ART TECHNOLOGY GROUP INC
Form PREM14A
November 17, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant o
Check the appropriate box:
þ Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under §240.14a-12

ART TECHNOLOGY GROUP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):
o No fee required.
þ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common stock, par value $0.01 per share, of Art Technology Group, Inc. (the Common Stock).

(2) Aggregate number of securities to which transaction applies:

As of October 29, 2010, 158,471,879 shares of Common Stock, 12,964,906 shares of Common Stock issuable upon the exercise of options and 5,995,700 shares of Common Stock issuable upon the vesting of restricted stock units.

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

The maximum aggregate value was determined based upon the sum of: (A) 158,471,879 shares of Common Stock multiplied by $6.00 per share; (B) options to purchase 12,851,989 shares of Common Stock with exercise prices less than $6.00 multiplied by $3.57 which is the difference between $6.00 and the weighted average exercise price of $2.43 per share; and (C) 5,995,700 restricted stock units multiplied by $6.00 per share.

(4) Proposed maximum aggregate value of transaction:

$1,032,687,074.73

(5) Total fee paid:

$73,631

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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One Main Street
Cambridge, MA 02142
(617) 386-1000

, 2010

MERGER PROPOSED YOUR VOTE IS IMPORTANT

Dear Stockholder:

You are cordially invited to attend a special meeting of the stockholders of Art Technology Group, Inc., a Delaware corporation, which will be held on , 2010, at a.m., local time, at the offices of Foley Hoag LLP at Seaport West, 155 Seaport Boulevard, Boston, Massachusetts 02210.

At the special meeting, we will ask you to consider and vote on a proposal to adopt a merger agreement that we entered into with Oracle Corporation and Amsterdam Acquisition Sub Corporation, a wholly-owned subsidiary of Oracle Corporation, on November 2, 2010. If stockholders representing at least a majority of the outstanding shares of Art Technology Group common stock adopt the merger agreement and the merger is completed, we will become a wholly-owned subsidiary of Oracle Corporation, and you will be entitled to receive $6.00 in cash, without interest and less any applicable withholding taxes, for each share of Art Technology Group common stock that you own.

After careful consideration, our board of directors, by the unanimous vote of all directors, approved the merger agreement and determined that the merger and the merger agreement are advisable and in the best interests of our company and our stockholders. Our board of directors unanimously recommends that you vote FOR the adoption of the merger agreement.

The accompanying proxy statement provides a detailed description of the proposed merger, the merger agreement and related matters, and a copy of the merger agreement is included as Annex A to this document. We urge you to read these materials carefully.

Your vote is very important. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Art Technology Group common stock entitled to vote at the special meeting. Therefore, failure to vote will have the same effect as a vote against the adoption of the merger agreement.

Whether or not you are able to attend the special meeting in person, please submit your proxy via the Internet (www.investorvote.com/artg), by telephone (1-800-652-VOTE (8683)), or complete, sign and date the enclosed proxy card and return it in the envelope provided as soon as possible. If you have Internet access, we encourage you to record your vote via the Internet. This action will not limit your right to vote in person at the special meeting.

If you have any questions or need assistance voting your shares, please call our proxy solicitor, , at ( ) - .

Thank you for your cooperation and your continued support of Art Technology Group, Inc.

Very truly yours,

Robert D. Burke
Chief Executive Officer and President

This proxy statement is dated , 2010 and is first being mailed to stockholders on or about , 2010.

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ART TECHNOLOGY GROUP, INC.

One Main Street
Cambridge, Massachusetts 02142
(617) 386-1000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On , 2010

To the Stockholders of Art Technology Group, Inc.:

We will hold a special meeting of the stockholders of Art Technology Group, Inc. at the offices of Foley Hoag LLP, Seaport West, 155 Seaport Boulevard, Boston, Massachusetts 02210, on , 2010, at a.m., local time, to consider and act upon the following matters:

1. To adopt the Agreement and Plan of Merger, dated as of November 2, 2010, among Art Technology Group, Inc. (Art Technology Group, we, us, our, or ours), Oracle Corporation (Oracle) and Amsterdam Acquisition Sub Corporation, a wholly-owned subsidiary of Oracle (the Merger Subsidiary), as such may be amended from time to time, pursuant to which each holder of shares of Art Technology Group common stock will be entitled to receive $6.00 in cash, without interest and less any applicable withholding taxes, for each share of Art Technology Group common stock held by such holder;

2. To approve a proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of adoption of the merger agreement; and

3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof, including to consider any procedural matters incident to the conduct of the special meeting.

A copy of the merger agreement is attached as Annex A to the accompanying proxy statement.

Only holders of record of Art Technology Group common stock as of the close of business on , 2010 are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement of the special meeting. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Art Technology Group common stock entitled to vote at the special meeting. The list of stockholders entitled to vote at the special meeting will be available for inspection at our principal executive offices at One Main Street, Cambridge, Massachusetts, 02142 during ordinary business hours at least 10 days before the special meeting.

Whether or not you are able to attend the special meeting in person, please submit your proxy via the Internet (www.investorvote.com/artg) or by telephone (1-800-652-VOTE (8683)), or complete, sign and date the enclosed

proxy card and return it in the envelope provided as soon as possible. If you have Internet access, we encourage you to record your vote via the Internet. This action will not limit your right to vote in person at the special meeting. If you fail to vote by proxy or in person, it will have the same effect as a vote against the adoption of the merger agreement. If you return a properly signed proxy card but do not indicate how you want to vote, your proxy will be counted as a vote FOR approval and adoption of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary, to solicit additional proxies.

The board of directors of Art Technology Group unanimously recommends that stockholders vote FOR the adoption of the merger agreement.

In connection with the execution of the merger agreement, the directors and executive officers of Art Technology Group, who collectively beneficially own approximately 3.9% of the voting power of Art Technology Group common stock as of October 29, 2010, entered into voting agreements agreeing to vote in favor of the adoption of the merger agreement. If the merger agreement terminates in accordance with its terms, these stockholders agreements will also terminate.

If the merger becomes effective, Art Technology Group stockholders who do not vote in favor of the adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares of Art Technology Group common stock, as determined by the Delaware Court of Chancery under applicable provisions of Delaware law, subject to the satisfaction of the requirements for exercising and perfecting such rights. A copy of the full text of the applicable Delaware statutory provisions is included as Annex C to the accompanying proxy statement, and a summary of these provisions can be found under the section entitled Appraisal Rights beginning on page 62 in the accompanying proxy statement.

By Order of the Board of Directors,

Julie M.B. Bradley
Secretary

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SUMMARY TERM SHEET

This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. Accordingly, we urge you to read carefully this entire proxy statement and the annexes to this proxy statement. We have included page references parenthetically to direct you to a more complete description of the topics in this summary.

In this proxy statement, the terms we, us, our, our company and Art Technology Group refer to Art Technology Group, Inc., the term Oracle refers to Oracle Corporation, the term Merger Subsidiary refers to Amsterdam Acquisition Sub Corporation, a wholly-owned subsidiary of Oracle, and the term merger agreement refers to the Agreement and Plan of Merger, dated as of November 2, 2010, among Art Technology Group, Oracle and the Merger Subsidiary, as such may be amended from time to time.

The Companies

Art Technology Group, Inc.
One Main Street
Cambridge, Massachusetts 02142
(617) 386-1000
www.atg.com

Art Technology Group, Inc., a Delaware corporation, develops and markets a comprehensive suite of cross-channel commerce software and services that businesses can employ to increase their online revenues and profitability. ATG Commerce is a commerce platform and business user application solution designed to enable a business to provide a scalable, reliable and sophisticated e-commerce website that can create a satisfied, loyal and profitable online customer base. Art Technology Group s platform-neutral optimization solutions for live help, lead performance, and product recommendations can be easily added to any website to increase conversions and reduce abandonment. Companies use Art Technology Group s products and related services to power their e-commerce websites, attract prospects, convert sales, increase order sizes and encourage return customers. Art Technology Group is headquartered in Cambridge, Massachusetts, with additional locations throughout North America and Europe.

Oracle Corporation
500 Oracle Parkway
Redwood City, California 94065
(650) 506-7000
www.oracle.com

Oracle is the world s largest enterprise software company. As a result of its acquisition of Sun Microsystems, Inc. in January 2010, Oracle is also a leading provider of hardware products and services. Oracle develops, manufactures, markets, distributes and services database and middleware software, applications software and hardware systems, consisting primarily of computer server and storage products, which are designed to help its customers manage and grow their business operations. Oracle s goal is to be the world s most complete, open and integrated enterprise software and hardware company.

Amsterdam Acquisition Sub Corporation
c/o Oracle Corporation
500 Oracle Parkway

Redwood City, California 94065
(650) 506-7000

Amsterdam Acquisition Sub Corporation, a Delaware corporation and a wholly-owned subsidiary of Oracle, was formed solely for the purpose of facilitating Oracle s acquisition of Art Technology Group. Amsterdam Acquisition Sub Corporation has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Upon consummation of the proposed merger, Amsterdam Acquisition Sub Corporation will merge with and into Art Technology Group and will cease to exist.

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The Merger (page 17)

Upon the terms and subject to the conditions of the merger agreement, the Merger Subsidiary will be merged with and into Art Technology Group, and each holder of shares of Art Technology Group common stock will be entitled to receive $6.00 in cash, without interest and less any applicable withholding taxes, for each share of Art Technology Group common stock held by such holder immediately prior to the merger (unless such holder has not voted in favor of the merger agreement and has properly exercised his or her statutory appraisal rights with respect to the merger). As a result of the merger, we will cease to be a publicly traded company and will instead become a wholly-owned subsidiary of Oracle. You will not own any shares of the surviving corporation. The merger agreement is attached as Annex A to this proxy statement. Please read it carefully.

The Special Meeting (page 14)

The special meeting will be held on , 2010 at a.m., local time, at the offices of Foley Hoag LLP at Seaport West, 155 Seaport Boulevard, Boston, Massachusetts 02210. At the special meeting, you will be asked to vote upon a proposal to adopt the merger agreement that we have entered into with Oracle and the Merger Subsidiary. You will also be asked to vote upon a proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of approval and adoption of the merger agreement. You may also be asked to vote upon such other matters as may properly come before the special meeting or any adjournment or postponement thereof.

Record Date; Stock Entitled to Vote (page 14)

Our board of directors has fixed the close of business on , 2010, as the record date for determining stockholders entitled to notice of and to vote at the special meeting. On the record date, we had outstanding shares of Art Technology Group common stock held by approximately stockholders of record. We have no other class of voting securities outstanding.

Stockholders of record on the record date will be entitled to one vote per share of Art Technology Group common stock on any matter that may properly come before the special meeting and any adjournment or postponement of that meeting.

Vote Required for Approval (page 15)

Pursuant to the requirements of the Delaware General Corporation Law, the adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Art Technology Group common stock entitled to vote at the special meeting. Failure to vote, by proxy or in person, will have the same effect as a vote AGAINST the adoption of the merger agreement.

The affirmative vote of the holders of a majority of the shares of Art Technology Group common stock present in person or by proxy and entitled to vote at the special meeting will be required to approve the adjournment, if necessary, of the special meeting to solicit additional proxies in favor of the approval and adoption of the merger agreement. Failure to vote, in person or by proxy, will have no effect on the approval of the adjournment proposal.

Brokers or other nominees who hold shares of Art Technology Group common stock in street name for customers who are the beneficial owners of such shares may not give a proxy to vote those customers shares with respect to the adoption of the merger agreement or approval of the adjournment proposal in the absence of specific instructions from those customers. Shares held by brokers or other nominees that are not voted due to the absence of instructions from

their customer are sometimes referred to as broker non-votes. These non-voted shares of Art Technology Group common stock will not be counted as votes cast or shares voting and will have the same effect as votes AGAINST the adoption of the merger agreement. Assuming a quorum is present at the special meeting, non-voted shares of Art Technology Group common stock will have no effect on the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement.

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In connection with the execution of the merger agreement, the directors and executive officers of Art Technology Group, who collectively beneficially own approximately 3.9% of the voting power of Art Technology Group common stock as of October 29, 2010, entered into voting agreements agreeing to vote in favor of the adoption of the merger agreement. If the merger agreement terminates in accordance with its terms, these stockholders voting agreements will also terminate.

Our Board s Recommendation (page 14)

Our board of directors has unanimously (i) determined that the merger and the merger agreement are advisable and in the best interests of our company and our stockholders, (ii) approved the merger agreement, (iii) resolved to recommend that the stockholders adopt the merger agreement, and (iv) directed that such matter be submitted for consideration of the stockholders of Art Technology Group at the special meeting. Accordingly, our board of directors unanimously recommends that our stockholders vote FOR the adoption of the merger agreement at the special meeting.

For the factors considered by our board of directors in reaching its decision to approve the merger agreement, see The Merger Reasons for the Merger and Recommendation of our Board of Directors , beginning on page 24 of this proxy statement.

Opinion of Art Technology Group s Financial Advisor (page 26 and Annex B)

In connection with the merger, Morgan Stanley & Co. Incorporated, Art Technology Group s financial advisor (Morgan Stanley), rendered to Art Technology Group s board of directors its oral opinion, subsequently confirmed in writing, that as of November 1, 2010, and based upon and subject to the various assumptions, procedures, factors, qualifications and limitations set forth in the written opinion, the consideration to be received by holders of shares of Art Technology Group common stock pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of the written opinion of Morgan Stanley, dated as of November 1, 2010, is attached as Annex B to this proxy statement and is incorporated by reference in this proxy statement in its entirety. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. The summary of the opinion of Morgan Stanley in this proxy statement is qualified in its entirety by reference to the full text of the opinion. **Morgan Stanley s opinion is directed to Art Technology Group s board of directors and addresses only the fairness from a financial point of view of the consideration to be received by holders of shares of Art Technology Group common stock pursuant to the merger agreement as of the date of the opinion. Morgan Stanley s opinion does not address any other aspects of the merger and does not constitute a recommendation to any holder of Art Technology Group common stock as to how to vote at any stockholders meeting held in connection with the merger or whether to take any other action with respect to the merger.**

Conditions to the Merger (page 58)

Conditions to Each Party s Obligations. Each party s obligation to consummate the merger is subject to the satisfaction or waiver of the following mutual conditions:

- approval and adoption of the merger agreement and the merger by an affirmative vote of the holders of a majority of the outstanding shares of Art Technology Group common stock;

- no governmental authority with jurisdiction over any party will have issued any order, injunction, decree, judgment, ruling or other action that is in effect (whether temporary, preliminary or permanent) restraining, enjoining or otherwise prohibiting the consummation of the merger;

no law or regulation will have been adopted that makes the consummation of the merger illegal or otherwise prohibited; and

the waiting period applicable to the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (which we refer to as the HSR Act) will have expired or been terminated, and any applicable waiting period will have expired or been

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terminated, or any required affirmative approval of a governmental entity will have been obtained, under any applicable antitrust, competition, premerger notification or trade regulation laws of certain specified foreign jurisdictions.

