

I2 TECHNOLOGIES INC
Form 425
November 09, 2009

Filed by: i2 Technologies, Inc.

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934

Subject Company: i2 Technologies, Inc.

Commission File No.: 000-28030

Forward Looking Statements

Statements contained herein concerning projections or expectations of financial or operational performance or economic outlook, or concerning other future events or results, or which refer to matters which are not historical facts, are forward-looking statements within the meaning of the federal securities laws. Similarly, statements that describe the objectives, expectations, plans or goals of JDA Software Group, Inc. (JDA) or i2 Technologies, Inc. (i2) are forward-looking statements. Forward-looking statements include, without limitation, the expected timetable for completing the transaction, future financial and operating results, benefits and synergies of the transaction, future opportunities for the combined company and any other statements about the future expectations, beliefs, goals, plans or prospects of the management of i2 and JDA. Any statements that are not statements of historical fact (including statements containing the words believes, plans, anticipates, expects, estimates similar expressions) should also be considered to be forward-looking statements.

There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to obtain the approval of i2 s stockholders; the ability to obtain regulatory approvals; the ability to consummate the transaction; the ability of JDA to successfully integrate i2 s operations and employees; and the other factors described in the following documents filed with the Securities and Exchange Commission (the SEC): i2 s 2009 Annual Report on Form 10-K, i2 s most recent Quarterly Report on Form 10-Q, JDA s 2009 Annual Report on Form 10-K and JDA s most recent Quarterly Report on Form 10-Q. Neither JDA nor i2 assumes any obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

Additional Information

This communication is being made in respect of the proposed transaction involving JDA and i2. In connection with the proposed transaction, JDA plans to file with the SEC a Registration Statement on Form S-4 containing a Joint Proxy Statement/Prospectus and each of JDA and i2 plan to file with the SEC other documents regarding the proposed transaction. The definitive Joint Proxy Statement/Prospectus will be mailed to stockholders of JDA and i2. INVESTORS AND SECURITY HOLDERS ARE URGED TO CAREFULLY READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and security holders will be able to obtain free copies of the Registration Statement and the Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC by JDA and i2 through the website maintained by the SEC at www.sec.gov. In addition, investors and security holders may obtain free copies of the Registration Statement and Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC from JDA by directing a request to JDA Software Group, Inc., 14400 North 87th Street, Scottsdale,

Arizona 85260, Attention: Investor Relations (telephone: (480) 308-3000) or going to JDA's corporate website at www.jda.com, or from i2 by directing a request to i2 Technologies, Inc., 11701 Luna Road, Dallas, Texas 75234, Attention: Investor Relations (telephone (469) 357-1000) or going to i2's corporate website at www.i2.com.

JDA, i2 and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding JDA's directors and executive officers is set forth in JDA's proxy statement for its 2009 Annual Meeting of Stockholders, which was filed with the SEC on April 7, 2009, and Annual Report on Form 10-K filed with the SEC on March 13, 2009. Information regarding i2's directors and executive officers is set forth in i2's proxy statement for its 2009 Annual Meeting of Stockholders, which was filed with the SEC on April 28, 2009, and Annual Report on Form 10-K filed with the SEC on March 12, 2009. Additional information regarding the interests of such potential participants will be included in the Joint Proxy Statement/Prospectus and the other relevant documents filed with the SEC (when available).

* * * * *

Filed below is a presentation given to JDA and i2 associates on November 6, 2009 regarding JDA's proposed acquisition of i2.

Copyright 2009 JDA Software Group, Inc. - CONFIDENTIAL
JDA to Acquire i2
Associate Presentation
November 6, 2009

Copyright 2009 JDA Software Group, Inc. - CONFIDENTIAL

Forward-Looking Statements

This presentation contains forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words anticipate, believe, estimate, expect, intend, will, should and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management's current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. These factors include but are not limited to: the unprecedented volatility in the global economy; the risk that the future business operations of i2 will not be successful; the risk that we will not realize all of the anticipated benefits from our acquisition of i2; the risk that customer retention and revenue expansion goals for the i2 transaction will not be met and that disruptions from the i2 transaction will harm relationships with customers, employees and suppliers; the risk that we will not successfully raise adequate financing for the intended structure; the risk that if our intended financing structure is not successful that our alternative financing structure will not be successful; the risk that unexpected costs will be incurred; the outcome of litigation and regulatory proceedings to which we may be a party; actions of competitors; changes and developments affecting our industry; quarterly or cyclical variations in financial results; development of new products and services; interest rates and cost of borrowing; our ability to protect our intellectual property rights; our ability to maintain and improve cost efficiency of operations, including savings from restructuring actions; changes in foreign currency exchange rates; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters in the foreign countries in which we do business; reliance on third parties for manufacturing of products and provision of services; and other factors that are set forth in the Risk Factors section and other sections of our 2009 Annual Report on Form 10-K and i2's 2009 Annual Report on Form 10-K filed with the Securities and Exchange Commission. Neither JDA nor i2 assumes any obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

Copyright
2009
JDA
Software
Group,
Inc.

