CHORDIANT SOFTWARE INC Form 425 January 08, 2010

Filed by CDC Software Corporation pursuant to Rule 425 of the Securities Act of 1933 and deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934

Subject Company: Chordiant

Software Inc.

Commission File No.: 001-34179

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CDC Software Safe Harbor

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of an connection with the proposed transaction, CDC Software Corporation, and/or CDC Corporation or the company, plans to file v statement on Form F-4 containing a proxy statement/prospectus and other documents regarding the proposed transaction. The statement/prospectus will be

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mailed to

of

shareholders

INFORMATION ABOUT THE PROPOSED TRANSACTION.

Chordiant Software Inc.

2009.

Investors and security holders will be able to obtain free copies of the registration statement and the proxy statement/prospectu
documents
filed
with
the
SEC
by
the
company
through
the
web
site
maintained
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Free
copies
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the
registration
statement
and the proxy statement/prospectus (when available) and other documents filed with the SEC can also be obtained by directing
Bahl, Senior Vice President, Investor Relations (678) 259-8510.
The company and its directors and executive officers and other persons may be deemed to be participants in the solicitation of
proposed transaction. Information regarding the company's directors and executive officers is available in its Registration Stat
(333-160600),
which
was
filed
with
the
SEC
on
August
4

CDC Corporation s information can be found at www.sec.gov and on its website at www.cdccorporation.net As of January 5, 2010, CDC Software Corporation owned 392,762 shares of Chordiant Software Inc. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by

security holdings

or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the **SEC** when they become available. Statements in this presentation that are forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because

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company, the timing to consummate the proposed transaction, and the diversion of management time on transaction-related iss information regarding risks and uncertainties associated with the company s business, please refer to the Management s Dis
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and CDC Software Corporation s SEC filings, including, but not limited to, its Registration Statement on Form F-1/A (333-160600), which was filed with the **SEC** on August 4, 2009, copies of which may be obtained by contacting the company's Investor Relations department at (678) 259-8510 or at the company s website at

www.cdcsoftware.com
All
information
in
this
communication
is
as
of
January
8,
2010.
Customer
examples
are
based
upon
the
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and
expectations
of
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management. No representations
or warranties are made with
respect
thereto. This presentation contains financial measures not prepared in
accordance
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GAAP.
Please
see
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company's
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for
explanations
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thereof.
The
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update any forward-looking statement to conform the statement to actual results or changes in the company's expectations. His
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indicative of future performance.

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Chordiant

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Actual

results could differ

Risk

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because
of
factors
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as
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company's
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achieve
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Factors sections of CDC Corporation and CDC Software Corporation s SEC filings, including, but not limited to, its Registration Statement on Form F-1/A (333-160600), which was filed with the **SEC** on August 4, 2009, copies of which may be obtained by contacting the company's Investor Relations department at (678) 259-8510 or

at the company s website at www.cdcsoftware.com. All information in this communication is as of January 8, 2010. Customer examples are based upon the beliefs and expectations of CDC Software s management. No representations or warranties are made with respect thereto. This presentation contains financial measures not prepared in accordance with U.S. GAAP. Please see the company's press release for explanations and reconciliation thereof. The

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update any forward-looking statement to conform the statement to actual results or changes in the company's expectations. His indicative of future performance.

Copyright CDC Corporation 3 A Good Fit -Why We Believe This Deal Makes Sense for Stakeholders We believe

Chordiant is a good fit based on CDC Software s acquisition criteria: Technology highly complimentary, adds call center technology CDC front office portfolio Value Offer fair value at a premium in-line with recent acquisitions Geographic footprint complimentary markets with minimal geographic overlap despite similar customers Back Office Integration opportunity eliminate redundant costs Scale

