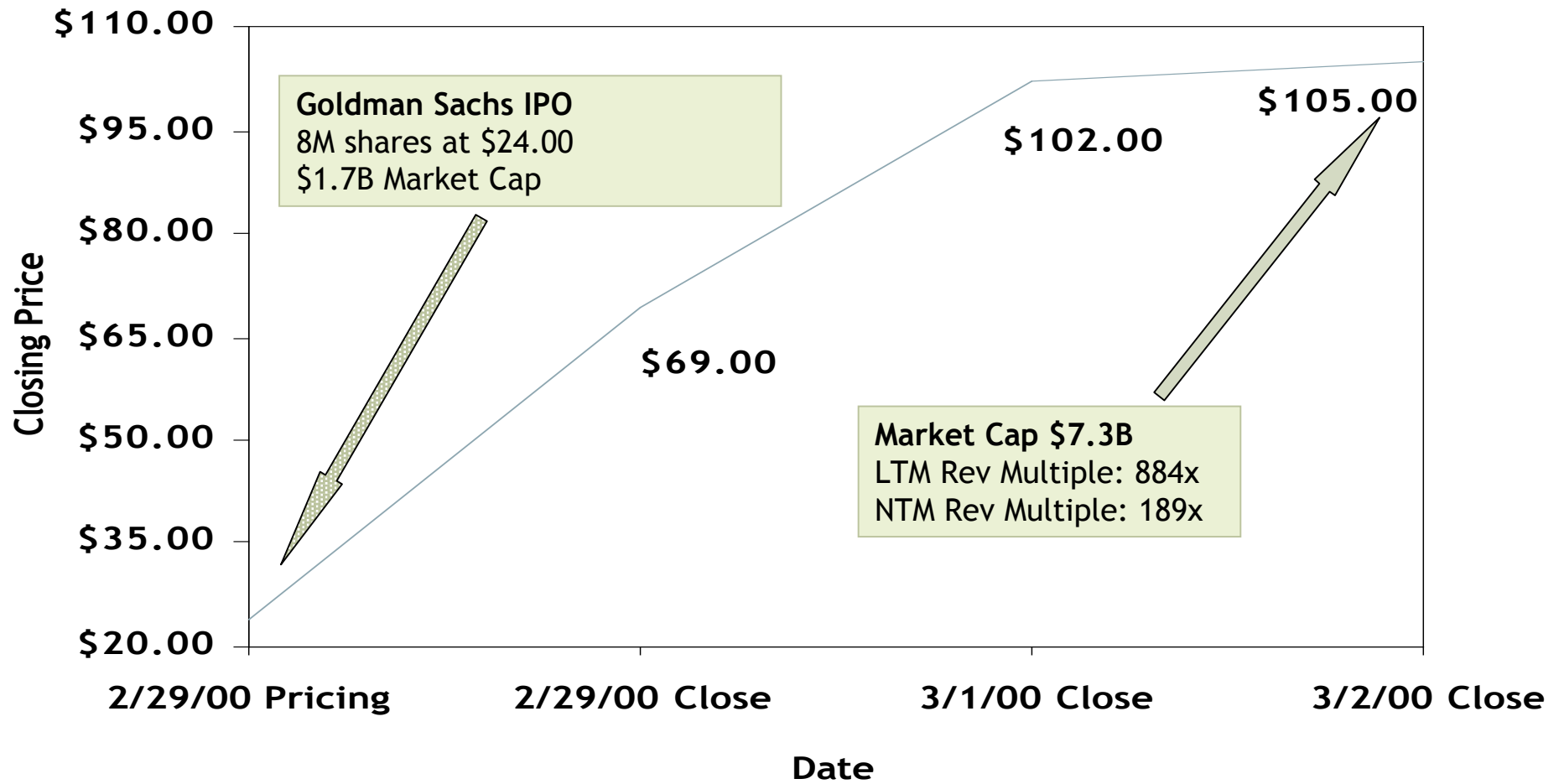


Niku: From Bubble to Breakthrough

IPO at the Peak

NIKŪ.