Conditions to Oracle s and the Merger Subsidiary s Obligations. The obligation of Oracle and the Merger Subsidiary to consummate the merger is subject to the satisfaction or waiver of further conditions, including:

the representations and warranties of Art Technology Group relating to corporate existence, power, authority, non-contravention, certain capitalization matters, finders fees, the opinion of Art Technology Group s financial advisor set forth in the merger agreement and certain anti-takeover statutes and Art Technology Group s rights plan, to the extent not qualified by materiality or material adverse effect thresholds, will be true in all material respects, and to the extent so qualified, will be true in all respects as so qualified, when made and as of immediately prior to the effective time of the merger (other than those representations and warranties that were made only as of a specified date, which need only be true and correct as of such specified date);

the other representations and warranties of Art Technology Group made in the merger agreement, disregarding materiality or material adverse effect thresholds, will be true when made and as of immediately prior to the effective time of the merger (other than those representations and warranties that were made only as of a specified date, which need only be true and correct as of such specified date), provided that such representations will be deemed to be true unless the individual or aggregate impact of the failure to be so true would have or would reasonably be expected to have a material adverse effect on Art Technology Group;

Art Technology Group will have performed, in all material respects, its obligations under the merger agreement on or prior to the consummation of the merger;

Oracle will have received a certificate signed on Art Technology Group s behalf by a senior executive officer of Art Technology Group as to the satisfaction of the conditions described in the preceding three bullets;

there will not be instituted or pending any suit, action, claim or proceeding initiated by any governmental authority, or instituted or pending any suit, action, claim or proceeding by any other third party that has a reasonable likelihood of success, that (i) challenges or seeks to make illegal, delay materially or otherwise restrain or prohibit the consummation of the merger or seek to obtain material damages, (ii) seeks to restrain or prohibits Oracle s ownership or operation of all or any material portion of the business, assets or products of Art Technology Group or any of its subsidiaries, taken as a whole, or of Oracle and any of its subsidiaries, taken as a whole, or to compel Oracle or any of its affiliates to dispose of, license or hold separate all or any material portion of the business, assets or products of Art Technology Group and any of its subsidiaries, taken as a whole, or Oracle and its subsidiaries, taken as a whole, (iii) seeks to impose or confirm material limitations on the ability of Oracle or any of its affiliates to effectively acquire, hold or exercise full rights of ownership of Art Technology Group common stock or any shares of common stock of the surviving corporation, including the right to vote such shares on all matters properly presented to Art Technology Group s stockholders, or (iv) seeks to require divestiture by Oracle, the Merger Subsidiary or any of Oracle s other affiliates of any equity interests;

there will not be in effect any order that is reasonably likely to result, directly or indirectly, in any of the effects referred to in clauses (i) through (iv) of the preceding bullet point;

the waiting period applicable to the merger under the HSR Act will have expired or been terminated, and any applicable waiting period will have expired or been terminated, or any required affirmative approval of a governmental entity will have been obtained, under any applicable antitrust, competition, premerger

notification or trade regulation laws of any applicable foreign jurisdictions; and

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there will not have been any fact, event, change, development or set of circumstances that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Art Technology Group.

Conditions to Art Technology Group s Obligations. The obligation of Art Technology Group to consummate the merger is subject to the satisfaction or waiver of further conditions, including:

the representations and warranties of Oracle and the Merger Subsidiary made in the merger agreement will be true and correct in all material respects on the consummation of the merger (other than those representations and warranties that were made only as of a specified date, which need only be true and correct in all material respects as of such specified date);

Oracle and the Merger Subsidiary will have performed in all material respects their respective obligations under the merger agreement; and

Art Technology Group will have received a certificate signed on Oracle s behalf by a senior executive officer of Oracle as to the satisfaction of the conditions described in the preceding two bullets.

No Solicitations (page 51)

Immediately upon signing of the merger agreement, Art Technology Group and its subsidiaries agreed as an inducement to Oracle to enter into the definitive merger agreement, to cease any discussions, negotiations or other activities with respect to any actual or potential competing acquisition proposal. In addition, under the merger agreement, Art Technology Group and its subsidiaries are not permitted to, among other things, (i) solicit, initiate, or knowingly take any action to facilitate or encourage the submission of any acquisition proposal or the making of any inquiry, offer or proposal that could reasonably be expected to lead to any acquisition proposal or (ii) conduct or engage in any discussions or negotiations with, disclose any non-public information relating to Art Technology Group or any of its subsidiaries to, afford access to the business, properties, assets, books or records of Art Technology Group or any of its subsidiaries to or otherwise cooperate in any way, or knowingly assist, participate in, facilitate or encourage any effort by, any third party that is seeking to make, or has made, any acquisition proposal.

Notwithstanding the restrictions described above, at any time before the adoption of the merger agreement by Art Technology Group s stockholders, the Art Technology Group board of directors, directly or indirectly through any representative, may (i) engage in negotiations or discussions with any third party that has made in writing after the date of the merger agreement (and not withdrawn) a bona fide unsolicited acquisition proposal, that did not result from or arise out of a breach of the non-solicitation provisions of the merger agreement, and that the Art Technology Group board of directors believes in good faith, after consultation with its outside legal counsel and financial advisor of nationally recognized reputation, constitutes or would reasonably be expected to result in a superior proposal and (ii) thereafter furnish to such person non-public information relating to Art Technology Group or any of its subsidiaries pursuant to an acceptable confidentiality agreement, but in each case under the preceding clauses (i) and (ii), only if the Art Technology Group board of directors determines in good faith, after consultation with its outside legal counsel, that the failure to take such action would be a breach of its fiduciary duties under applicable law.

Termination of the Merger Agreement (page 59)

Art Technology Group and Oracle may terminate the merger agreement by mutual written consent at any time before the consummation of the merger. In addition, either Oracle or Art Technology Group may terminate the merger agreement at any time before the consummation of the merger if:

the merger is not consummated on or before May 2, 2011 (which we refer to as the end date); provided, that if all of the conditions to the consummation of the merger shall have been satisfied, other than the expiration or termination of the applicable waiting period under the HSR Act and if applicable, the receipt of required regulatory approvals under the applicable antitrust or merger control laws of the required foreign jurisdictions, the end date may be extended by a three month period by Oracle by written notice to Art Technology Group (the end date may be so extended not more than twice);

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provided, further, that a party whose material breach of any provision of the merger agreement resulted in the failure of the merger to be consummated before the end date will not be entitled to exercise its right to terminate the merger agreement because of this reason;

any governmental entity of competent jurisdiction issues an order, decree, injunction or ruling or takes any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the merger and such order, decree, ruling or other action becomes final and non-appealable;

any law or regulation is adopted that makes consummation of the merger illegal or otherwise prohibited; or

the approval and adoption of the merger agreement and the merger by Art Technology Group s stockholders has not been obtained by reason of the failure to obtain the required vote upon a final vote taken at the special meeting (or any adjournment or postponement thereof).

Oracle may also terminate the merger agreement if:

an adverse recommendation change (as defined in the section entitled The Merger Agreement Art Technology Group Board Recommendation) has occurred;

Art Technology Group has entered into, or publicly announced its intention to enter into, a letter of intent, memorandum of understanding or other contract (other than an acceptable confidentiality agreement) relating to any acquisition proposal;

Art Technology Group or any of its representatives has willfully and materially breached any of its obligations under the non-solicitation provisions in the merger agreement; or

Art Technology Group materially breaches or fails to perform any of its covenants or agreements contained in the merger agreement, or if any representation or warranty of Art Technology Group becomes inaccurate, in either case such that the conditions to the merger relating to the accuracy of Art Technology Group s representations and warranties and performance of covenants would not be satisfied as of the time of such breach or as of the time such representation and warranty became inaccurate and in either case such that breaches or inaccuracies are not curable by Art Technology Group within 30 days and prior to the end date or Art Technology Group ceases to exercise commercially reasonable efforts to cure such breach or inaccuracy.

Art Technology Group may also terminate the merger agreement if:

prior to the receipt of approval of the adoption of the merger agreement by Art Technology Group s stockholders, the Art Technology Group board of directors authorizes Art Technology Group, in compliance with the other terms of the merger agreement, to enter into a binding definitive agreement in respect of a superior proposal if (1) Art Technology Group pays the termination fee described below at or prior to termination of the merger agreement and (2) Art Technology Group substantially concurrently enters into a binding definitive agreement with respect to such superior proposal; or

Oracle or the Merger Subsidiary materially breaches or fails to perform any of its covenants or agreements contained in the merger agreement, or if any representation or warranty of Oracle or the Merger Subsidiary becomes inaccurate in any material respect, in either case such that breaches or inaccuracies are not curable by Oracle or the Merger Subsidiary within 30 days and prior to the end date or Oracle or the Merger Subsidiary cease to exercise commercially reasonable efforts to cure such breach or inaccuracy.

Termination Fees (page 61)

We have agreed to pay Oracle a termination fee of $33.5 million in the event that the merger agreement is terminated by (a) Oracle pursuant to the provisions described in the first three bullet points in the second paragraph under Summary Termination of the Merger Agreement above, (b) Art Technology Group pursuant to the provisions described in the first bullet point in the third paragraph under Summary Termination of the Merger Agreement above or (c) either party pursuant to the provisions described in the

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first or fourth bullet point described in the first paragraph under Summary Termination of the Merger Agreement above and (x) prior to such termination (in the case of termination pursuant to the first bullet point in the first paragraph under Summary Termination of the Merger Agreement above) or the special meeting (in the case of termination pursuant to the fourth bullet point in the first paragraph under Summary Termination of the Merger Agreement above), an acquisition proposal has been publicly announced and not publicly withdrawn, and (y) within 12 months following the date of such termination Art Technology Group has (1) entered into a definitive agreement with respect to, (2) recommended to its stockholders or (3) completed, a transaction contemplated by such acquisition proposal.

Expenses (page 61)

Each of Art Technology Group and Oracle are required to pay their own expenses in connection with the merger agreement and consummation of the transactions contemplated thereby, provided that Oracle will pay all filing fees payable pursuant to the HSR Act or any foreign competition law unless the merger agreement is terminated in certain circumstances in which case Art Technology Group will reimburse Oracle for one-half of such filing fee.

However, if the merger agreement is terminated by Oracle because the required approval of the stockholders of Art Technology Group has not been obtained by reason of the failure to obtain the required vote upon a final vote taken at the special meeting, Art Technology Group has agreed to reimburse Oracle for all its documented, reasonable out-of-pocket fees and expenses in an amount up to $5.0 million (any fee reimbursement amount paid by Art Technology Group will be credited against any obligation of Art Technology Group to pay Oracle a termination fee).

The Voting Agreements (page 38)

Concurrently with entering into the merger agreement, each of the directors and executive officers of Art Technology Group entered into a voting agreement with Oracle (collectively, the voting agreements) pursuant to which they agreed, among other things, to vote their shares of Art Technology Group for the adoption of the merger agreement and against any alternative acquisition proposal, reorganization, recapitalization, liquidation or winding up of Art Technology Group, and against any action that would frustrate the purposes of, or prevent or delay the consummation of the transactions contemplated by the merger agreement. If the merger agreement terminates in accordance with its terms, these voting agreements will also terminate. As of October 29, 2010 the directors and executive officers of Art Technology Group that entered into the voting agreements collectively owned beneficially and of record an aggregate of approximately 3.9% of the outstanding Art Technology Group common stock.

Regulatory Matters (page 39)

Under the provisions of the HSR Act, the merger may not be completed until notification and report forms have been filed with the Antitrust Division of the United States Department of Justice (which we refer to as the Antitrust Division) and the Federal Trade Commission (which we refer to as the FTC) by Art Technology Group and Oracle and the applicable waiting period has expired or been terminated. In addition, the expiration or termination of the applicable waiting period under the HSR Act is a condition to each of Oracle and Art Technology Group s obligation to consummate the merger. Oracle and Art Technology Group filed their respective notifications and report forms with the Antitrust Division and the FTC under the HSR Act on November 12, 2010. There can be no assurance that we will obtain the regulatory approvals necessary to complete the merger, or that the granting of these approvals will not involve the imposition of conditions on completion of the merger or require changes to the terms of the merger. These conditions or changes could result in conditions to the merger not being satisfied.

Appraisal Rights (page 62)

Under Delaware law, holders of Art Technology Group common stock may have the right to receive an appraisal of the fair value of their shares of Art Technology Group common stock in connection with the

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merger. To exercise appraisal rights, a holder of Art Technology Group common stock must not vote for the proposal to adopt the merger agreement, must deliver to us a written appraisal demand before the stockholder vote on the merger agreement is taken at the special meeting, must not submit a letter of transmittal, and must strictly comply with all of the procedures required by Delaware law.

A copy of the full text of Section 262 of the Delaware General Corporation Law, or the DGCL, is included as Annex C to this proxy statement. Failure to follow the procedures set forth in Section 262 of the DGCL will result in the loss of appraisal rights.

Material U.S. Federal Income Tax Consequences (page 40)

If the merger is completed, the exchange of Art Technology Group common stock by our stockholders for the cash merger consideration will generally be treated as a taxable transaction for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended. Because of the complexities of the tax laws, we advise you to consult your personal tax advisors concerning the applicable U.S. federal, state, local, foreign and other tax consequences of the merger to you.

Treatment of Equity-based Awards; Employee Stock Purchase Plan (page 44)

Equity-based Awards. Each Art Technology Group stock option, restricted stock unit, other than restricted stock units that will vest as a result of the completion of the merger, and other equity-based award denominated in shares of Art Technology Group common stock, each of which we refer to as a compensatory award, that is held by an employee of, or consultant to, Art Technology Group that is outstanding immediately prior to the effective time of the merger, whether or not then vested or exercisable, will be assumed by Oracle and converted automatically upon the effective time of the merger into an option, restricted stock unit award or other equity-based award, as the case may be, denominated in shares of Oracle common stock and which has other terms and conditions substantially identical to those of the related compensatory award (including any accelerated vesting provisions therein) except that (i) the number of shares of Oracle common stock subject to each assumed compensatory award shall be determined by multiplying the number of shares of Art Technology Group common stock subject to the assumed compensatory award immediately prior to the effective time of the merger by a fraction, which we refer to as the award exchange ratio, the numerator of which is $6.00 and the denominator of which is the average closing price of Oracle common stock over the five trading days immediately preceding (but not including) the effective date of the merger (rounded down to the nearest whole share) and (ii) if applicable, the exercise or purchase price per share of Oracle common stock (rounded upwards to the nearest whole cent) shall equal the per share exercise or purchase price for the shares of Art Technology Group common stock subject to the assumed compensatory award immediately prior to the effective time of the merger divided by the award exchange ratio.

Unless determined otherwise by Oracle, each compensatory award that is held by a person who is not an employee of, or a consultant to, Art Technology Group immediately prior to the effective time of the merger will not be assumed by Oracle and will be cancelled and extinguished and the vested portion of each of those compensatory awards shall automatically be converted into the right to receive an amount in cash equal to the product obtained by multiplying the aggregate number of shares of Art Technology Group common stock that were issuable upon exercise or settlement of the compensatory awards immediately prior to the effective time of the merger and $6.00, less any per share exercise price of the compensatory award.