CDC SW

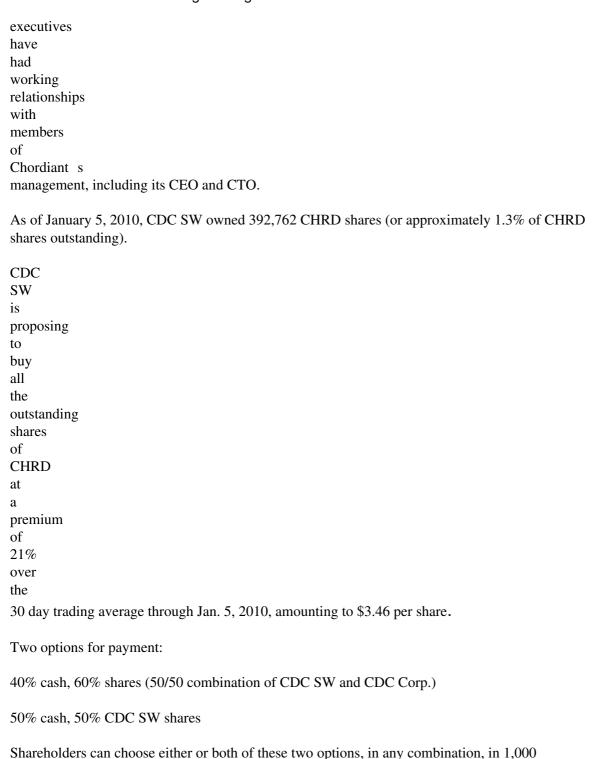
global infrastructure adds critical mass to Chordiant to help compete in today s environment We believe deal is accretive immediately based on

our analysis.

C

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Transaction Overview

Some CDC Software



share increments

©
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2009 Software M&A Premiums *
Acquiror
Target
Announced
Date

Market Value
(\$mm)
Enterprise Value
(\$mm)
Premium to Avg
Pre-Annc. Stock
Price
1-Day
1-Day 1-Month
3-Month
Thoma
Bravo
AMICAS
12/24/2009
216.5
176.3
21.0%
19.5%
35.3%
Technology Resource Hld.
Silicon Storage Tech
11/13/2009
201.3
22.6
12.9%
1.4%
-2.8%
JDA Software Group
i2 Technologies
11/5/2009
431.9
393.6
9.0%
9.4%
11.5%
Symphony Technology
MSC Software
9/17/2009
381.8
232.7
20.7%
22.4%
24.1%
Ebay
Gmarket
4/15/2009
1,227.0
925.5
20.2%
38.4%

54.6% Thoma Bravo Entrust 4/13/2009 113.7 89.4 20.8% 19.6% 24.0% The average premium percentages of the six software target companies for 1-Day, 1-Month, and 3-Months are 17.4%, 18.5% and 24.5%, respectively. Software Equity Value Premiums 1-Day 1-Month 3-Month Max 21.0% 38.4% 54.6% Mean 17.4% 18.5% 24.5% Median 20.5% 19.6% 24.1% Min 9.0% 1.4%

-2.8%

^{*} Based upon CDC Software s review of publicly-available information.

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Global Snapshot
Company Background
\$48.6 million in total revenue for Q3 2009
Non-GAAP earnings per share of \$0.33 and Non-GAAP net income of \$9.6 million, exceeded Wall Street s expectations

Increase in net cash from operations: \$19.2 million in Q3 2009 compared to \$15.2 million in Q2 2009 Sequential increase in maintenance revenue: \$25.4 million in Q3 2009 compared to \$24.8 in Q2 2009 On January 5, 2010, CDC Software pre-announced Q4 09 license results that demonstrate double-digit organic growth Provider of integrated end to end solutions: ERP, SCM and CRM applications Targeted vertical markets such as Food and Beverage, CPG Financial Services Retail, and more. Direct operations and subsidiaries in over 20 countries CDC Software Q3 09 and Preliminary Q04 09

Financial Results

6

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Acquisition Experience: Experience with Public Companies
Ross and Pivotal
Acquisition of Pivotal and Ross
Acquisition of Pivotal and Ross

CDC acquired Ross in 2004 as a foundation for its Back Office Solutions business and has grown this segment from \$45 million in revenue to over \$95 million in revenue*

CDC acquired Pivotal in 2004 and has grown the Front Office business from \$45 million in revenue to over \$85 million in revenue*

Other tuck-in applications

CDC acquired Ross in 2004 as a foundation for its Back Office Solutions business and has grown this segment from \$45 million in revenue to over \$95 million in revenue*

CDC acquired Pivotal in 2004 and has grown the Front Office business from \$45 million in revenue to over \$85 million in revenue*

Other tuck-in applications

*

Estimated based on management s analysis of historical revenue amounts, product mix and trends.