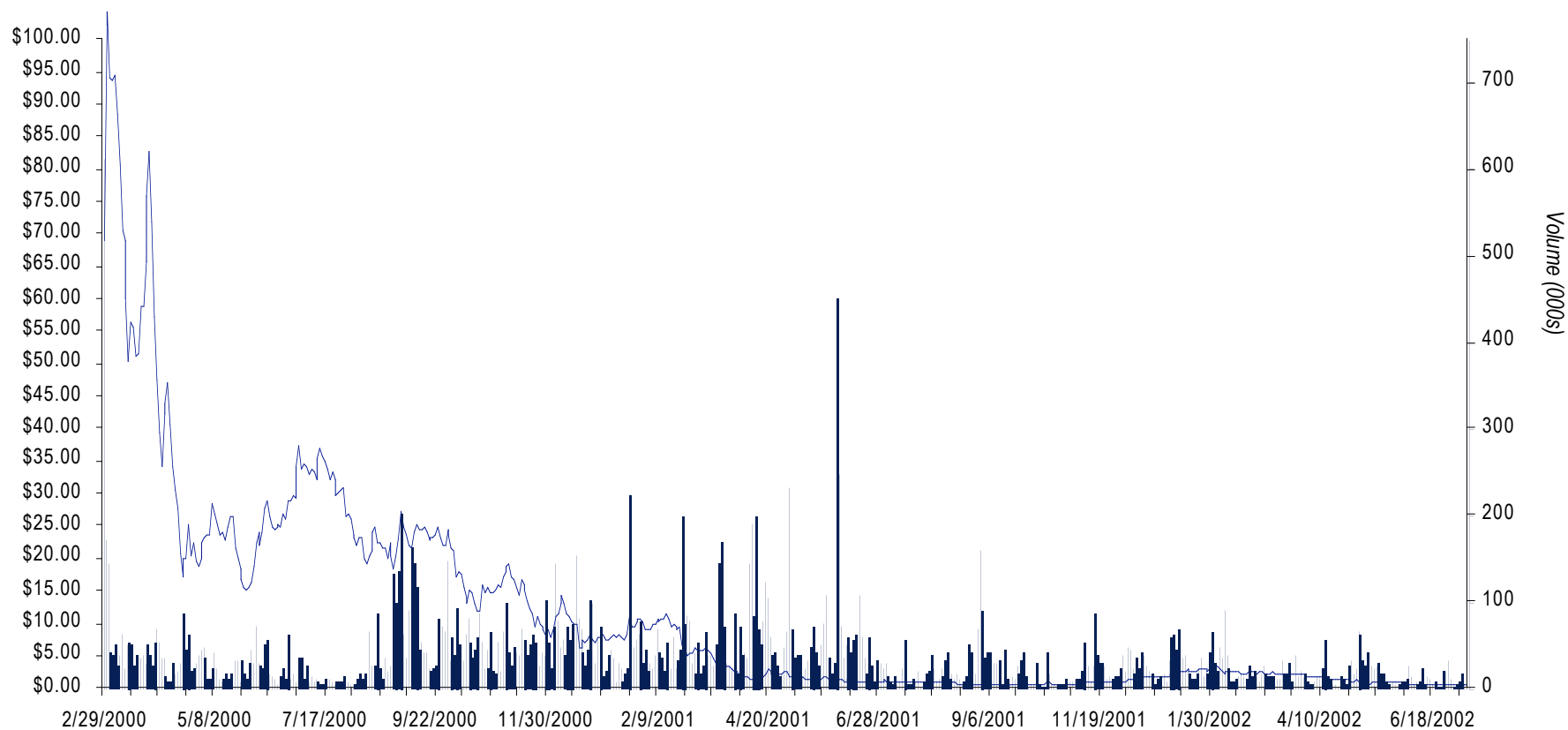
A Vintage 2000 Classic

NIKŪ.

Target Market	IT Consulting Firms
Management Strategy	Land Grab
Revenues	\$9M in Q100 \$27M in Q400
Net Loss	(\$27M) in Q100 (\$93M) in Q101
Cash Burn	\$15M in Q100 \$36M in Q400

The Bubble Bursts

NIKŪ.



NOTE: STOCK PRICES ARE NOT ADJUSTED FOR A SUBSEQUENT REVERSE SPLIT OF 1:10.