Art Technology Group restricted stock units that vest by their terms at the effective time of the merger by reason of the change of control effected by the merger will be settled at or immediately prior to the effective time of the merger by payment made through Art Technology Group s payroll promptly following the effective time of the merger of an amount equal to the product of the aggregate number of shares of Company Common Stock issued by reason of such

vesting multiplied by $6.00, less such amount of Art Technology Group is required to deduct and withhold.

Employee Stock Purchase Plan. Art Technology Group will terminate all offerings under its 1999 Employee Stock Purchase Plan, which we refer to as the ESPP, as of the last day of the payroll period ending at least ten days before the effective time of the merger (which we refer to as the final exercise date). Art

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Technology Group will provide that no further offerings will commence under the ESPP on or following the final exercise date and terminate the ESPP as of the final exercise date. Each outstanding option under the ESPP on the final exercise date will be exercised on such date for the purchase of shares of Art Technology Group common stock in accordance with the terms of the ESPP.

Interests of Our Directors and Executive Officers in the Merger (page 35)

In considering the recommendation of our board of directors with respect to the merger agreement, holders of shares of Art Technology Group common stock should be aware that our executive officers and directors have interests in the merger that may be different from, or in addition to, those of our stockholders generally. These interests may create potential conflicts of interest. Our board of directors was aware that these interests existed when it approved the merger agreement. These interests include:

accelerated vesting at the closing of certain equity awards held by our directors and executive officers;

severance arrangements covering our executive officers; and

indemnification of our directors and executive officers by the surviving corporation following the merger.

These arrangements are further described under The Merger Interests of Our Directors and Executive Officers in the Merger.

Security Ownership of Our Directors and Executive Officers (page 66)

As of October 29, 2010, our directors and executive officers beneficially owned in the aggregate 6,372,995 shares of Art Technology Group common stock or approximately 3.9% of our total outstanding shares. The share ownership of our directors and executive officers is further described under Security Ownership Of Management and Certain Beneficial Owners.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers briefly address some commonly asked questions about the special meeting of stockholders and the merger. These questions and answers may not address all questions that may be important to you as a stockholder. You should carefully read this entire proxy statement, including each of the annexes.

The Special Meeting

Q. What is the proposed transaction?

A. Art Technology Group and Oracle have entered into a definitive agreement pursuant to which, and subject to the terms and conditions thereof, Oracle will acquire Art Technology Group by merging a subsidiary of Oracle with and into Art Technology Group, with Art Technology Group as the surviving corporation. We will cease to be a publicly traded company and will instead become a wholly-owned subsidiary of Oracle.

Q. If the merger is completed, what will I be entitled to receive for my shares of Art Technology Group common stock and when will I receive it?

A. You will be entitled to receive $6.00 in cash, without interest and less any applicable withholding taxes, for each share of Art Technology Group common stock that you own. This does not apply to shares held by Art Technology Group stockholders, if any, that properly perfect appraisal rights under Delaware law.

After the merger closes, Oracle will arrange for a letter of transmittal to be sent to each stockholder. The merger consideration will be paid to a stockholder once that stockholder submits a properly completed letter of transmittal, his, her or its stock certificates and any other required documentation.

Q. When is the merger expected to be completed?

A. We expect the merger to be completed in the beginning of the 2011 calendar year. However, the merger is subject to various closing conditions, including Art Technology Group stockholder and regulatory approvals, and it is possible that the failure to timely meet these closing conditions or other factors outside of our control could require us to complete the merger at a later time or not at all.

Q. What will happen to my shares of Art Technology Group common stock after the merger?

A. Following the effectiveness of the merger, your shares of Art Technology Group common stock will represent solely the right to receive the merger consideration, and trading in Art Technology Group common stock on The NASDAQ Global Market will cease. Price quotations for Art Technology Group common stock will no longer be available and we will cease filing periodic reports under the Securities Exchange Act of 1934.

Q. What will I be asked to vote upon at the special meeting?

A. You will be asked to vote on the adoption of the merger agreement that we have entered into with Oracle and the Merger Subsidiary, a wholly-owned subsidiary of Oracle, pursuant to which the Merger Subsidiary will be merged with and into us and we will become a wholly-owned subsidiary of Oracle. We will also be asking you to approve the adjournment or postponement, if necessary, of the special meeting to solicit additional proxies in favor of adoption of the merger agreement. Whether or not you are able to attend the special meeting in person,

please submit your proxy via the Internet (www.investorvote.com/artg) or by telephone (1-800-652-VOTE (8683)), or complete, sign and date the enclosed proxy card and return it in the envelope provided as soon as possible.

Q. What stockholder approvals are required for the merger?

A: The holders of a majority of the outstanding shares of Art Technology Group common stock on , 2010, or the record date for the special meeting of stockholders, must vote in favor of the adoption of the merger agreement. Only holders of record of Art Technology Group common stock at the close of business on the record date are entitled to notice of and to vote at the special meeting. As of the record date, there were shares of Art Technology Group common stock outstanding, held by

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approximately holders of record, and entitled to vote at the special meeting. In connection with the execution of the merger agreement, the directors and executive officers of Art Technology Group, who collectively beneficially own approximately 3.9% of the voting power of Art Technology Group common stock as of October 29, 2010, entered into voting agreements agreeing to vote in favor of the adoption of the merger agreement. If the merger agreement terminates in accordance with its terms, these stockholders voting agreements will also terminate.

Q. Who is entitled to vote at the special meeting?

A. Holders of record of shares of Art Technology Group common stock as of the close of business on , 2010 are entitled to vote at the special meeting. Such holders are entitled to one vote per share of Art Technology Group common stock held.

Q. Why is our board of directors recommending the merger?

A. After careful consideration involving a deliberative process and consultation with our senior management, legal counsel and financial advisor, our board of directors, by the unanimous vote of all directors, approved the merger agreement and determined that the merger and the merger agreement are advisable and in the best interests of our company and our stockholders, and recommends that you adopt the merger agreement. For a more detailed explanation of the factors that our board of directors considered in determining whether to recommend the merger, see The Merger Reasons for the Merger and Recommendation of our Board of Directors on page 24 of this proxy statement.

Q. What should I do now?

A. After carefully reading and considering the information contained in this proxy statement, please vote in one of the following three ways whether or not you plan to attend the special meeting: (i) by completing your proxy through the Internet at the address listed on the accompanying proxy card, (ii) by completing your proxy using the toll-free telephone number listed on the proxy card, or (iii) by completing, signing and dating the proxy card and returning it in the enclosed postage-prepaid envelope. You can also attend the special meeting and vote in person. Do NOT enclose or return your stock certificate(s) with your proxy card.

Q. If my shares are held in street name by my broker, will my broker vote my shares for me?

A. No. Brokers or other nominees who hold shares of Art Technology Group common stock in street name for customers who are the beneficial owners of such shares may not give a proxy to vote those customers shares on the adoption of the merger agreement or the adjournment proposal in the absence of specific instructions from those customers. You should follow the procedures provided by your broker regarding the voting of your shares. Shares of Art Technology Group common stock that are not voted by brokers due to the absence of specific instructions from their customers will not be counted as votes cast or shares voting and will have the same effect as votes AGAINST the adoption of the merger agreement. Assuming a quorum is present at the special meeting, non-voted shares of Art Technology Group common stock will have no effect on the proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of approval and adoption of the merger agreement.

Q. What if I do not vote?

A. If you fail to vote by proxy or in person, it will have the same effect as a vote AGAINST the adoption of the merger agreement. Failure to vote will have no effect on the proposal to adjourn or postpone the special meeting,

if necessary, to solicit additional proxies in favor of the adoption of the merger agreement, although it could adversely effect our ability to obtain a quorum at the special meeting.

If you return a properly signed proxy card but do not indicate how you want to vote, your proxy will be counted as a vote FOR the adoption of the merger agreement and FOR approval of the adjournment proposal.

If you submit your properly signed proxy and affirmatively elect to abstain from voting, your proxy will be counted as present for the purpose of determining the presence of a quorum but will have the same

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effect as a vote AGAINST the adoption of the merger agreement. With respect to the proposal to approve one or more adjournments to the special meeting, an abstention will have no effect, and the proposal will be decided by the stockholders who cast votes FOR and AGAINST that proposal.

Q. When should I cast my vote?

A. You should complete your proxy card through the Internet or by telephone or mail in your proxy card as soon as possible, but in any event before , 2010, so that your shares will be voted at the special meeting.

Q. May I change my vote after I have mailed my signed proxy card or voted via the Internet or by telephone?

A. Yes. You may change your vote and revoke your proxy at any time before the polls close at the special meeting. You can do this in one of three ways. First, you can send a written, dated notice to our Secretary stating that you would like to revoke your proxy. Second, you can complete, date and submit a new proxy card. Third, you can attend the meeting and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions. With respect to voting your proxy via the Internet or by telephone, you can revoke your proxy by voting again and only your last action via the Internet or by telephone will be counted.

Q. May I vote in person?

A. Yes. You may attend the special meeting of stockholders and vote your shares of Art Technology Group common stock in person. If you hold shares in street name, you must provide a proxy executed by your bank or broker in order to vote your shares at the meeting. In accordance with our security procedures, all persons attending the special meeting will be required to present picture identification.

Q: Am I entitled to appraisal rights?

A: Under the DGCL, holders of shares of Art Technology Group common stock who do not vote for the adoption of the merger agreement have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they comply with all requirements of Delaware law, which are summarized in this proxy statement. This appraisal amount could be more than, the same as, or less than the amount a stockholder would be entitled to receive under the merger agreement. Any holder of shares of Art Technology Group common stock intending to exercise appraisal rights, among other things, must submit a written demand for appraisal to Art Technology Group prior to the vote on the adoption of the merger agreement and must not vote or otherwise submit a proxy in favor of the adoption of the merger agreement. Failure to follow exactly the procedures specified under Delaware law will result in the loss of appraisal rights. Because of the complexity of the Delaware law relating to appraisal rights, if you are considering exercising your appraisal right, we encourage you to seek the advice of your own legal counsel. For more information, see Appraisal Rights on page 62 of this proxy statement. In addition, a copy of the full text of Section 262 of the DGCL is attached as Annex C to this proxy statement.

Q. Will the merger be a taxable transaction to me?

A. The receipt of cash for shares of Art Technology Group common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes. In general, you will recognize gain or loss equal to the difference between the amount of cash you receive and the adjusted tax basis of your shares of Art Technology Group common stock. For a more detailed explanation of the tax consequences of the merger, see Material U.S. Federal Income Tax Consequences on page 40 of this proxy statement. You should consult your tax advisor

on how specific tax consequences of the merger apply to you.

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Q. Should I send in my stock certificates now?

A. No. After the merger closes, Oracle will arrange for a letter of transmittal containing detailed instructions to be sent to each stockholder. The merger consideration will be paid to a stockholder once that stockholder submits a properly completed letter of transmittal accompanied by that stockholder s stock certificates and any other required documentation.

PLEASE DO NOT SEND YOUR STOCK CERTIFICATES NOW.

Q. What should I do if I have questions?

A. You should direct any questions regarding extra copies of the proxy materials, the special meeting of stockholders or the merger to our proxy solicitor, , at ( ) - .

If your brokerage firm, bank, trust or other nominee holds your shares in street name, you should also call your brokerage firm, bank, trust or other nominee for additional information.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement and the documents to which we refer you in this proxy statement contain forward-looking statements (as that term is defined under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). Forward-looking statements represent Art Technology Group s expectations or beliefs concerning future events or our future financial performance, including any projections or forecasts, including the financial forecasts included under Certain Prospective Financial Information beginning on page 32. We generally identify forward-looking statements by terminology such as may, will, should, expects, pla anticipates, could, intends, target, projects, contemplates, believes, estimates, predicts, potential c negative of these terms or other similar words. These statements are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors, including, without limitation:

- the requirement that our stockholders adopt the merger agreement;
- the failure to satisfy any other conditions to the merger, including the receipt of regulatory approvals on the terms expected;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;
- the outcome of lawsuits that have been brought by certain of our shareholders seeking to enjoin the consummation of the merger;
- the effect of the announcement of the merger on our customer and supplier relationships, operating results and business generally, including our ability to retain key employees;
- adverse changes in our industry;

the parties ability to meet expectations regarding the timing and completion of the merger; and

other risks detailed in our current filings with the Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, as updated by our Quarterly Report on Form 10-Q for the quarter ended September 30, 2010. See Where You Can Find More Information on page 68 of this proxy statement.

You should not place undue reliance on forward-looking statements. We cannot guarantee any future results, levels of activity, performance or achievements. The statements made in this proxy statement are based on the information available to us as of the date of this proxy statement, and you should not assume that the statements made herein remain accurate as of any future date. Moreover, we assume no obligation to update

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forward-looking statements or update the reasons actual results could differ materially from those anticipated in forward-looking statements, except as required by law.

THE SPECIAL MEETING OF STOCKHOLDERS

We are furnishing this proxy statement to you, as a holder of Art Technology Group common stock, as part of the solicitation of proxies by our board of directors for use at the special meeting of stockholders, or at any adjournment or postponement thereof.

Date, Time and Place of the Special Meeting

The special meeting of our stockholders will be held at the offices of Foley Hoag LLP at Seaport West, 155 Seaport Boulevard, Boston, Massachusetts 02210, on , 2010, at a.m., local time.

Purpose of the Special Meeting

The purpose of the special meeting is:

- to vote on a proposal to adopt the merger agreement, a copy of which is attached as Annex A to this proxy statement;
- to vote on a proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement; and
- to transact such other business as may properly come before the meeting or any adjournment or postponement thereof, including to consider any procedural matters incident to the conduct of the special meeting.

Our Board s Recommendation

Our board of directors, by the unanimous vote of all directors, approved the merger agreement and determined that the merger and the merger agreement are advisable and in the best interests of our company and our stockholders. **Accordingly, our board of directors unanimously recommends that you vote FOR the adoption of the merger agreement at the special meeting.**

Record Date; Stock Entitled to Vote

The holders of record of shares of Art Technology Group common stock as of the close of business on , 2010, which is the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. On the record date, there were shares of Art Technology Group common stock outstanding and entitled to vote held by approximately stockholders of record. Each share of Art Technology Group common stock entitles the holder to one vote on all matters properly coming before the special meeting or any adjournment or postponement thereof.

Quorum

Our by-laws and Delaware law require the presence, in person or by duly executed proxy, of the holders of a majority of the voting power of outstanding shares of Art Technology Group common stock entitled to vote at the special meeting to constitute a quorum. Both abstentions and broker non-votes (as that term is described in the next section) will be counted as present for purposes of determining the existence of a quorum. If a quorum is not present and if the

adjournment proposal has the necessary majority, we expect to adjourn the special meeting to solicit additional proxies and intend to vote any proxies we have received at the time of the special meeting in favor of an adjournment.

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Vote Required for Approval

Our charter and by-laws and Delaware law require the affirmative vote of holders of a majority of the outstanding shares of Art Technology Group common stock entitled to vote at the special meeting to adopt the merger agreement. For the proposal to adopt the merger agreement, you may vote FOR, AGAINST or ABSTAIN. Abstentions will not be counted as votes cast or shares voting on the proposal to adopt the merger agreement, but will count for the purpose of determining whether a quorum is present.