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Adjusted EBITDA and Non GAAP Net Income for prior periods are pro

```
forma
0%
5%
10%
15%
20%
25%
30%
2007
2008
YTD 2009
Adj EBITDA as % of Rev
5.0
10.0
15.0
20.0
25.0
30.0
35.0
40.0
45.0
50.0
2007
2008
YTD 2009
Net Cash from Operations ($US M)
0%
2%
4%
6%
8%
10%
12%
14%
16%
18%
20%
2007
2008
YTD 2009
```

Non GAAP Net Income as % of Rev

C

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Market Cap: US\$309 million
Net Cash: US\$ 62 million
Market Cap: US\$58 million
Net Cash: US\$60 million
Market Cap: US\$274 million

Net Cash: US\$ 90 million CDC Corporation: Overview

NASDAQ: CDCS Enterprise Software 84% owned by CDC (98.1% controlled)

IT Services

100% owned by CDC

Online Games

100% owned by CDC

(HKGEM: 8006)

Internet and Media Portal

79% owned by CDC

CDC Corp.

(NASDAQ:China)

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CDC Software
Chordiant Combination

We believe Chordiant is a natural extension of CDC Front Office.

similar size, i.e. Ross and Pivotal
expects to eliminate duplicate positions and ratchet margins.
Share same verticals with many common customers: AIG, RBS, ING, Prudential, Barclays, etc.
CDC SW Front Office sales team expected to cross-sell CHRD products into our installed bases, especially in Japan, Australia, China, India, and Singapore, where CHRD has minimal presence.
CDC SW has a good track record of cross-selling Front Office products into our back office installed bases, ie. ERP/Supply Chain/CDC Factory.
CDC SW has an established platform that provides cost effective R&D and global support in India/China
75% of total R&D.
CDC SW has an excellent track record of managing costs despite a challenging
economic climate. In the last 2 years, CDC SW doubled Non GAAP Net income margin to 18% despite

lower revenue.

CDC SW estimates organic growth in Q4 with double digit license revenue growth as compared to average of previous 3 quarters.

Talking

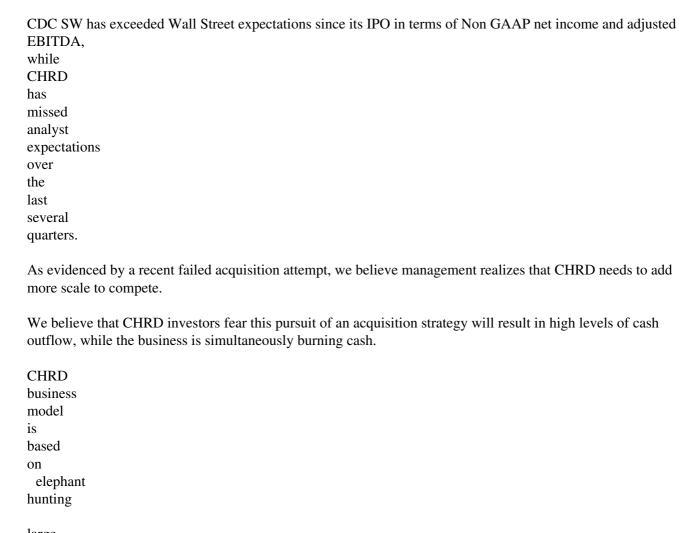
Points

Specifics

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Why we believe CHRD should consider this proposal:
Chordiant Perspective

CHRD has good customers and strong technology.

We believe CHRD is subscale.



large

mega

deals

with

long

sales

cycles.

SW

has

a

bread

and

butter

core

base

of

business.

We

believe that when you marry the two, the result is highly synergistic. Favorable consideration mix of cash and stock. Tax structure could be favorable for holders of CHRD. CDC SWis offering premium of 21%, in-line with recent

transactions.

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Copyright CDC Corporation 12 Customer Synergies Known Joint Customers of CDC Software and Chordiant

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Copyright CDC Corporation 13 What some of our Common Customers have to say?