Dire Straits

- ♣ Target Market Disintegrates with Demise of Internet Consulting Companies
- ♣ Massive Shareholder Losses
- ♣ IPO Cash Dwindles

Restructuring for the New Reality

NIKŪ.

Q1 '01

EXPENSES = \$66M

NET LOSS = (\$93M)

RATIONALIZED SPENDING

- ♣ Headcount Reduction
- ♣ Office Space Consolidation
- ♣ Product Portfolio Streamlining

Q4 '02

EXPENSES = \$10M

NET INCOME = \$6M

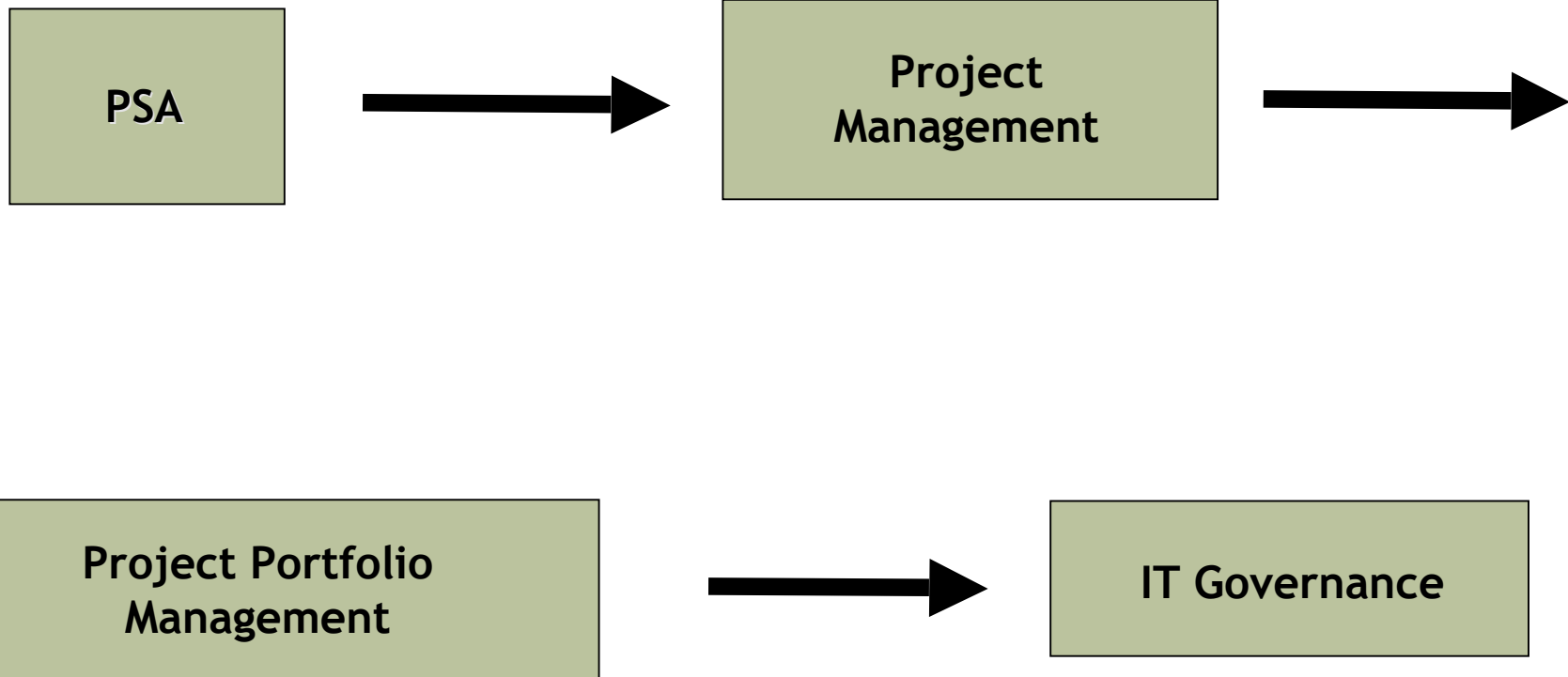
Management Insight

NIKŪ.