The affirmative vote of the holders of a majority of the shares of Art Technology Group common stock present in person or by proxy and entitled to vote at the special meeting will be required to approve the adjournment, if necessary, of the special meeting to solicit additional proxies in favor of the adoption of the merger agreement. Assuming a quorum is present at the special meeting, failure to vote, in person or by proxy, will have no effect on the approval of the adjournment proposal.

Our directors and executive officers collectively beneficially owned approximately 3.9% of our total outstanding shares, as of October 29, 2010, and these shares are subject to voting agreements. If the merger agreement terminates in accordance with its terms, these voting agreements will also terminate.

Voting

Holders of record of Art Technology Group common stock may vote their shares by attending the special meeting and voting their shares of Art Technology Group common stock in person, or one of the following three ways whether or not you plan to attend the special meeting:

- by completing your proxy through the Internet at www.investorvote.com/artg, as listed on the accompanying proxy card;
- by completing your proxy using the toll-free telephone number 1-800-652-VOTE (8683), as listed on the proxy card; or
- by completing, signing and dating the proxy card and returning it in the enclosed postage-prepaid envelope.

All shares of Art Technology Group common stock represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in the manner specified by the holder. If a written proxy card is signed by a stockholder and returned without instructions, the shares of Art Technology Group common stock represented by the proxy will be voted FOR the adoption of the merger agreement, FOR approval of any proposal to adjourn the special meeting to solicit additional proxies in favor of the adoption of the merger agreement and in accordance with the recommendations of our board of directors on any other matters properly brought before the special meeting for a vote.

Stockholders who have questions or requests for assistance in completing and submitting proxy cards should contact our proxy solicitor, , at ( ) - .

Stockholders who hold their shares of Art Technology Group common stock in street name, meaning in the name of a bank, broker or other person who is the record holder, must either direct the record holder of their shares of Art Technology Group common stock how to vote their shares or obtain a proxy from the record holder to vote their shares at the special meeting. Brokers or other nominees may not give a proxy to vote those customers shares with

respect to adoption of the merger agreement or approval of the adjournment proposal in the absence of specific instructions from those customers. Shares held by brokers or other nominees that are not voted due to the absence of instructions from their customers are commonly referred to as broker non-votes. You should follow the procedures provided by your broker regarding the voting of your shares. These non-voted shares of Art Technology Group common stock will not be counted as votes cast or shares voting and will have the same effect as votes AGAINST the adoption of the merger agreement. Assuming a quorum is present at the special meeting, non-voted shares of Art Technology Group common stock will have no effect on the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement.

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In connection with the execution of the merger agreement, the directors and executive officers of Art Technology Group, who collectively beneficially own approximately 3.9% of the voting power of Art Technology Group common stock as of October 29, 2010, entered into voting agreements agreeing to vote in favor of the adoption of the merger agreement. If the merger agreement terminates in accordance with its terms, these voting agreements will also terminate.

Revocability of Proxies

You may change your vote at any time before the polls close at the special meeting. You can do this in one of three ways. First, you can send a written, dated notice to our Secretary at Office of the Secretary, Art Technology Group, Inc., One Main Street, Cambridge, Massachusetts, 02142, stating that you would like to revoke your proxy. Second, you can complete, date and submit a new proxy card with a later date. Third, you can attend the special meeting and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions. If you have voted your proxy via the Internet or by telephone, you can revoke your proxy by voting again and only your last action via the Internet or by telephone will be counted.

Solicitation of Proxies

This proxy solicitation is being made and paid for by Art Technology Group on behalf of its board of directors. In addition, we expect to retain to assist in the solicitation for a fee of approximately $, a nominal fee per stockholder contact, reimbursement of reasonable out-of-pocket expenses and indemnification against certain losses, costs and expenses. In addition to solicitation by mail, our directors, officers and employees may solicit proxies by personal interview, e-mail, telephone, facsimile or other means of communication. Our directors, officers and employees will not receive any additional compensation for their services, but we will reimburse them for their out-of-pocket expenses. We will reimburse banks, brokers, nominees, custodians and fiduciaries for their reasonable expenses in forwarding copies of this proxy statement to the beneficial owners of shares of Art Technology Group common stock and in obtaining voting instructions from those owners. We will pay all expenses of filing, printing and mailing this proxy statement.

Proposal to Approve Adjournment of the Special Meeting

We are submitting a proposal for consideration at the special meeting to authorize the named proxies to approve one or more adjournments or postponements of the special meeting if there are not sufficient votes to adopt the merger agreement at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that we may not have received sufficient votes to adopt the merger agreement by the time of the special meeting. In that event, we would determine to adjourn or postpone the special meeting in order to solicit additional proxies. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite stockholder approval to adopt the merger agreement. Any other adjournment of the special meeting (e.g., an adjournment required because of the absence of a quorum) would be voted upon pursuant to the discretionary authority granted by the proxy.

The approval of a proposal to adjourn the special meeting would require the affirmative vote of the holders of a majority of the shares of Art Technology Group common stock present in person or by proxy and entitled to vote at the special meeting. The failure to vote shares of Art Technology Group common stock would have no effect on the approval of the adjournment proposal.

Our board of directors recommends that you vote FOR the adjournment proposal so that proxies may be used for that purpose, should it become necessary. Properly executed proxies will be voted FOR the adjournment proposal, unless

otherwise noted on the proxies. If the special meeting is adjourned or postponed, we are not required to give notice of the time and place of the adjourned meeting unless our board of directors fixes a new record date for the special meeting.

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Questions and Additional Information

If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor, , at ( ) - .

Availability of Documents

The reports, opinions or appraisals referenced in this proxy statement will be made available for inspection and copying at the principal executive offices of Art Technology Group during our regular business hours by any interested holder of Art Technology Group common stock. In addition, our list of stockholders entitled to vote at the special meeting will be available for inspection at our principal executive offices at least 10 days before the special meeting.

THE MERGER

Parties to the Merger

Art Technology Group, Inc.
One Main Street
Cambridge-, Massachusetts 02142
(617) 386-1000
www.atg.com

Art Technology Group, Inc., a Delaware corporation, develops and markets a comprehensive suite of cross-channel commerce software and services that businesses can employ to increase their online revenues and profitability. ATG Commerce is a commerce platform and business user application solution designed to enable a business to provide a scalable, reliable and sophisticated e-commerce website that can create a satisfied, loyal and profitable online customer base. Art Technology Group s platform-neutral optimization solutions for live help, lead performance, and product recommendations can be easily added to any website to increase conversions and reduce abandonment. Companies use Art Technology Group s products and related services to power their e-commerce websites, attract prospects, convert sales, increase order sizes and encourage return customers. Art Technology Group is headquartered in Cambridge, Massachusetts, with additional locations throughout North America and Europe.

Oracle Corporation
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Redwood City, California 94065
(650) 506-7000
www.oracle.com

Oracle is the world s largest enterprise software company. As a result of its acquisition of Sun Microsystems, Inc. in January 2010, Oracle is also a leading provider of hardware products and services. Oracle develops, manufactures, markets, distributes and services database and middleware software, applications software and hardware systems, consisting primarily of computer server and storage products, which are designed to help its customers manage and grow their business operations. Oracle s goal is to be the world s most complete, open and integrated enterprise software and hardware company.

Amsterdam Acquisition Sub Corporation
c/o Oracle Corporation
500 Oracle Parkway
Redwood City, California 94065
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Amsterdam Acquisition Sub Corporation, a Delaware corporation and a wholly-owned subsidiary of Oracle, was formed solely for the purpose of facilitating Oracle s acquisition of Art Technology Group.

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Amsterdam Acquisition Sub Corporation has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Upon consummation of the proposed merger, Amsterdam Acquisition Sub Corporation will merge with and into Art Technology Group and will cease to exist.

Background of the Merger

Our board of directors and management periodically review and assess our long-term strategy and objectives and developments in the markets in which we operate. Over the past several years, we have considered a diverse range of strategic alternatives with a view to increasing stockholder value, including potential opportunities for business combinations, acquisitions and other strategic alternatives.

In 2007, our senior management received separate unsolicited inquiries from two companies, Company A and Company B, who expressed interest in exploring a potential strategic business combination with Art Technology Group. In December 2007, we retained Morgan Stanley & Co. Incorporated (whom we refer to as Morgan Stanley) to act as our financial advisor, and our board of directors authorized Morgan Stanley to reach out to a number of companies that we believed might be appropriate candidates for a business combination with us, in order to better evaluate the strategic alternatives available to us in the event that either Company A or Company B were to make a formal acquisition proposal.

During late 2007 and early 2008, Morgan Stanley contacted seven companies that we considered to be likely to have a strategic interest in, and the ability to consummate, a business combination with us. These included enterprise software companies, providers of business and technology services and computer technology companies. One of these companies was Oracle. Oracle stated that while it was familiar with Art Technology Group and its business, it did not have an interest in acquiring Art Technology Group at that time. Two of the other companies also stated that they had no interest in acquiring us. Morgan Stanley and Art Technology Group executives had multiple discussions with the remaining four companies in late 2007 and early 2008 about a possible acquisition of Art Technology Group.

One of these companies, Company C, a provider of business and technology services, expressed interest in exploring a potential acquisition of Art Technology Group. In January 2008, Art Technology Group entered into a nondisclosure agreement with Company C to facilitate further discussions, and during the first three months of 2008, Art Technology Group and Company C held discussions about a potential acquisition of Art Technology Group by Company C and held a variety of meetings to discuss a potential transaction.

During the same period, Company D, another provider of business and technology services, independently contacted us to express interest in exploring a potential acquisition of Art Technology Group. Members of our management held preliminary discussions with Company D but no offer was made by Company D.

By late March 2008, none of the parties with which we had engaged in discussions had made a formal acquisition proposal, and we determined at that time to discontinue any further exploration of our strategic alternatives and continue to execute our business plan as an independent company.

In August 2008, a representative of Company C met with one of our senior executives and again broached the idea of a business combination with us. From August 2008 through November 2008, Company C and Art Technology Group held additional discussions and meetings which led to a proposal by Company C on November 11, 2008 to acquire Art Technology Group in a cash and stock transaction valued at approximately $2.50 per share. Following a review with our advisors, our board of directors rejected Company C s offer because it undervalued Art Technology Group.

Over the next several months, discussions continued which led to Company C providing a revised proposal in March 2009 to acquire Art Technology Group for cash and stock consideration with a value at the time of approximately $3.40 to $3.75 per share. Our board of directors rejected the offer as too low and authorized Art Technology Group management and Morgan Stanley to negotiate with a view to determining whether a higher price could be obtained that would be more attractive to Art Technology Group stockholders.

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In late March and early April 2009, further negotiations and preliminary exchanges of due diligence information took place between us and Company C.

On April 15, 2009, the chief executive officer of Company C attended a meeting of our board of directors, at which he presented his rationale for a combination of our two companies, but did not propose any increase in the offered price. Later at this meeting, our directors reviewed the background of our exploration of our strategic alternatives, dating back to late 2007, and concluded that it would be prudent to reach out to other potential partners before further consideration of a transaction with Company C. With advice from Morgan Stanley, our directors also discussed the range of valuation and mix of cash and stock consideration that the board considered would be attractive to Art Technology Group stockholders. They also discussed the need to do additional due diligence on Company C, in light of the fact that the proposed consideration included Company C stock. Our board then authorized Morgan Stanley to contact two parties, Oracle and another enterprise software company, Company E, each of which had been contacted during our earlier outreach in late 2007 and early 2008. The board also directed management to inform Company C that the price offered still was not acceptable to Art Technology Group.

On April 16, 2009, Morgan Stanley contacted Oracle and discussed the potential for an acquisition of Art Technology Group by Oracle. In late April 2009, Oracle and Art Technology Group entered into a confidentiality agreement, and over the next two months, Oracle conducted diligence on Art Technology Group.

In May 2009, Company E advised us that it was not interested in pursuing further discussions.

Also in May 2009, Company C revised its offer to include a different mix of cash and stock having a value at the time of approximately $3.82 per share. Our board rejected this proposal as it continued to undervalue Art Technology Group. In early June 2009, the two companies agreed to terminate their discussions.

In late June 2009, Oracle informed us that it intended to terminate its discussions with us concerning a possible business combination.

In February 2010, we completed a public offering of our common stock, raising net proceeds of $95 million for the stated purpose of, among other things, financing the acquisition of businesses, technologies and products that would complement our existing operations. From February 2010 through October 2010, our management was actively engaged in preliminary discussions and due diligence with a number of potential acquisition targets.

In March 2010, Art Technology Group was approached by a provider of business and technology services, Company F, to explore a potential acquisition of Art Technology Group for cash. After initial discussions between our senior management and senior management of Company F and a preliminary exchange of publicly available information, we concluded that it was unlikely that Company F could finance a cash transaction at a price that would be attractive to our stockholders. Ultimately, no offer was made by Company F to acquire Art Technology Group.

In May 2010, we commenced discussions with Company G concerning our possible acquisition of Company G. These negotiations and related due diligence activities continued until late October 2010.

In mid-August 2010, a representative of Company H, an enterprise software company, contacted our senior management to discuss a strategic relationship between our companies. Senior management from both companies met and discussed a range of options, including a potential acquisition of Art Technology Group.

On September 11, 2010, Company H submitted a written proposal to acquire Art Technology Group for cash at a price equal to the greater of $4.30 per share or a price representing a premium of 30% above the average closing price per share for Art Technology Group common stock in the ten trading days prior to execution of a definitive agreement,

subject to a maximum of $4.85 per share. The average closing price for Art Technology Group common stock in the ten trading days prior to September 11, 2010 was $3.64, which under the pricing formula proposed by Company H would have resulted in an effective offer price of $4.72 per share.

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On September 16, 2010 our board held a regularly scheduled full-day meeting for the purpose of, among other things, conducting its annual review of our five-year strategic plan. The board received management presentations concerning, and discussed at length, a number of topics including broad trends in our markets, our competitive positioning, the size and likely growth of the eCommerce market, the competitive landscape and the product offerings of our competitors, our short- and medium-term opportunities and plans for growth in various geographies and segments of our markets, our technology and product development plans and management s targets for our financial performance for the balance of 2010 and each year in the five-year period ending December 31, 2015.

Following this discussion, our senior management led a discussion of the proposal received from Company H. The directors discussed the merits of a sale of the company compared with the alternative of remaining independent and pursuing the strategic plan outlined by management, including potential accretive acquisitions currently under active consideration, such as the pending negotiations to acquire Company G. They also discussed the possibility that other parties might be interested in pursuing a transaction with us at a price higher than that being offered by Company H.

