to see the two companies join forces to drive the market forward and deliver even greater value through their solutions."

NetSuite will maintain QuickArrow offices in Austin, Texas, and will continue to support the current QuickArrow software solution. QuickArrow customers will not be required to migrate to NetSuite or OpenAir products.

NetSuite will purchase QuickArrow for \$20 million in cash. NetSuite does not currently expect that this transaction will have a material impact on its results of operations in 2009. NetSuite expects the transaction on a standalone basis to be accretive in 2010 to non-GAAP net income and cash flow. Non-GAAP net income excludes expenses related to stock-based compensation and the amortization of intangible assets. The Company is not able to reconcile its non-GAAP net income outlook for 2010 with its GAAP equivalent because the Company cannot at this time accurately estimate expenses relating to amortization of intangibles from this acquisition.

NetSuite management will discuss other additional details regarding this transaction in conjunction with the Company's second quarter 2009 earnings conference call scheduled for Thursday, July 30, at 2:00 p.m. PDT (5:00 p.m. EDT). A live audio webcast and replay of the call, together with detailed financial information, will be available in the Investor Relations section of NetSuite's Web site at <http://www.netsuite.com/investors>. The live call can be accessed by dialing 877-548-7907 (U.S.) or 719-325-4905 (outside the U.S.) and referencing passcode: 354-9759. A replay of the call can also be accessed by dialing 888-203-1112 (U.S.) or 719-457-0820 (outside the U.S.), and referencing passcode: 354-9759.

The merger is subject to customary closing conditions. Closing is anticipated to take place in July 2009. NetSuite was advised on the transaction by McNamee Lawrence & Co. and Wilson Sonsini Goodrich & Rosati, P.C.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements relating to the expectations and plans of NetSuite and QuickArrow, which include but are not limited to the expected benefits to NetSuite

and QuickArrow, and their respective customers, as a result of the acquisition; NetSuite's plans regarding the future of QuickArrow and its products; NetSuite's expectations regarding the integration of QuickArrow's products with NetSuite's products; NetSuite's expectations regarding the closing of the acquisition; and NetSuite's expectations regarding the impact of the acquisition on NetSuite's financial performance in future periods. These forward-looking statements are based upon current expectations and beliefs of NetSuite's management as of the date of this press release and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. All forward-looking statements in this press release are based on information available to NetSuite as of the date hereof, and NetSuite disclaims any obligation to update these forward-looking statements.

In particular, the following factors, among others, could cause results to differ materially from those expressed or implied by such forward-looking statements: the ability of NetSuite and QuickArrow to complete the acquisition in a timely manner, or at all; the ability of NetSuite to retain QuickArrow's customers and employees; the ability of NetSuite to successfully integrate and manage QuickArrow; unanticipated costs associated with the acquisition and integration of QuickArrow; risks associated with material defects or errors in NetSuite's or QuickArrow's software or the effect of undetected computer viruses; the risk of technological developments and innovations by others; changes to current accounting rules; general political, economic and market conditions and events, including war, conflict or acts of terrorism; and other risks and uncertainties.

For a detailed discussion of these and other cautionary statements, please refer to the risk factors discussed in NetSuite's filings with the U.S. Securities and Exchange Commission ("SEC"), including but not limited to NetSuite's Annual Report on Form 10-K for the year ended December 31, 2008, and any subsequently filed reports on Forms 10-Q and 8-K. All documents are available at www.sec.gov or NetSuite's website at www.netsuite.com.

For more information about NetSuite, please visit www.netsuite.com

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