We use Chordiant heavily as a company and I was excited to hear the news. I think this puts CDC in a strong position having best-of-breed applications for

value to have both under one

CRM & CEM --Leading global institutional asset management company "Huge value to have both under one umbrella definitive advantage to have best of breed CEM; rounds out the product suite" -- Large financial services organization "For **CDC** this is good thing, to acquire more of the front office support products that insurance & investment companies need" -- Large ranking financial investment firm We use Chordiant heavily as a company and I was excited to hear the news. I think this puts CDC in a strong position having best-of-breed applications for CRM & CEM --Leading global institutional asset management company "Huge

umbrella definitive advantage to have best of breed CEM; rounds out the product suite" -- Large financial services organization "For CDC this is good thing, to acquire more of the front office support products that insurance & investment companies need" -- Large ranking financial investment firm

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CDC Front Office Suite
Best in Class
Marketing
Pivotal Sales
Miller Heiman

Edition

Pivotal Mobile

Pivotal Handheld

Customer

Experience

Cross/Up Sell

Case Management

Decision

Management

Ecommerce

SaaS

eCommerce

Store Front

Auction

Feedback

Management

Feedback

Management

Customer Self-

Service

Collections

Manager

CX Retention

Customer Loyalty

Sales

CDC MarketFirst

Pivotal eMarketing

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Principal Financial Group
Customer Profile

\$280.5 Billion Assets Under Management

14,900 Employees Globally

18.6 Million Customers Lines of business:

Asset Management

Retirements & Investments

Insurance

Health and Wellness

Banking

Could allow for unified view of the customer and key customer information to create a true 360 degree view.

Pivotal and Chordiant integration could allow business to harness some of the following:

Chordiant

users cross-sell products and services based on historical information stored in Pivotal

Pivotal users insight into key issues surrounding the customer

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WellPoint
Customer Profile

Leading US Health Benefits Company

42,000 Employees

35 Million Medical Members

Part of S&P 500 WLP

Could allow for a complete end to end solution.

Little capability overlap

only true synergies between solutions

Could provide a unified application for entire customer lifecycle.

© Copyright CDC Corporation 17 ING Customer Profile

Multi-National Leading Financial Services Provider

Over 85 Million Private and Corporate Customers

110,000 Employees

\$226 Billion in Revenue

Could allow ING to have unified front office vendor for their business.

Possible cross-selling synergies to provide Pivotal to the Banking business and Chordiant to the Investment Management business

Could allow ING to establish and manage a Center of Excellence and drive down costs of ownership. ING Banking ING Banking

ING

Investment

Management

ING

Investment

Management

Cross-Selling

Synergies

© Copyright CDC Corporation 18 Large UK Retail Banking Group

Over 145,000 Employees Globally

Operations in over 50 countries

49 Million Customers

Over 1700 UK Branches

Over 33,000 users of CDC Respond Solution Lines of business:

Retail banking

Credit cards

Corporate banking

Investment banking

Wealth management

Investment management services

Could provide complimentary solutions to improve customer engagement management and call centre throughput.

Could allow for seamless integration of sales and complaint management processes that could allow easy access to complaint history and the quick capture of complaints

Holistic view of customer could improve experience that can help reduce churn and improve selling opportunities

Customer Profile

CHRD

Contact

Center

CDC

Respond

Quick Complaint

Capture

Complaint History

Copyright CDC Corporation 19 Comparison of Operating Expenses *

* Data based upon last three quarters of publicly available information.

CDCS

CHRD

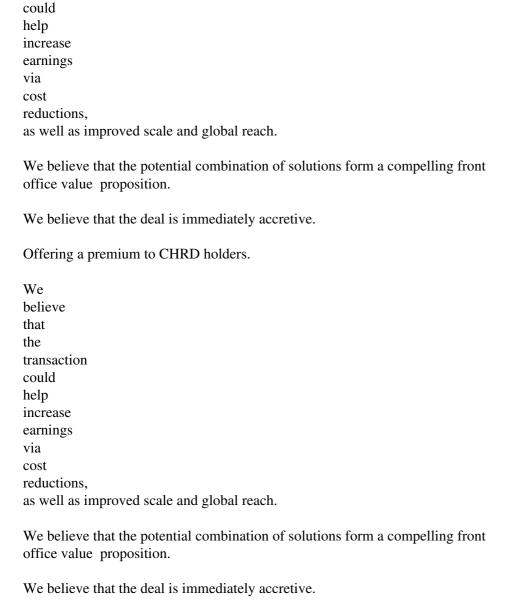
Revenue

100% 100% Sales & Marketing 16% 35% R&D 8% 25% G&A 12% 16% Other 2% 0% Total OpEx 39% 77% Non GAAP Earnings 18%

-6%

© Copyright CDC Corporation 20 Summary

We believe that



Offering a premium to CHRD holders.

the

transaction