Representatives of our outside legal counsel, Foley Hoag LLP (whom we refer to as Foley Hoag), briefed the directors on their fiduciary duties under Delaware law when considering a transaction involving a sale of control of Art Technology Group such as that proposed by Company H. Representatives of Morgan Stanley presented a preliminary valuation analysis of Art Technology Group, along with an analysis of the Company H proposal in comparison to our standalone value creation potential. Representatives of Morgan Stanley also reviewed the history of discussions between us and various parties with whom we had contact in the course of previous explorations of our strategic alternatives in 2007, 2008 and 2009, and provided their views on the likely levels of interest, financial capability and ability of such parties to respond rapidly to an overture from us. Our board considered the ability to respond quickly to be important, given our discussions with Company G and other potential acquisition targets.

The consensus of the directors was that the Company H proposal was not in the best interest of Art Technology Group stockholders. Our board considered that the proposed pricing mechanism tied to a fixed premium created unacceptable uncertainty as to the offer price. They viewed the implied offer range, as limited by the $4.85 per share cap, as opportunistic, given that our share price was below its 52-week high, and as significantly undervaluing the Company in light of our strategic plan and expected strong financial performance for the balance of 2010 and the next several years.

The directors instructed our senior management to inform Company H that the suggested share price proposed by Company H was unacceptable as a basis for exclusive negotiations, and that we believed that our standalone plan supported a valuation in excess of $6.00 per share. They also concluded that no contact would be made with other potential buyers since at this stage the board was not seeking to sell the company.

On September 17, 2010, our senior management conveyed to Company H the response of our board to their proposal. A senior executive of Company H responded that Company H was not interested at the proposed price level.

On September 19, 2010, a representative of Morgan Stanley met with a senior executive of Company H and reiterated that Art Technology Group might be willing to consider a transaction at a price greater than $6.00 per share. The executive of Company H again indicated that Company H was not interested at the proposed price level.

On October 1, 2010 we entered into a nonbinding letter of intent to acquire Company G. The acquisition of Company G was viewed by our management and board of directors as potentially important to our near-term strategy. The financial terms of this transaction, as contemplated by the letter of intent, would have been highly material to us.

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From October 1, 2010 until October 22, 2010, our management team and outside counsel devoted substantial time and effort to completing due diligence and negotiations with Company G on an expedited basis, with the goal of executing and announcing definitive agreements in conjunction with our earnings release on November 2, 2010.

On October 4, 2010, Company H contacted Morgan Stanley and orally expressed an interest in making a new proposal to acquire Art Technology Group for $5.50 per share. Morgan Stanley advised Company H that such an offer was unlikely to be acceptable to our board of directors. Company H then asked Morgan Stanley whether an offer at $5.75 per share would be viewed favorably by our board, stating that at that price Company H would require 30 days of exclusivity. Company H also stated that the $5.75 per share price was premised on Art Technology Group s stock maintaining at least its current trading level and that if our stock declined and the implied premium to the current price increased significantly, any offer at this price would be withdrawn. Morgan Stanley recommended to Company H that, if Company H intended to make such a proposal, it do so directly to us in writing.

On October 5, 2010, our board of directors met to discuss this indirect overture from Company H. Our senior management advised the board that any discussions with Company H would need to be conducted expeditiously, as we were in the late stages of negotiations with regard to acquisition of Company G and also in discussions with other potential acquisition targets. The directors discussed the importance of managing any discussion with Company H in such a way as to avoid disrupting the negotiations with Company G and potentially winding up with neither deal.

Representatives of Morgan Stanley presented an updated valuation analysis comparing a potential transaction at the $5.75 per share price suggested by Company H to implied valuations for the Company based on market multiples applied to consensus equity research estimates and management estimates of our future financial performance, as well as an analysis of premiums paid in recent precedent transactions and potential synergies available to Company H. The directors discussed whether Company H would raise its offer, and the representatives of Morgan Stanley stated that in their view it was unlikely Company H would agree to another significant increase in price.

The directors discussed the risks involved in pursuing both the Company G and Company H negotiations on a dual track, and our senior management stated that it would be essential to know in advance of the November 2 earnings announcement whether a deal with Company H had a high probability of being consummated, at which time we might need to choose one course over the other. The directors also reviewed the history of our prior exploration of our strategic alternatives, which had not resulted in any other formal or informal offer to acquire us at an acceptable price, and discussed the risks and benefits of outreach to other parties. The board of directors discussed potential disruptions to our business should contact with other parties be made, the need to disclose, during such process, competitively sensitive information to competitors and potential competitors, and the possibility of leaks and consequent damage to our business that might arise from making contact with other parties. They also discussed the risk that if the process were opened to other parties, both the Company G and Company H opportunities could be lost. The representative of Morgan Stanley stated that Company H had warned that it was unwilling to engage in a competitive process and would withdraw from discussions if its offer were shopped. The directors reviewed a list of potentially interested parties and concluded that of these, only Oracle, which had previously indicated interest and had already done preliminary due diligence, was likely to be interested enough and able to move quickly enough to warrant the risk of opening the process to another party at this time.

The directors discussed our historical stock price, the execution and market risks inherent in a standalone strategy, and the potential for near-term and longer-term appreciation in our stock price, including the likely market reaction to our third quarter results and announcement of a deal to acquire Company G, and the potential to obtain a higher offer from Company H. Foley Hoag again reviewed with the directors their fiduciary duties under Delaware law should the board determine to pursue a sale of control of Art Technology Group.

The directors instructed management to seek to have Company H confirm its proposal in writing and enter into a confidentiality agreement that would enable management to share with Company H non-public

information supporting the board s view of our long-term value, with a view to establishing as expeditiously as possible whether a transaction at a higher price was achievable. They also instructed management to contact Oracle to determine its interest in acquiring us. Additionally, the board directed management to aggressively pursue negotiations with Company G with the goal of being in a position to execute a definitive agreement prior to the November 2, 2010 earnings announcement.

On October 5, 2010, representatives of Morgan Stanley contacted Company H and communicated to Company H that its hypothetical $5.75 per share offer was inadequate, that time was of the essence given other transactions being pursued by us, and that if they were prepared to offer a price of at least $6.00 per share, our board would consider entering into a period of exclusivity and providing non-public information to support our views on valuation. Company H was again encouraged to put its offer in writing for board consideration.

Also on October 5, 2010, representatives of Morgan Stanley contacted Oracle, informed them that we had been approached by another party and inquired about Oracle s interest in acquiring Art Technology Group. Morgan Stanley advised Oracle that given the exclusivity request of another party, as well as our pending negotiations to acquire another company in a material transaction, time was of the essence.

Later on October 5, 2010, an Oracle executive informed Morgan Stanley that Oracle was interested in exploring a potential acquisition, and for the next several days, Oracle conducted due diligence on us.

On October 12, 2010, Oracle submitted to us a written proposal to acquire Art Technology Group for $6.00 per share in cash, which included a request for exclusivity.

On October 13, 2010 Art Technology Group s board of directors met to consider Oracle s offer. Our senior management briefed the directors on management s communications and meetings with Oracle. Representatives of Morgan Stanley presented an updated valuation analysis. They also reported that Company H had not submitted any written proposal or otherwise responded to our senior management s and Morgan Stanley s most recent communications with them during the first week of October.

The consensus of the directors was that the $6.00 per share price offered by Oracle provided fair value for our stockholders and could exceed the present value of potential share prices that otherwise would likely be achieved over the next several years, while eliminating the execution risks in our strategic business plan, but that it would be desirable to obtain a higher price if possible.

The directors discussed the fact that time was of the essence given our pending negotiations to acquire Company G. They discussed the risks and benefits of seeking a higher price, which could require extended negotiations, or pushing to obtain certainty by accelerating the due diligence and negotiation of a definitive agreement on a more rapid timetable than that contemplated by the Oracle proposal. The directors concluded that our senior management and Morgan Stanley should be authorized to negotiate with Oracle with a view to obtaining Oracle s commitment to an accelerated due diligence and negotiation process, and if possible, a higher offer.

On October 13, 2010, we sent to Oracle our comments on their written proposal, requesting that they increase the offer price to $6.25 per share, proposing a shorter exclusivity period and also suggesting modifications to the exclusivity language to enable us to continue our negotiations with Company G.

Later on October 13, 2010, Oracle rejected our request for a higher price but agreed to a shorter exclusivity period, such exclusivity being a requirement for further discussions, and on October 14, 2010 we entered into an agreement with Oracle providing them with such shorter exclusivity period.

Between October 14, 2010 and November 2, 2010, Oracle s legal advisor, Davis Polk & Wardwell LLP (whom we refer to as Davis Polk), Foley Hoag and representatives of Art Technology Group, Morgan Stanley and Oracle had exchanges related to the transaction process and conducted due diligence.

Between October 21, 2010 and November 2, 2010, representatives of Art Technology Group and Oracle and their respective counsel negotiated the proposed merger agreement, the proposed voting agreement, an

amendment to our rights agreement to ensure that the transactions contemplated by the merger agreement would not constitute a triggering event under our rights plan, and other transaction documents.

On October 22, 2010, our board of directors met to review the progress of the transaction. Our senior management briefed the directors on the status of the negotiations and the Oracle due diligence investigation. Representatives of Foley Hoag reviewed the key terms of the proposed merger agreement and voting agreement, and led a discussion of the fiduciary duties of the directors relevant to their consideration of the proposed agreements. The board authorized our senior management to continue negotiations with Oracle and to seek modifications to the proposed agreements.

Our board also determined at this time that, in light of the progress of negotiations with Oracle, discussions with Company G should be suspended, and Company G was so advised later on October 22, 2010.

During the period from October 30, 2010 to October 31, 2010, Foley Hoag provided to our directors updated drafts of the merger agreement, the voting agreement and the amendment to our rights agreement, reported to the directors on the modifications that had been made to the agreements and responded to questions from the directors about the agreements.

On the evening of November 1, 2010, our board of directors met to discuss the transaction. All of our directors participated throughout the meeting. Also in attendance by invitation of the board of directors were representatives of Foley Hoag and of Morgan Stanley.

Representatives of Morgan Stanley reviewed with the board of directors Morgan Stanley s updated financial analyses of the proposed transaction and delivered Morgan Stanley s oral opinion, subsequently confirmed in writing, that as of November 1, 2010, and based upon and subject to the various assumptions, procedures, factors, qualifications and limitations set forth in the written opinion, the consideration to be received by holders of shares of Art Technology Group common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

Our board of directors again discussed the risks and benefits of remaining independent and continuing to pursue our five-year strategic plan. They considered the historical trading prices of our common stock and reviewed Morgan Stanley s financial analyses, which are described more fully in The Merger Opinion of Art Technology Group s Financial Advisor below. The directors also considered the integration and execution risks associated with the acquisition of Company G, the possibility that Company G would not achieve its expected revenue growth and other financial goals, and the fact that the payment of the purchase price in cash and stock for Company G would adversely affect our cash position and authorized common stock available for other purposes, thus restricting our flexibility to pursue other initiatives. They also discussed the technological, competitive, macroeconomic and other risks to successful execution of our strategic plan, including risks relating to new product introductions and the continuing evolution of our business toward a software as a service business model, as well as the possibility that the market might initially react unfavorably to announcement of our acquisitions. They noted that the Oracle transaction would eliminate these execution risks for our stockholders.

The directors discussed our history of outreach to third parties extending back to 2007, and the fact that the highest formal offer previously received by us was the $4.85 per share offered by Company H in September 2010, noting that Company H had failed to respond to our repeated invitations to increase that offer in writing.

The representatives of Foley Hoag discussed the key terms of the merger agreement, the voting agreement and the amendment to our rights agreement, copies of which had been distributed to the directors prior to the meeting, and reviewed with the directors their fiduciary duties in connection with entry into an agreement for sale of control of Art Technology Group.

Following these presentations and the related discussions, our board of directors unanimously approved the $6.00 per share price and the other terms of the transaction, unanimously determined that the merger

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agreement was advisable and in the best interests of Art Technology Group and its stockholders, unanimously approved the merger in accordance with the Delaware General Corporation Law, and unanimously recommended that the stockholders of Art Technology Group vote in favor of adoption of the merger agreement.

On November 2, 2010, Art Technology Group and Oracle executed the merger agreement, all signatories to the voting agreements executed such agreements, and Art Technology Group and the rights agent executed the amendment to our rights agreement.

On November 2, 2010, Art Technology Group and Oracle issued press releases announcing the execution of the merger agreement.

Reasons for the Merger and Recommendation of our Board of Directors

Reasons for the Merger

In the course of reaching its decision to approve the merger and the merger agreement, our board of directors held numerous meetings and consulted with our senior management, legal counsel and financial advisor, reviewed a significant amount of information and considered a number of factors, including, among others, the following factors:

- information concerning our business, financial performance (both past and prospective) and our financial condition, results of operations (both past and prospective), business and strategic objectives, as well as the risks to accomplishing those objectives;

- our business and financial prospects if we were to remain an independent company, and the scale required to effectively compete in the industry;

- the risks inherent in executing an acquisition strategy as an independent company;

- the possible alternatives to the merger (including the possibility of continuing to operate as an independent entity, and the perceived risks thereof), the range of possible benefits to our stockholders of those alternatives and the timing and the likelihood of accomplishing the goal of any of such alternatives, and our board of directors assessment that the merger with Oracle presented a superior opportunity to such alternatives for our stockholders;

- the results of discussions with third parties relating to a possible business combination or similar transaction with us;

- the process undertaken by our board of directors in connection with evaluating this and other strategic transactions and the terms and conditions of the proposed merger, in each case in light of the current market dynamics in the industry;

- current financial market conditions and historical market prices, volatility and trading information with respect to Art Technology Group common stock;

- the potential for obtaining a superior offer from an alternative purchaser in light of the other potential purchasers previously identified and contacted by our management or our financial advisor and the risk of losing the proposed transaction with Oracle; and

the terms of the merger agreement, including the parties representations, warranties and covenants, the conditions to their respective obligations and the termination rights of the parties.

In the course of its deliberations, our board of directors also considered, among other things, the following positive factors:

the value of the consideration to be received by our stockholders in the merger pursuant to the merger agreement;

the fact the consideration to be received by holders of shares of our common stock pursuant to the merger agreement of $6.00 per share reflected a 43% premium to the closing price per share of our common stock as of October 29, 2010, a 44% premium to the average closing price per share of our

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common stock for the 30 trading days prior to and including October 29, 2010, and a 56% premium to the average closing price per share of our common stock for the 60 trading days prior to and including October 29, 2010;

the multiple of our revenue represented by the $6.00 per share purchase price relative to multiples of revenue represented by the consideration paid in comparable precedent transactions;

Morgan Stanley s oral opinion, subsequently confirmed in writing, that as of November 1, 2010, based upon and subject to the various assumptions, procedures, factors, qualifications and limitations set forth in the written opinion, the consideration be received by holders of shares of Art Technology Group common stock pursuant to the merger agreement was fair from a financial point of view to such holders;

the likelihood that the proposed acquisition would be consummated, in light of the experience, reputation and financial capabilities of Oracle;

the fact that Oracle has, and has represented to us in the merger agreement that it has, adequate capital resources to pay the merger consideration;

the form of merger consideration, consisting solely of cash, which provides certainty of value to our stockholders;

the process through which Art Technology Group, with the assistance of its financial advisor, engaged in or sought to engage in discussions with other companies believed to be the most likely candidates to pursue a business combination with or acquisition of Art Technology Group;

the belief of our board of directors that, after extensive negotiations with Oracle and its representatives, we have obtained the highest price per share that Oracle is willing to pay and the highest price reasonably obtainable on the date of signing of the merger agreement;

the fact that the merger agreement, subject to the limitations and requirements contained in the agreement, provides our board of directors with flexibility to furnish information to and conduct negotiations with third parties in certain circumstances and, upon payment to Oracle of a termination fee of $33.5 million (which our board of directors believes is reasonable under the circumstances) to terminate the merger agreement, to accept a superior offer;

the other terms and conditions of the merger agreement, including among other things the size of the termination fee and the circumstances when that fee may be payable; the limited number and nature of the conditions to Oracle s obligation to complete the merger, including (but not limited to) the absence of a financing condition and the adequacy of Oracle s capital resources to pay the merger consideration; and the definition of material adverse effect and the exceptions for what constitutes a material adverse effect for purposes of the merger agreement; and

the fact that the voting agreements with our officers and directors terminate in the event that we terminate the merger agreement which permits those persons to support a transaction involving a superior offer.