- It's about Communication, not Math
- Do it 1x not 3x
- O, S and P Cuts
- Focus produces Accountability

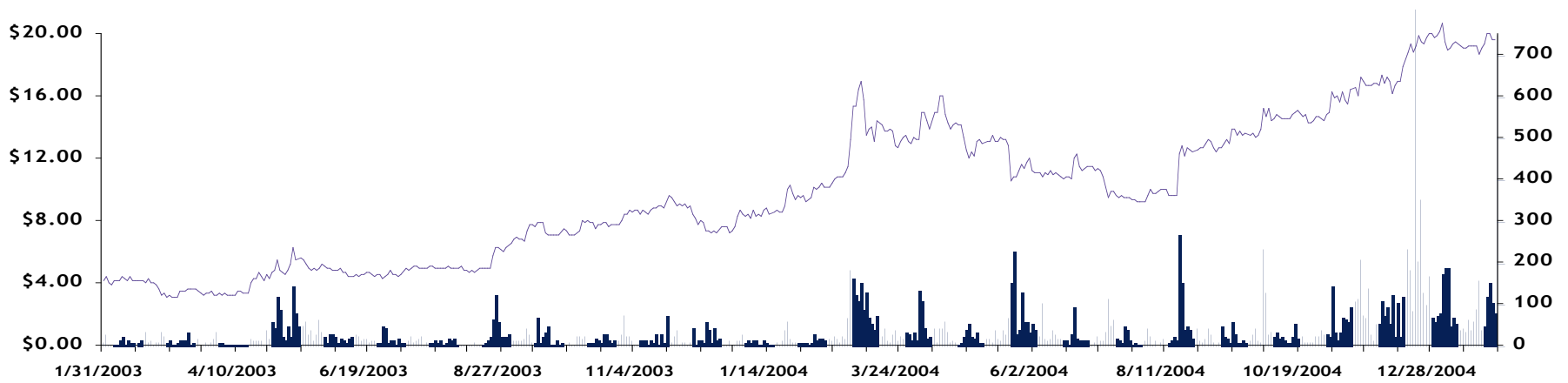
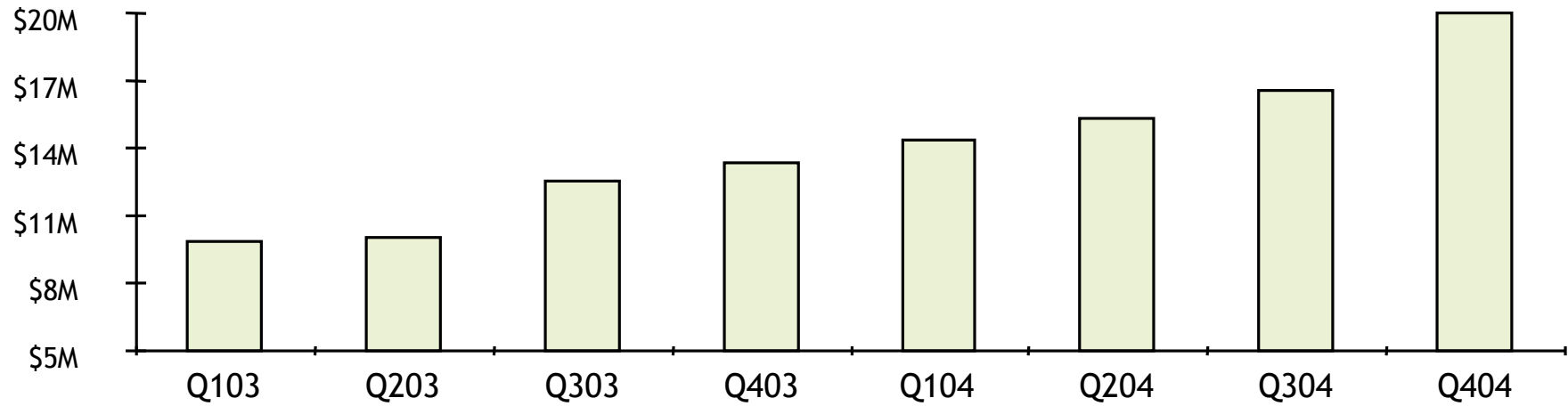
Market Redefinition

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Growth!