-

CONFIDENTIAL
Agenda
Welcome

Jack Wilson
Introductory Remarks
Hamish Brewer
Financials
Pete Hathaway
Sales & Marketing
Jason Zintak
Services
Chris Moore
Products
Namita
Dhallan
Associate Focus
Brian Boylan
Integration Process
Sue Holstad
Q&A
Hamish Brewer

Copyright
2009
JDA
Software
Group,
Inc.

-

CONFIDENTIAL

Welcome

Jack Wilson, i2 CEO

Jack Wilson, i2 CEO

Copyright 2009 JDA Software Group, Inc. - CONFIDENTIAL
Introductory Remarks
Hamish Brewer, JDA CEO
Hamish Brewer, JDA CEO

Copyright
2009
JDA
Software
Group,
Inc.

-

CONFIDENTIAL

What About Last Year?

JDA and i2 wanted to conclude this deal a year ago

We became victims of the financial crisis

The fact that we re doing this again should clearly
underscore that:

We believe in the combination

We value the i2 business

We are committed to making this work

We have built a robust two tier deal structure which
maximizes deal certainty

Copyright 2009 JDA Software Group, Inc. - CONFIDENTIAL

S&M

16.9% of

sales

R&D

13.9% of

sales

G&A

9.9% of sales

Europe

20%

US
70%
Asia
9%

Services
\$114
Maintenance
\$176
Software
\$95

JDA Overview

Leading end-to-end supply chain company

Focused on retail, manufacturing, wholesale,
distribution and services industries

Market leadership in tier one and mid-market
Global Presence

5,800 customers and 1,800+ associates

Customers in over 60 countries
Broad based predictable revenues

Approximately 46% of revenue is recurring

60-70% of license revenues come from
existing customers

No single customer represents more than 4%
of revenues

91-92% maintenance retention in 2009

30%
46%
24%

Operating Revenue Composition (LTM)
Geographic Revenue Composition (LTM)

25%
33%
42%

Operating Cost Composition (LTM)

Copyright

2009

JDA

Software

Group,

Inc.

-

CONFIDENTIAL

JDA Vision / Mission

Enabling supply chain and pricing excellence
through superior solutions and domain expertise
that empower our customers to make optimal
decisions that
achieve real results.

Copyright 2009 JDA Software Group, Inc. - CONFIDENTIAL

JDA At-A-Glance

A
leader
in
Integrated
Planning
and
Optimization
systems
focused

on

Manufacturing, Retail, Wholesale, Distribution and Services Industries

5,800+ customers, 1,800+ employees

An experienced integrator of enterprise software companies

Copyright
2009
JDA
Software
Group,
Inc.
-

CONFIDENTIAL

The Most Complete, Integrated Suite of Supply Chain
Planning, Execution and Optimization Solutions
Available
JDA's
Unique Offering
Integrated, End-to-End SCM
Production
Materials
Distribution

Retail
Consumer
Shipping

Our Customers

The Definition of Our Success

Over 5,800 **Customers Worldwide**

60-70%

of software license revenue comes from existing customers

Over 70% of Revenue >75% margin

Support 75% margin

Retail half of TTM revenue

36% increase in TTM software

ASP s up 106% Y/Y

91-92% estimated maintenance
retention for the year

New maintenance 18.9% of software
license in Q2 09

Consulting margin improved to 18%;
utilization to 57%

Copyright
2009
JDA
Software
Group,
Inc.

-

CONFIDENTIAL
JDA Leadership
Hamish Brewer
CEO
Jason Zintak
EVP, Sales &
Mktg
Pete Hathaway
CFO/EVP

Mike Bridge
SVP Legal
Brian Boylan
SVP HR
Duane Kotsen
SVP CSG
Tom Dzierzk
SVP Americas
Chris Moore
EVP Services
Wayne Usie
SVP Retail
David Johnston
SVP, Supply
Chain
Brian Mort
RVP EMEA
Stephen McNulty
RVP AP
Andy Archer
RVP, Services
Industries
Dave King
SVP Product
Dev & Mgmt

Copyright
2009
JDA
Software
Group,
Inc.

-
CONFIDENTIAL
Center Of Excellence (CoE) Structure
Global
ITG

Global
HR
Global
Development
Global
Sales
Global
Fin & Accting
Global
Services
Global
Support
Global
Education
Director, ITG
CoE
Director, Finance
AsPac
Director, HR
CoE
Director,
Mgd
&
Implementation
Services
Director, Support
Services
Director, PD &
Services
Industries
Director,
Education
Services
Sales Support
Pre-Sales
Salil
Joshi
GVP & Managing
Director
Dave King
SVP, Product
Development
CoE

Copyright
2009
JDA
Software
Group,
Inc.