In the course of its deliberations, our board of directors also considered, among other things, the following negative factors:

the potential loss of customer or other commercial relationships of Art Technology Group as a result of the customer s or other party s unwillingness to do business with Oracle, or other potential disruption to customer, vendor or other commercial relationships important to us as a result of the merger;

the possibility that the merger will not be consummated and the potential negative effect of the public announcement of the merger on our sales, operating results and stock price and our ability to retain customers and key management, sales and marketing and technical personnel;

the fact that our stockholders would not participate in any future growth potential or benefit from any future increase in our value;

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the fact that by proceeding with a sale of the company we would forego the potential benefits of a strategic acquisition of Company G, as described in The Merger Background of the Merger.

the conditions to Oracle s obligation to complete the merger and the right of Oracle to terminate the merger agreement under certain circumstances;

the possibility that we may be obligated to pay Oracle a termination fee of $33.5 million or reimburse Oracle for its expenses if the merger agreement is terminated under certain circumstances;

the fact that the merger consideration consists of cash and will therefore be taxable to our stockholders for U.S. federal income tax purposes;

the restrictions on our ability to solicit or engage in discussions or negotiations regarding alternative business combination transactions, subject to specified exceptions, and the requirement that we pay a termination fee of $33.5 million in order to accept a superior acquisition proposal, which may discourage a competing proposal to acquire us that may be more advantageous to our stockholders;

the restrictions on the conduct of our business prior to the completion of the merger, requiring us to conduct our business in the ordinary course, subject to specific limitations, which may delay or prevent us from undertaking business opportunities that may arise pending completion of the merger;

the risk of diverting management s focus and resources from other strategic opportunities and from operational matters while working to implement the merger, and the possibility of other management and employee disruption associated with the merger, including the possible loss of key management, technical or other personnel; and

the interests that certain of our directors and executive officers may have with respect to the merger, in addition to their interests as stockholders of Art Technology Group generally, as described in The Merger Interests of Our Directors and Executive Officers in the Merger.

The preceding discussion of the information and factors considered by our board of directors is not, and is not intended to be, exhaustive. In light of the variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, our board of directors did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weights to the various factors considered in reaching its determination. In addition, our board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determination of our board of directors, but rather our board of directors conducted an overall analysis of the factors described above, including discussions with and questioning of our senior management, legal counsel and financial advisor.

Board of Directors Recommendation

After careful consideration, our board of directors has unanimously approved the merger agreement, deems it advisable and in the best interests of Art Technology Group s stockholders to consummate the merger and the other transactions contemplated by the merger agreement, on the terms and subject to the conditions set forth in the merger agreement. **Accordingly, our board of directors unanimously recommends that our stockholders adopt the merger agreement and that you vote FOR the adoption of the merger agreement at the special meeting.**

Opinion of Art Technology Group s Financial Advisor

We retained Morgan Stanley to provide us with financial advisory services and a financial opinion in connection with a possible merger, sale or other strategic business combination. Our board of directors selected Morgan Stanley to act as our financial advisor based on Morgan Stanley s qualifications, expertise and reputation and its knowledge of our business and affairs. At the meeting of our board of directors on November 1, 2010, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, that as of November 1, 2010, and based upon and subject to the various assumptions, procedures, factors, qualifications

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and limitations set forth in the written opinion, the consideration to be received by the holders of shares of our common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Morgan Stanley, dated as of November 1, 2010, is attached to this proxy statement as Annex B. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. We encourage you to read the entire opinion carefully and in its entirety. Morgan Stanley s opinion is directed to our board of directors and addresses only the fairness from a financial point of view of the consideration to be received by holders of shares of our common stock pursuant to the merger agreement as of the date of the opinion. It does not address any other aspects of the merger and does not constitute a recommendation to any holder of our common stock as to how to vote at any stockholders meeting held in connection with the merger or whether to take any other action with respect to the merger. The summary of the opinion of Morgan Stanley set forth below is qualified in its entirety by reference to the full text of the opinion.

In connection with rendering its opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other business and financial information of our company;
- reviewed certain internal financial statements and other financial and operating data concerning our company;
- reviewed certain financial projections prepared by our management;
- discussed the past and current operations and financial condition and the prospects of our company with our senior executives;
- reviewed the reported prices and trading activity for our common stock;
- compared our financial performance and the trading activity of our common stock with that of certain other publicly traded companies comparable to us, and their securities;
- reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- participated in discussions and negotiations among representatives of Art Technology Group and Oracle;
- reviewed the merger agreement and certain related documents; and
- performed such other analyses and considered such other factors as it deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by us and formed a substantial basis for its opinion. With respect to the financial projections, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of our management of the future financial performance of the company. In addition, Morgan Stanley assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on

the contemplated benefits expected to be derived in the proposed merger. Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of the company and its legal, tax or regulatory advisors with respect to legal, tax or regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of our officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of our common stock in the transaction. Morgan Stanley did not make any independent valuation or

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appraisal of our assets or liabilities, nor was Morgan Stanley furnished with any such appraisals. Morgan Stanley s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, November 1, 2010. Events occurring after November 1, 2010 may affect its opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

The following is a brief summary of each of the material analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion letter dated November 1, 2010. The various analyses summarized below were based on the closing price of $4.20 per share of our common stock as of October 29, 2010, the last full trading day prior to the meeting of our board of directors to consider and approve, adopt and authorize the merger agreement. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.

Trading Range Analysis. Morgan Stanley performed a trading range analysis with respect to the historical share prices of our common stock. Morgan Stanley reviewed the range of closing prices of our common stock for various periods ending on October 29, 2010. Morgan Stanley observed the following:

Period Ending October 29, 2010	**Range of Closing Prices**	
Last 30 Trading Days	$ 3.80	4.43
Last 90 Trading Days	$ 3.07	4.43
Last 12 Months	$ 3.07	4.80

Morgan Stanley also noted that the consideration to be received by holders of shares of our common stock pursuant to the merger agreement of $6.00 per share reflected a 43% premium to the closing price per share of our common stock as of October 29, 2010, a 44% premium to the average closing price per share of our common stock for the 30 trading days prior to and including October 29, 2010, and a 56% premium to the average closing price per share of our common stock for the 60 trading days prior to and including October 29, 2010.

Comparable Company Analysis. Morgan Stanley performed a comparable company analysis, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley compared certain of our financial information with comparable publicly available consensus equity research estimates for companies that shared similar business characteristics with us, such as those that provide Internet technology or those that have similar scale and operating characteristics (the Comparable Companies). These companies comprised the following:

Adobe Systems Incorporated

Ariba, Inc.

Digital River, Inc.

GSI Commerce, Inc.

LivePerson, Inc.

Nuance Communications, Inc.

Open Text Corporation

RightNow Technologies, Inc.

ValueClick, Inc.

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For purposes of this analysis, Morgan Stanley analyzed the following statistics of each of these companies for comparison purposes:

the ratio of aggregate value, defined as fully diluted market capitalization plus total debt less cash and cash equivalents, to estimated revenue for calendar year 2010 and 2011; and

the ratio of price to estimated earnings per share for calendar year 2010 and 2011.

Based on the analysis of the relevant metrics for each of the Comparable Companies, Morgan Stanley selected representative ranges of financial multiples and applied these ranges of multiples to the relevant financial statistic of our company. For purposes of estimated calendar year 2010 and calendar year 2011 revenue and earnings per share, Morgan Stanley utilized all publicly available estimates for our company that were available to Morgan Stanley, prepared by equity research analysts and available as of October 29, 2010 (the Street Case, as further described below), and for estimated calendar year 2011 revenue and earnings per share, Morgan Stanley also utilized estimates prepared by our management (the Management Case, as further described below).

Based on our outstanding shares, options and RSUs as of October 29, 2010, Morgan Stanley estimated the implied value per share of our common stock as of October 29, 2010 as follows:

Calendar Year Financial Statistic	Comparable Company Multiple Range		Implied Value Per Share of the Company Common Stock	
Street Case				
Aggregate Value to Estimated 2010 Revenue	2.7x	3.7x	$ 4.22	$5.39
Aggregate Value to Estimated 2011 Revenue	2.5x	3.5x	$ 4.36	$5.69
Price to Estimated 2010 Earnings Per Share	18.0x	26.0x	$ 3.60	$5.20
Price to Estimated 2011 Earnings Per Share	16.0x	24.0x	$ 3.84	$5.76
Management Case				
Aggregate Value to Estimated 2011 Revenue	2.5x	3.5x	$ 4.58	$5.99
Price to Estimated 2011 Earnings Per Share	16.0x	24.0x	$ 3.84	$5.76

Morgan Stanley noted that the consideration to be received by holders of shares of our common stock pursuant to the merger agreement is $6.00 per share.

No company utilized in the comparable company analysis is identical to our company. In evaluating comparable companies and selecting representative ranges of financial multiples, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond our control, such as the impact of competition on our business and the industry generally, industry growth and the absence of any adverse material change in our financial condition and prospects or in the industry or financial markets in general. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using peer group data.

Equity Research Analysts Price Targets. Morgan Stanley reviewed and analyzed all future public market trading price targets for our common stock that were available to Morgan Stanley prepared and published by equity research

analysts and available as of October 29, 2010. These targets reflect each analyst s estimate of the future public market trading price of our common stock and are not discounted to reflect present values. The range of undiscounted analyst price targets for our common stock was $5.00 to $6.00 as of October 29, 2010, and Morgan Stanley noted that the median undiscounted analyst price target was $5.50.

Morgan Stanley noted that the consideration to be received by holders of shares of our common stock pursuant to the merger agreement is $6.00 per share.

The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for our common stock and these estimates are subject to uncertainties, including our future financial performance and future financial market conditions.

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Discounted Equity Value Analysis. Morgan Stanley performed a discounted equity value analysis, which is designed to provide insight into the estimated future value of a company s common equity as a function of the company s estimated future earnings and a potential range of price to earnings ratios. The resulting value is subsequently discounted to arrive at a present value for such company s stock price. In connection with this analysis, Morgan Stanley calculated a range of present equity values per share of our common stock on a standalone basis. To calculate the discounted equity value, Morgan Stanley used calendar year 2012 forecasts from each of the Street Case and Management Case. Morgan Stanley applied a range of price to earnings multiples to these estimates and applied a discount rate of 9.2%, based on the estimated cost of capital for our company.

The following table summarizes Morgan Stanley s analysis:

Calendar Year 2012 Assumed Earnings Per Share	Comparable Company Multiple Range		Implied Present Value Per Share of the Company	
Street Case	16.0x	20.0x	$ 4.40	$5.50
Management Case	18.0x	24.0x	$ 4.75	$6.33

Morgan Stanley noted that the consideration to be received by holders of shares of our common stock pursuant to the merger agreement is $6.00 per share.

Analysis of Precedent Transactions. Morgan Stanley performed a precedent transactions analysis, which is designed to imply a value of a company based on publicly available financial terms and premia of selected transactions that share some characteristics with this transaction.

In connection with its analysis of precedent transaction premia, Morgan Stanley compared publicly available statistics for selected technology sector transactions occurring between January 1, 2009 and October 29, 2010 with a transaction value greater than $250 million.

In connection with its analysis of precedent transaction multiples, Morgan Stanley compared publicly available statistics for 22 selected software sector transactions involving companies that shared certain similar business characteristics with us occurring between January 1, 2007 and October 29, 2010. The following is a list of these software sector transactions:

Selected Software Transactions (Target / Acquiror)

Altiris, Inc. / Symantec Corporation
Authorize.Net Holdings, Inc. / CyberSource Corporation
BEA Systems, Inc. / Oracle Corporation
Business Objects S.A. / SAP AG
Cognos Incorporated / International Business Machines Corporation
Fast Search & Transfer, ASA. / Microsoft Corporation
Hyperion Solutions Corporation / Oracle Corporation
Interactive Data Corporation / Investor Consortium
Interwoven Inc. / Autonomy Corporation plc
McAfee, Inc. / Intel Corporation

Omniture, Inc. / Adobe Systems Incorporated
Opsware Inc. / Hewlett-Packard Company
Phase Forward Incorporated / Oracle Corporation
SkillSoft plc. / Investor Consortium
SonicWALL, Inc. / Investor Consortium
SPSS Inc. / International Business Machines Corporation
Sun Microsystems, Inc. / Oracle Corporation
Sybase, Inc. / SAP AG
WebEx Communications, Inc. / Cisco Systems, Inc.
webMethods, Inc. / Software AG
Wind River Systems, Inc. / Intel Corporation
Witness Systems, Inc. / Verint Systems Inc.

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For each transaction referenced above, Morgan Stanley noted the following financial statistics where available: (1) implied premium to the acquired company s closing share price on the last trading day prior to announcement; (2) implied premium to the acquired company s average closing share price for the 30 trading days prior to announcement; (3) the ratio of aggregate value of the transaction to next twelve months estimated EBITDA estimate; and (4) the ratio of price to next twelve months estimated earnings per share.

Based on an analysis of the relevant metrics and time frame for each transaction referenced above, Morgan Stanley selected ranges of implied premia and financial multiples of the transactions and applied these ranges of premia and financial multiples to the relevant financial statistic of our company. For purposes of estimated next twelve months EBITDA and earnings per share, Morgan Stanley utilized all publicly available consensus equity research estimates that were available to Morgan Stanley as of October 29, 2010. The following table summarizes Morgan Stanley s analysis:

Precedent Transaction Financial Statistic	Reference Range	Implied Value Per Share of the Company
Premium to 1-day Prior Closing Share Price	20% - 60%	$5.04 - $6.72
Premium to 30-day Average Closing Share Price	25% - 60%	$5.22 - $6.69
Aggregate Value to Estimated Next Twelve Months EBITDA	9.0x - 13.0x	$4.18 - $5.57
Price to Estimated Next Twelve Months Earnings Per Share	17.0x - 27.0x	$4.12 - $6.54

Morgan Stanley noted that the consideration to be received by holders of shares of our common stock pursuant to the merger agreement is $6.00 per share.