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Management Insight

- Asking The Right Question
- The C-Level Sale
- Benefits v. Capabilities

Consolidation

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Kintana



MERCURY™

Changepoint



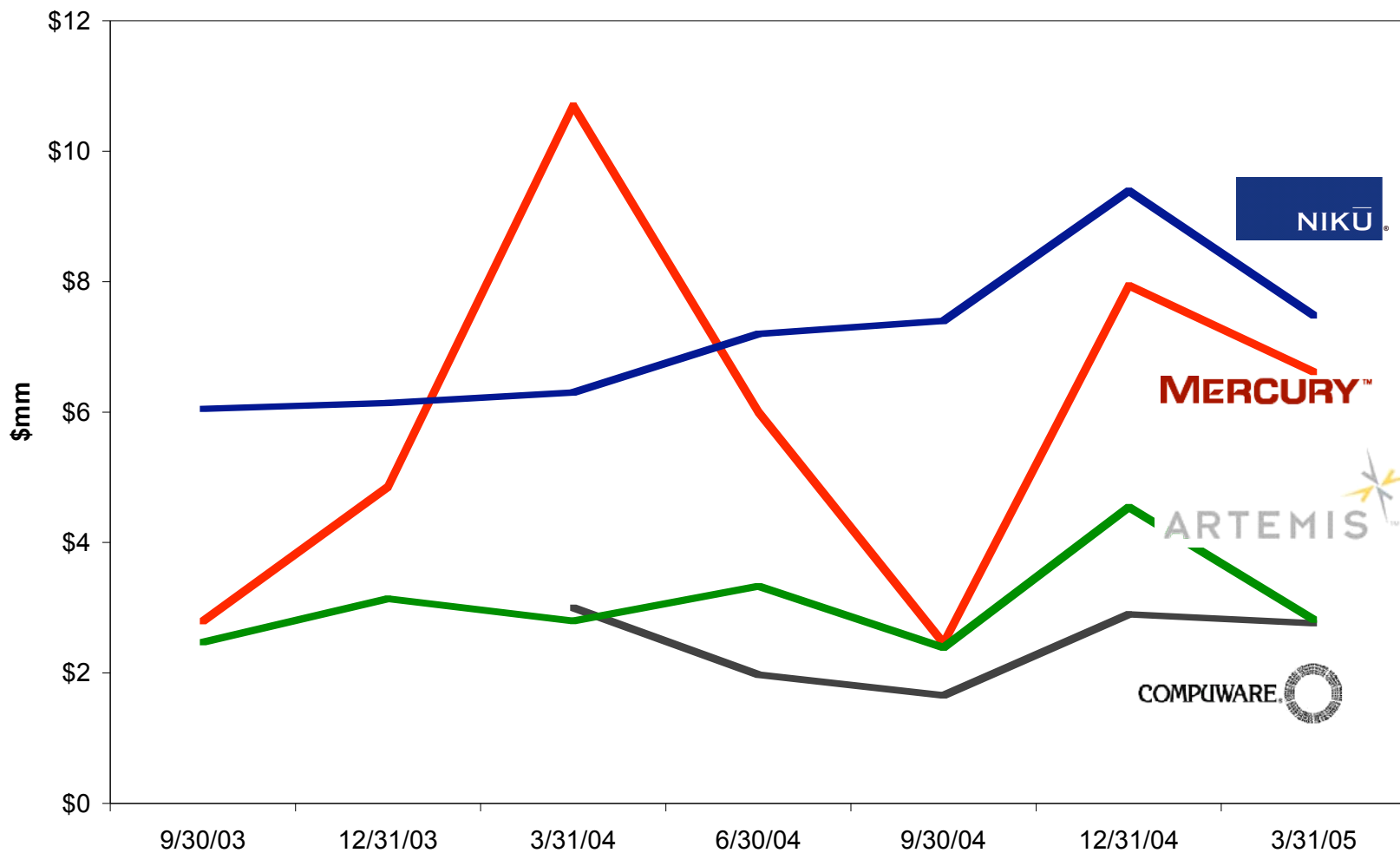
COMPUWARE. 