-

CONFIDENTIAL
Strong, Consistent Cash Flows
JDA has a proven
track record of

profitable
operations and
prudent fiscal
management

(\$80)
(\$85)
(\$60)
(\$40)
(\$20)
(\$5)
(\$5)
\$20
\$40
\$60
\$80
\$100
\$130
\$148
\$125
\$160
\$180
(\$125)
\$200
(\$150)
(\$100)
(\$50)
\$0
\$50
\$100
\$150
\$200
Jul-
2006
Sep-
2006
Dec-
2006
Mar-
2007
Jun-
2007
Sep-
2007
Dec-
2007
Mar-
2008
Jun-
2008
Sep-

2008
Dec-
2008
Mar-
2009
Jun-
2009
Sep-
2009
Net Cash (Debt)
Cumulative CFFO
(\$ in millions)

Copyright
2009
JDA
Software
Group,
Inc.

-

CONFIDENTIAL

Financials

Pete Hathaway, JDA CFO

Pete Hathaway, JDA CFO

Copyright
2009
JDA
Software
Group,
Inc.

-

CONFIDENTIAL
Transaction Structure

\$12.70/share
cash

\$5.30/share
stock
or
0.256x
shares
of
JDA
common
stock
1

\$6.00/share
cash

\$12.00/share
stock
or
0.580x
shares
of
JDA
common
stock
1
By
December
18
th

,
JDA
will
communicate
the
definitive
structure
which
will
be
presented
to

the i2 shareholders. Proxy will contain one proposal.

JDA will pay
estimated cash
and stock in
exchange for
each i2 share:
Cash funding

from cash on
hand plus:

Other:

Both
structures
offer

i2
shareholders

a
share
in
the

combined
company

Designed for deal certainty

~\$275mm

senior
notes

2

Proceeds to be placed into
escrow

Majority cash consideration

More accretive to JDA earnings

Backed by firm commitment for
\$120mm bank loan and \$20mm
revolver

Capped terms & no syndication
risk

Proceeds to be placed in escrow

Majority stock consideration

Intended Structure

Alternative Structure

\$18.00

in

Cash

&

Stock

Mix

1

(1)

Stock value based on \$18.00 per share value based on JDA's closing stock price as of Wednesday, November 4, 2009. The final
stock consideration is dependent upon the final transaction structure used and closing i2 and JDA equity share counts. The exact

value will depend on the JDA stock price at closing.

(2)

Senior notes to be marketed on a best efforts basis.

Copyright 2009 JDA Software Group, Inc. - CONFIDENTIAL

Purchase Price Overview

Purchase of i2 Equity (\$18.00 per share)

(1)

\$ 434.4

Plus: Retirement of i2 2.5% Convertible Preferred

(2)

121.7

Gross Acquisition Cost

\$ 556.1

Less: Available i2 Cash at Transaction Close (Estimated)

160.0

Net Acquisition Cost = Enterprise Value

\$ 396.1

i2 LTM Revenue

Enterprise Value / LTM Revenue

\$ 231.8

1.7 x

i2 LTM EBITDA

Enterprise Value / LTM EBITDA

\$ 61.2

6.5 x

(\$ in millions)

Note: LTM revenue and EBITDA as of Sept 30, 2009

(1) \$18.00 per share value based on JDA's closing stock price as of Wednesday, November 4, 2009. The final mix between pe upon the final transaction structure used and closing i2 and JDA equity share counts.

(2) Illustrative settlement value based on change of control premium on face value and accrued dividends.

Copyright 2009 JDA Software Group, Inc. - CONFIDENTIAL

(1) Includes 1.2mm for warrants which are assumed at close.

(2) Illustrative settlement value based on change of control premium on face value of Convertible Preferred and accrued dividends.

(3) Including financing related costs, restructuring and advisor and legal fees.

(4) Senior notes marketed on a best efforts basis.

Estimated Transaction Sources & Uses

Sources

Available Cash from JDAS and ITWO (at close)

\$255

JDAS Equity

290

Term Loan

120

Total Sources

\$665

Uses

Purchase of ITWO Equity

(1)

\$434

Retirement of ITWO Convertible Preferred

(2)

122

Various Transaction Costs

(3)

32

Assumed Cash to Opening Balance Sheet

77

Total Uses

\$665

Sources

Available Cash from JDAS and ITWO (at close)

\$255

JDAS Equity

129

Senior Notes

(4)

275

Total Sources

\$659

Uses

Purchase of ITWO Equity

(1)

\$434

Retirement of ITWO Convertible Preferred

(2)

122

Various Transaction Costs

(3)

35

Assumed Cash to Opening Balance Sheet

68

Total Uses

\$659

(\$ in millions)

Intended Structure

Alternate Structure

Copyright
2009
JDA
Software
Group,
Inc.

-

CONFIDENTIAL
JDA
i2
Combined

Total Revenues

\$385

\$232

\$617

Total EBITDA (Pre-Synergies)

\$98

\$61

\$159

EBITDA Synergies (Net of Dis-synergies)

(1)

\$20

Pro Forma EBITDA with Net Synergies

\$179

Total EBITDA Margin (Pre-Synergies)

25.8%

EBITDA Synergies (Net of Dis-synergies)

(1)

3.1%

Pro Forma EBITDA Margin with Net Synergies

28.9%

JDA