No company or transaction utilized in the precedent transactions analysis is identical to us or the merger. In evaluating the precedent transactions and selecting ranges of implied premia and financial multiples, Morgan Stanley made judgments and assumptions with regard to general business, market and financial conditions and other matters, which are beyond our control, such as the impact of competition on our business or our industry generally, industry growth and the absence of any adverse material change in our financial condition or in our industry or financial markets in general, which could affect the public trading value of the companies and the aggregate value and equity value of the transactions to which they are being compared.

In connection with the review of the merger by our board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley s view of the actual value of the company. In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters. Many of these assumptions are beyond our control. Any estimates contained in Morgan Stanley s analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness of the consideration pursuant to the merger agreement from a financial point of view to holders of shares of our common stock and in connection with the delivery of its opinion, dated November 1, 2010, to our board of directors. These analyses do not purport to be appraisals or to reflect the prices at which shares of our common stock might actually trade.

The consideration was determined through arm s length negotiations between Art Technology Group and Oracle and was approved by our board of directors. Morgan Stanley provided advice to our board of directors during these negotiations. Morgan Stanley did not, however, recommend any specific consideration to us or

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our board of directors or that any specific consideration constituted the only appropriate consideration for the merger.

Morgan Stanley s opinion and its presentation to our board of directors was one of many factors taken into consideration by our board of directors in deciding to approve, adopt and authorize the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of our board of directors with respect to the merger consideration or of whether our board of directors would have been willing to agree to different consideration.

Our board of directors retained Morgan Stanley based upon Morgan Stanley s qualifications, experience and expertise. Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley, as part of its investment banking and financial advisory business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate, estate and other purposes. In the ordinary course of Morgan Stanley s trading, brokerage, investment management and financing activities, Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions and may trade or otherwise effect transactions, for their own account or for the accounts of customers in the debt or equity securities or senior loans of Art Technology Group, Oracle or any other parties, commodities or currencies that may be involved in the transactions contemplated by the merger agreement or any related derivative instrument. In the two years prior to the date of its opinion, Morgan Stanley has provided financial advisory and financing services for Art Technology Group and Oracle and has received fees in connection with such services.

Our engagement letter with Morgan Stanley provides that Morgan Stanley will receive fees for its financial advisory services that are contingent upon the closing of any business combination whereby we are acquired. The letter provides that the fees payable to Morgan Stanley equal a percentage of the aggregate transaction value of such business combination, and that such percentage will be higher if the per share value to be received by holders of our common stock in the transaction is equal to or greater than $6.00. As compensation for Morgan Stanley s financial advisory services and its delivery of a financial opinion in connection with a merger providing per share value to our shareholders of $6.00 or more, we agreed to pay Morgan Stanley fees of approximately $13.4 million, of which approximately $3.4 million would become payable upon announcement of such merger and the remaining approximately $10.1 million would become payable upon the closing of such merger. We have also agreed to reimburse Morgan Stanley for its expenses, including fees of outside counsel and other professional advisors, incurred in connection with its engagement. In addition, we have agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, relating to or arising out of Morgan Stanley s engagement or any related transactions. Morgan Stanley s opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with Morgan Stanley s customary practice.

Certain Prospective Financial Information

Our senior management does not as a matter of course make public forecasts or projections as to future performance or earnings beyond the current fiscal quarter and generally does not make public projections for extended periods due to the unpredictability of the underlying assumptions and estimates. However, as part of our normal annual update of our five-year strategic plan, during the third quarter of each year, our management prepares and presents to our board of directors management s targets for our total revenue, net income (non-GAAP) and net income per share (non-GAAP), and our potential future illustrative undiscounted stock prices at certain assumed market multiples for the five succeeding years, assuming successful implementation of the strategic plan. Subsequently, generally during the fourth quarter of each year, our management prepares a detailed, bottoms-up annual operating plan for the

succeeding year, which is reviewed and approved by our board of directors prior to year end. This detailed planning process has not yet been completed for 2011.

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Financial Targets 2010 to 2015

To give our stockholders access to certain nonpublic information that was available to our board of directors at the time of its evaluation of the merger, we have presented below management s targets for our total revenue, net income (non-GAAP) and net income per share (non-GAAP), and potential future illustrative undiscounted stock prices at certain assumed multiples at year end and for the full year 2010 and each of the five succeeding years, as provided to our board of directors at their regularly scheduled meeting to review our five-year strategic plan on September 16, 2010.

These financial targets were developed by extrapolation from historical financial statements and did not give effect to any changes or expenses as a result of the merger or any other effects of the merger. The targets were not prepared for the purpose of evaluating the merger or any other specific transaction, nor were they prepared with a view toward public disclosure or compliance with published guidelines of the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or U.S. generally accepted accounting principles. The inclusion of this information should not be regarded as an indication that our board of directors, Morgan Stanley or any other recipient of this information considered, or now considers, it to be a reliable prediction of future results. Our independent registered certified public accounting firm, Ernst & Young LLP, has neither examined nor compiled this prospective financial information and, accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto.

Our future financial results and future stock prices may materially differ from those expressed in the illustrative targets due to factors that are beyond our ability to control or predict. We cannot assure you that any of these targets will be realized or that our future financial results and future stock prices will not materially vary from the targets. The targets do not take into account any circumstances or events occurring after the date they were prepared and have not been updated since their respective dates of preparation. They should not be utilized as public guidance and will not be provided in the ordinary course of our business in the future.

Furthermore:

- while presented with numerical specificity, the targets necessarily are based on numerous assumptions, many of which are beyond our control, including with respect to industry performance, general business, economic, regulatory, market and financial conditions, as well as matters specific to our business, which assumptions may not prove to have been, or may no longer be, accurate;

- the targets for acquired revenue were not based on analysis of any specific acquisition or acquisitions, including the potential acquisition of Company G; in addition, we cannot assure you that we would be able to identify any acquisition candidates our acquisition of which would increase our revenue or be accretive to our earnings per share, that we would be able to successfully integrate any acquired companies with our company or that any such acquisitions would be well-received by our investors or the market in general;

- the targets were prepared in September 2010 in the context of the business, economic, regulatory, market and financial conditions that existed at that time, and have not been updated to reflect revised prospects for our business, changes in general business, economic, regulatory, market and financial conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the targets were prepared;

- the targets are not necessarily indicative of current values or future performance, which may be significantly more favorable or less favorable than as set forth below; in particular, the targets for our stock price at the end of each of the six years presented represent undiscounted extrapolations from the total revenue and net income

targets for that year, based solely on the mathematical application of the stated multiples to the targets; these potential future trading multiples and undiscounted stock price targets were included for illustrative purposes only and do not constitute, and were not intended to represent, the results of rigorous valuation analysis;

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the targets cover multiple years, and such information by its nature becomes less reliable with each successive year; and

for the foregoing and other reasons, readers of this proxy statement are cautioned that the inclusion of the targets in this proxy statement should not be regarded as a representation that the targets will be achieved and that they should not place undue reliance on the targets.

Net income (non-GAAP) and net income per share (non-GAAP), as they are presented in the targets, exclude the net effects of amortization of acquired intangible assets, equity-related compensation, non-cash tax adjustments and restructuring charges. Our management believes that normalized non-GAAP financial measures excluding these items better reflect our operating performance as they exclude the effects of non-recurring or certain non-cash expenses that are not necessarily representative of underlying trends in our performance, providing investors with additional information to compare our results over multiple periods.

	2010E	2011E	2012E	2013E	2014E	2015E
	(In millions, except per share data)					
Organic revenue(1)	$ 193	$ 240	$ 324	$ 389	$ 503	$ 603
Acquired revenue(2)	$ 7	$ 30	$	$ 30	$	$ 30
Total revenue	$ 200	$ 270	$ 324	$ 419	$ 503	$ 633
Net income (non-GAAP)	$ 28	$ 41	$ 52	$ 71	$ 90	$ 120
Net income per share (non-GAAP)	$ 0.17	$ 0.24	$ 0.30	$ 0.37	$ 0.46	$ 0.60
Shares used in per share calculation	165	170	175	190	196	202
Stock price at 20x EPS	$ 3.39	$ 4.77	$ 5.92	$ 7.49	$ 9.24	$ 11.93
Stock price at 3.5x revenue	$ 4.24	$ 5.56	$ 6.48	$ 7.71	$ 8.99	$ 10.99

(1) Excludes anticipated revenue from potential acquisitions.

(2) Represents potential new revenue which might be recognized during a year based on potential future acquisitions, if such acquisitions were identified, consummated and successfully integrated by the Company.

Management case and street case 2010 to 2012

In October 2010, based upon the previously described financial targets and our results for the quarter ended September 30, 2010, we provided Morgan Stanley with updated targets for our revenue and our related net income (non-GAAP) and earnings per share (non-GAAP) for 2010, 2011 and 2012, which Morgan Stanley relied upon in their analyses as the basis for the Management Case that is referred to under Opinion of Art Technology Group s Financial Advisor above and is described in more detail below.

In connection with the evaluation of the merger, our board of directors reviewed, among other things, the following prospective financial cases with respect to fiscal years 2010, 2011 and 2012. These cases were based on the targets reviewed with the board in October as described above.

The first financial case, which we refer to as the Management Case, was a scenario which assumed that our revenue growth would continue its recent momentum of accelerating versus recent periods to grow faster than the overall eCommerce software market, with revenue increasing by approximately 20% in each of 2011 and 2012. These

assumptions resulted in estimated organic revenue (excluding acquisitions) of approximately $240 million in 2011 and approximately $288 million in 2012. The Management Case also assumed we would continue to invest in our business to achieve the growth projections described above, which resulted in estimated net income (non-GAAP) margins of 17% in 2011 and 2012, respectively. These assumptions resulted in estimated net income (non-GAAP) of approximately $41.0 million in 2011 and $49.0 million in 2012.

The second financial case, which we refer to as the Street Case, was a scenario which was based on publicly available consensus equity research estimates for our revenue growth, net income (non-GAAP) margins and earnings per share (non-GAAP), with our revenue increasing by approximately 13% in 2011 and 11% in 2012. These assumptions resulted in estimated revenue of approximately $225 million in 2011 and

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approximately $250 million in 2012. The Street Case also assumed that our net income (non-GAAP) margins would be 18% in 2011 and 20% in 2012. These assumptions resulted in estimated net income (non-GAAP) of approximately $40.3 million in 2011 and $50.5 million in 2012.

A chart of the Management Case and Street Case discussed above follows:

	Revenue	Net Income (non-GAAP) (In millions)	Earnings Per Share (non-GAAP)
2008A	$ 164.6	$ 17.6	$ 0.13
2009A	$ 179.4	$ 27.5	$ 0.21
Street Case			
2010E	$ 199.4	$ 31.9	$ 0.20
2011E	$ 225.0	$ 40.3	$ 0.24
2012E	$ 250.0	$ 50.5	$ 0.30
Management Case			
2010E	$ 200.9	$ 33.2	$ 0.20
2011E	$ 240.0	$ 41.0	$ 0.24
2012E	$ 288.0	$ 49.0	$ 0.29

The financial targets for 2010 to 2015 and the Management Case and Street Case for 2010 to 2012 presented above are forward-looking statements. For information on factors which may cause our future financial results to materially vary, see Special Note Regarding Forward-Looking Statements on page 13.

Financing of the Merger

The merger is not conditioned on Oracle s ability to obtain financing.

Delisting and Deregistration of Art Technology Group common stock

If the merger is completed, our common stock will be removed from listing on The NASDAQ Global Market and deregistered under the Exchange Act of 1934, as amended, and we will no longer file periodic reports with the SEC.

Interests of Our Directors and Executive Officers in the Merger

In considering the recommendation of our board of directors with respect to the merger agreement, holders of shares of our common stock should be aware that our executive officers and directors have interests in the merger that may be different from, or in addition to, those of our stockholders generally. These interests may create potential conflicts of interest. Our board of directors was aware that these interests existed when it approved the merger and the merger agreement. The material interests are summarized below.

Acceleration of Vesting of Equity-Based Awards

Pursuant to the terms of the employment agreement dated December 4, 2002, as subsequently amended, with our chief executive officer and president, all of the outstanding compensatory awards held by Mr. Burke will vest immediately prior to the effective time of the merger. Pursuant to change in control agreements with each of our other executive

officers dated April 18, 2008, 50% of the compensatory awards held by each of our executive officers will automatically vest immediately prior to the consummation of the merger.

Pursuant to the terms of restricted stock unit agreements dated May 24, 2010 with each of our directors who is not an employee of Art Technology Group, 100% of the restricted stock units subject to those agreements will automatically vest immediately prior to the effective time of the merger. Other than restricted stock units subject to the restricted stock unit agreements dated May 24, 2010, none of our directors who is not an employee of Art Technology Group holds any unvested compensatory awards.

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The following table identifies for each of our executive officers and directors the aggregate number of shares subject to his or her outstanding unvested compensatory awards that will become fully vested and exercisable immediately prior to the effective time of the merger, the weighted average exercise price, if any, of his or her compensatory awards that will be accelerated immediately prior to the effective time of the merger and the value of such accelerated awards based on the difference between the exercise price, if any, and $6.00 per share. The following table assumes for illustrative purposes only that the effective time of the merger will occur on December 31, 2010.

Name	Aggregate Number of Shares Subject to Outstanding Unvested Compensatory Awards to be Accelerated	Weighted Average Exercise Price of Compensatory Awards to be Accelerated(1)	Value of Compensatory Awards to be Accelerated
Executive Officers			
Robert D. Burke	733,500	$ 0.31	$ 4,172,250.00
Julie M.B. Bradley	155,425	$	$ 932,550.00
Barry E. Clark	152,375	$	$ 914,250.00
Louis R. Frio, Jr.	145,425	$	$ 872,550.00
David L. McEvoy	117,362	$ 0.12	$ 684,486.00
Nancy P. McIntyre	119,688	$ 1.19	$ 575,167.52
Patricia O Neill	116,300	$	$ 697,800.00
Andrew M. Reynolds	151,793	$ 0.23	$ 875,721.18
Kenneth Z. Volpe	147,925	$	$ 887,550.00
Directors			
Michael A. Brochu	28,000	$	$ 168,000.00
David Elsbree	28,000	$	$ 168,000.00
John R. Held	28,000	$	$ 168,000.00
Gregory Hughes	28,000	$	$ 168,000.00
Mary E. Makela	28,000	$	$ 168,000.00
Daniel C. Regis	28,000	$	$ 168,000.00
Phyllis S. Swersky	28,000	$	$ 168,000.00

(1) Includes restricted stock units which, upon vesting, result in the issuance of shares of Art Technology Group common stock without payment by the recipient of any exercise price or other consideration.