System Corp



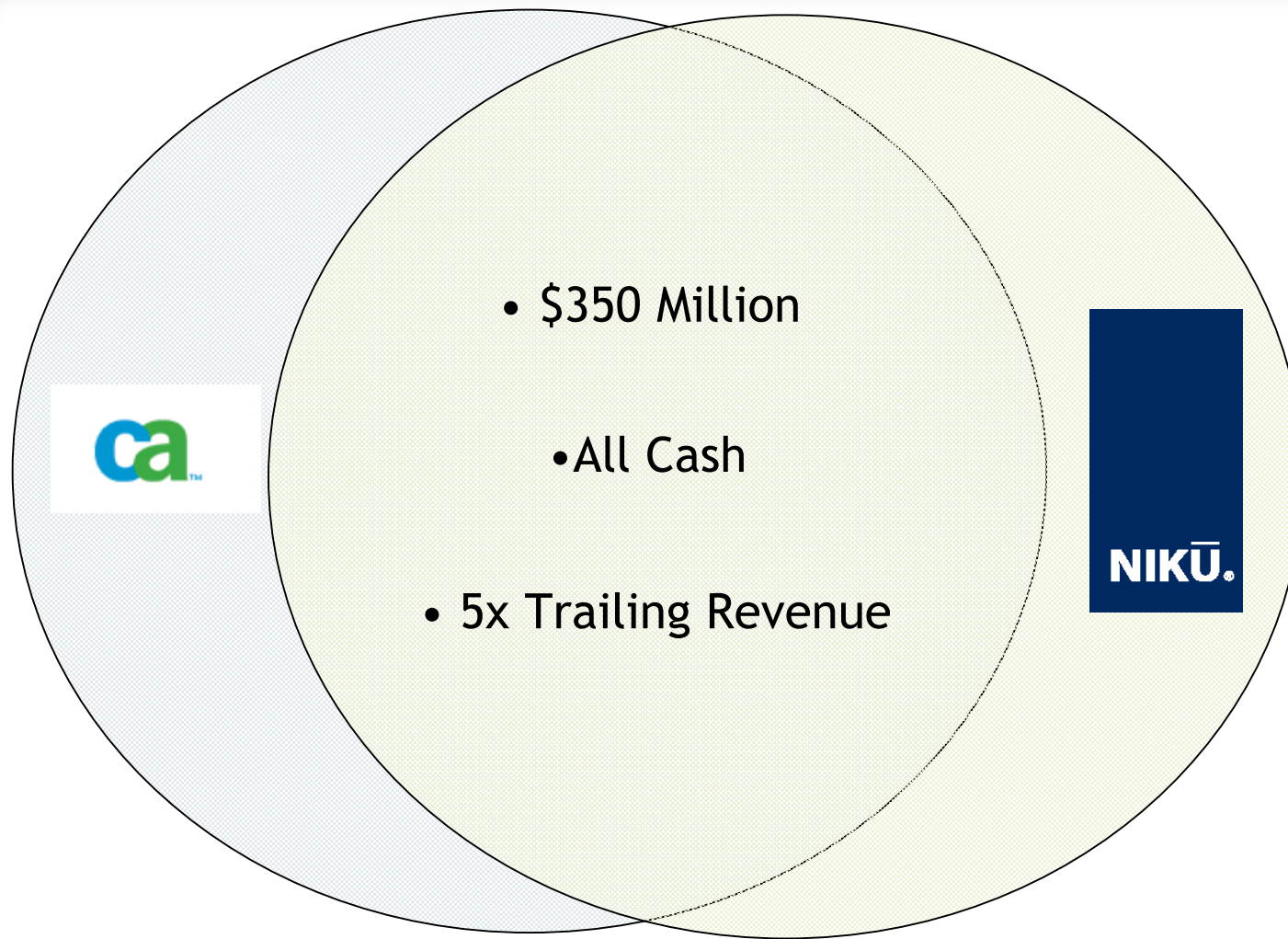
IBM®

Market Leadership Continues But...



Exit

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Management Insight

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- Look Yourself in the Mirror
- 11:30 p.m. v. 2:00 a.m.
- Go Out at the Top of Your Game