Severance Provisions of Agreements with Executive Officers

Mr. Burke s employment agreement provides that in the event that we terminate his employment without cause, or if he resigns for good reason, we will continue to pay his base salary and all employee benefits for the eighteen month period following his termination. This payment during such a eighteen month period would be in addition to any accrued obligations, such as any annual cash incentive compensation earned for our most recently completed fiscal year and not yet paid, his base salary through the date of termination, any deferred compensation and any accrued vacation pay. Among other events that constitute good reason for Mr. Burke s resignation is a change in control, such

as the merger, that results in our no longer having a publicly traded class of securities or our no longer being subject to reporting requirements under the Securities Exchange Act of 1934. In addition, upon such change in control, we are required to pay Mr. Burke the amount, if any, necessary to compensate him for any excise taxes that he may owe under Section 4999 of the Internal Revenue Code of 1986 as a result of payments we make to him in connection with the change in control. If a change of control occurs and within eighteen months we either terminate Mr. Burke without cause, or he resigns for good reason, Mr. Burke will receive his pro-rated target cash incentive in the year in which the termination occurs, base salary and health benefits for eighteen months, and one and a half times his then-current target cash incentive.

In addition, pursuant to change in control agreements dated April 18, 2008 with each of our other executive officers, following a change of control, which includes the merger, and either (a) our termination of

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the executive s employment with us without cause or (b) the termination by the executive of his or her employment with us due to good reason, within twelve months of the change in control, the executive will receive his or her pro-rated target cash incentive in the year the termination occurs, base salary and benefits for twelve months, an amount equal to his or her target cash incentive for the year in which termination occurs, and acceleration of his or her remaining unvested stock awards. Under the change in control agreements, good reason means (a) a material reduction in the executive s base salary or target bonus, (b) the relocation of the executive s principal place of work to a location more than 50 miles from the location immediately prior to the change in control or (c) a material diminution in the executive s responsibilities.

The following table sets forth the estimated value of severance benefits that would be received if the executive was terminated immediately after the change in control, including the value (based on the difference between $6.00 per share and any applicable exercise price) of any remaining unvested compensatory awards that would become vested on such termination under the change in control agreements described above and assuming for illustrative purposes only that the effective time of the merger occurs on December 31, 2010.

Name	Salary and Incentive Compensation	Value of Accelerated Equity Awards	Benefits	Outplacement Services	Total
Robert D. Burke	$ 1,537,500(1)	(2)	$ 16,707	$ 15,000	$ 1,569,207.00
Julie M.B. Bradley	$ 545,000(3)	$ 932,550.00	$ 12,119	$ 15,000	$ 1,504,669.00
Barry E. Clark	$ 900,000(3)	$ 914,250.00	$ 19,800	$ 15,000	$ 1,849,050.00
Louis R. Frio, Jr.	$ 460,000(3)	$ 872,550.00	$ 19,191	$ 15,000	$ 1,366,741.00
David L. McEvoy	$ 440,000(3)	$ 690,088.56	$ 20,000	$ 15,000	$ 1,165,089.56
Nancy P. McIntyre	$ 460,000(3)	$ 575,699.28	$ 20,000	$ 15,000	$ 1,070,699.28
Patricia O Neill	$ 420,000(3)	$ 697,800.00	$ 20,000	$ 15,000	$ 1,152,800.00
Andrew M. Reynolds	$ 470,000(3)	$ 875,845.61	$ 20,000	$ 15,000	$ 1,380,845.61
Kenneth Z. Volpe	$ 520,000(3)	$ 887,550.00	$ 19,223	$ 15,000	$ 1,441,773.00

(1) Consists of (a) 18 months of Mr. Burke s annual base salary of $400,000 for 2010, (b) a pro-rated target cash incentive of $375,000 for 2010 and (c) a payment of one and a half times the target cash incentive for 2010.

(2) All of Mr. Burke s unvested equity-based awards will vest immediately prior to the effective time of the merger, whether or not his employment is terminated.

(3) Consists of (a) 12 months of the executive officer s annual base salary for 2010, (b) a pro-rated target cash incentive for 2010 and (c) a payment equal to the target cash incentive for 2010.

Director and Officer Indemnification and Insurance

For a period of six years after the effective time of the merger, Oracle is required to, or to cause the surviving corporation to, maintain officers and directors liability insurance (which we refer to as D&O Insurance) with respect to acts or omissions occurring before the effective time of the merger covering each such person currently covered by Art Technology Group s officers and directors liability insurance policy on terms with respect to coverage and amount no less favorable than those of the D&O Insurance in effect on the date of the merger agreement. In satisfying the foregoing obligation, neither Oracle nor the surviving corporation will be required to pay annual premiums for insurance in excess of 200% of the aggregate premiums paid by Art Technology Group in fiscal year 2009 (which we

refer to as the current premium). If the premiums for such insurance would at any time exceed 200% of the current premium, the surviving corporation will maintain, in its judgment, the maximum coverage available at an annual premium equal to 200% of the current premium. In lieu of the foregoing, Art Technology Group may obtain prepaid policies prior to the effective time of the merger for an aggregate amount not in excess of 200% of the current premium, which policies provide the covered persons with D&O Insurance coverage for an aggregate period of six years with respect to claims arising from facts or events that occurred on or before the effective time of the merger, including in respect of the transactions contemplated by the merger agreement. If prepaid policies

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have been obtained prior to the effective time of the merger, the surviving corporation will maintain such policies in full force and effect for their full term and continue to honor the obligations thereunder.

For a period of six years after the effective time of the merger, Oracle and the surviving corporation are required to fulfill and honor in all respects the obligations of Art Technology Group and its subsidiaries under Art Technology Group s certificate of incorporation or bylaws and under any indemnification or other similar agreements between Art Technology Group or any of its subsidiaries and their current and former directors and officers (whom we refer to as indemnified parties) in effect on the date of the merger agreement.

If Oracle, the surviving corporation or any or its successors or assigns consolidates with or merges into any other person and is not the continuing or surviving corporation of such consolidation or merger, or transfers or conveys all or substantially all of its properties and assets to any person, then the merger agreement requires that proper provision be made so that the successors and assigns of Oracle or the surviving corporation will assume all of the applicable obligations described above. The indemnified parties (and their successors and heirs) are intended third party beneficiaries of the indemnification and insurance provisions in the merger agreement.

THE VOTING AGREEMENTS

Contemporaneously with the execution and delivery of the merger agreement, Robert D. Burke, Julie M.B. Bradley, Barry E. Clark, Louis R. Frio, Jr., David L. McEvoy, Nancy P. McIntyre, Patricia O Neill, Andrew M. Reynolds, Kenneth Z. Volpe, Michael A. Brochu, David Elsbree, John R. Held, Gregory Hughes, Mary E. Makela, Daniel C. Regis and Phyllis S. Swersky, who were the executive officers and directors of Art Technology Group as of the date of the merger agreement, in their capacity as stockholders of Art Technology Group, entered into voting agreements with Oracle. Approximately % of the outstanding Art Technology Group shares on the record date for the Art Technology Group special meeting are subject to the voting agreements. The shares covered by the voting agreements are referred to in this proxy statement as the subject Art Technology Group shares.

The following is a summary description of the voting agreements. The form of voting agreement is attached as Exhibit A to the merger agreement, which is hereby incorporated into this proxy statement by reference.

Each individual who entered into a voting agreement with Oracle agreed to vote the subject Art Technology Group shares at the Art Technology Group special meeting:

- in favor of adoption of the merger agreement;
- against any alternative acquisition proposal;
- against any reorganization, recapitalization, liquidation or winding-up of Art Technology Group or any other extraordinary transaction involving us, other than the merger; and
- against any action that would frustrate the purpose of, or prevent or delay the consummation of the merger or the transactions contemplated by the merger agreement.

These individuals also agreed to grant to Oracle a proxy to vote the subject Art Technology Group shares on any of the foregoing matters at the Art Technology Group special meeting.

The individuals signing voting agreements have agreed that they will be bound by non-solicitation restrictions that are substantially the same as the non-solicitation provisions of the merger agreement described below under The Merger Agreement No Solicitations. These individuals further agreed to certain restrictions on the transfer of their Art

Technology Group shares and, subject to applicable law, not to make certain public communications criticizing or disparaging the voting agreement, the merger agreement and the transactions contemplated thereby without the prior written consent of Oracle. These individuals further agreed to (i) waive and not exercise any rights of appraisal or rights to dissent from the merger that they may be entitled to under Delaware law and (ii) not commence or participate in, and take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against Art Technology

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Group, Oracle or the Merger Subsidiary (or any of their respective successors) relating to the negotiation, execution or delivery of the voting agreement or the merger agreement or the consummation of the merger including any claim (x) challenging the validity of, or seeking to enjoin the operation of, any provision of the voting agreement or (y) alleging a breach of any fiduciary duty of the Art Technology Group board of directors in connection with the merger agreement or the transactions contemplated therein.

REGULATORY MATTERS

Mergers and acquisitions that may have an impact in the United States are subject to review by the Department of Justice and the Federal Trade Commission to determine whether they comply with applicable antitrust laws. Under the HSR Act, mergers and acquisitions that meet certain jurisdictional thresholds, such as the present transaction, may not be completed until the expiration of a waiting period that follows the filing of notification forms by both parties to the transaction with the Department of Justice and the Federal Trade Commission. The initial waiting period is 30 days, but this period may be shortened if the reviewing agency grants early termination of the waiting period, or it may be lengthened if the reviewing agency determines that an in-depth investigation is required and issues a formal request for additional information and documentary material. We and Oracle each filed pre-merger notifications with the U.S. antitrust authorities pursuant to the HSR Act and, in accordance with the merger agreement, requested early termination of the waiting period which began on November 12, 2010.

It is possible that the Department of Justice or the Federal Trade Commission may seek requests for additional information or various regulatory concessions as conditions for granting approval of the merger. There can be no assurance that we will obtain the regulatory approvals necessary to complete the merger, or that the granting of these approvals will not involve the imposition of conditions on completion of the merger or require changes to the terms of the merger. These conditions or changes could result in conditions to the merger not being satisfied. See The Merger Agreement Conditions to the Merger, on page 58.

LITIGATION RELATED TO THE MERGER

The Company is aware of five purported class action complaints that have been filed in connection with the proposed merger, naming as defendants the Company, each member of its board of directors and Oracle: (i) Cronenwett v. Art Technology Group, Inc. et al., No. 5955, filed Nov. 4, 2010 in the Delaware Court of Chancery, New Castle County (Cronenwett Complaint); (ii) Bedard v. Burke, et al., No. 10-4369, filed Nov. 5, 2010 in Massachusetts Superior Court, Suffolk County (Bedard Complaint); (iii) Granados v. Art Technology Group, Inc. et al., No. 1:10-cv-11931, filed Nov. 10, 2010 in the United States District Court for the District of Massachusetts (Granados Complaint); (iv) Loche v. Held, et al., No. 5975, filed November 11, 2010 in the Delaware Court of Chancery, New Castle County (Loche Complaint); and (v) Katz v. Regis, et al., No. 5983, filed November 12, 2010 in the Delaware Court of Chancery, New Castle County (Katz Complaint). The Cronenwett, Bedard, Granados and Katz Complaints additionally name as a defendant the Merger Subsidiary.

Each complaint alleges that the board of directors breached its fiduciary duties, and that Oracle aided and abetted those purported breaches, in connection with the proposed merger. The Bedard Complaint and the Granados Complaint additionally allege that the Company aided and abetted the board of directors purported breaches. The complaints challenge the proposed $6 per share transaction price as inadequate, and make a variety of other allegations, including the following:

> given the Company s recent performance and potential future growth, the value of the Company s common stock is greater than the consideration offered to shareholders in the proposed merger. (Cronenwett Complaint ¶¶ 20-34; Bedard Complaint ¶¶ 25-31; Granados Complaint ¶¶ 35-47, 57; Loche Complaint ¶¶ 25-29; Katz Complaint ¶¶ 26-32);

defendants know, or should know, that the value of the Company s common stock is greater than the consideration offered to shareholders in the proposed merger. (Cronenwett Complaint ¶ 52; Bedard Complaint ¶¶ 20-21; Granados Complaint ¶¶ 24, 61; Loche Complaint ¶¶ 34-36(b));

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a no solicitation or no shop provision in the Merger Agreement precludes the Company from soliciting and otherwise restricts the ability of the Company to consider competing offers. (Cronenwett Complaint ¶¶ 35-37; Bedard Complaint ¶¶ 32-35; Granados Complaint ¶¶ 64-68; Loche Complaint ¶ 30; Katz Complaint ¶ 33);

the Company s shareholder rights plan (also referred to as the Poison Pill) was amended to exclude Oracle but not other potential acquirers from the requirement to confer certain benefits upon shareholders in the event of a buyout. (Cronenwett Complaint ¶¶ 38-42; Granados Complaint ¶¶ 69-72; Loche Complaint ¶ 30(c); Katz Complaint ¶¶ 34-38);

a $33.5 million termination fee and an additional fee of up to $5 million payable by the Company to Oracle if the proposed merger is terminated may inhibit other proposals. (Cronenwett Complaint ¶ 43; Bedard Complaint ¶¶ 36; Granados Complaint ¶ 74; Katz Complaint ¶ 33);

the Company s Board members entered into a voting agreement with Oracle whereby they agreed to vote for the adoption of the proposed merger and against any alternative proposal. (Cronenwett Complaint ¶¶ 44-45; Bedard Complaint ¶ 38; Granados Complaint ¶ 73); and

certain defendants stand to benefit from the proposed merger to the detriment of other shareholders. (Granados Complaint ¶¶ 3, 24, 58-60).

Plaintiffs in these cases each seek an order certifying a proposed class of shareholders and granting injunctive relief against the consummation of the proposed merger, or, if the merger is consummated, rescinding the merger and awarding damages, and an award of costs and attorneys fees.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of material United States federal income tax consequences to our stockholders of the receipt of cash in exchange for shares of Art Technology Group common stock pursuant to the merger. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable United States Treasury Regulations, judicial authority, and administrative rulings and practice, all as in effect on the date of this proxy statement. All of these authorities are subject to change, possibly on a retroactive basis. This discussion assumes that the shares of Art Technology Group common stock are held as capital assets (generally property held for investment). This discussion does not address all aspects of United States federal income taxation that may be relevant to a particular stockholder in light of the stockholder s personal investment circumstances, or to stockholders subject to special treatment under the United States federal income tax laws (for example, life insurance companies, dealers or brokers in securities or currencies, tax-exempt organizations, financial institutions, partnerships, United States expatriates, controlled foreign corporations, passive foreign investment companies, U.S. holders (as defined below) whose functional currency is not the U.S. dollar, stockholders who hold shares of Art Technology Group common stock as part of a hedging, straddle, conversion or other integrated transaction, non-U.S. holders (as defined below) that own, or have owned, actually or constructively, more than 5% of Art Technology Group common stock, stockholders who acquired their shares of Art Technology Group common stock through the exercise of employee stock options or other compensation arrangements or stockholders who receive cash pursuant to the exercise of appraisal rights). In addition, this discussion does not address any aspect of foreign, state or local, alternative minimum or estate and gift taxation that may be applicable to a stockholder.

We urge you to consult your tax advisor to determine the particular tax consequences to you (including the application and effect of any state, local or foreign income and other tax laws) of the receipt of cash in exchange for shares of Art Technology Group common stock pursuant to the merger.

If a partnership (or an entity or arrangement taxable as a partnership for United States federal income tax purposes) holds shares of Art Technology Group common stock, the tax treatment of a partner generally will depend on the status of the partner and activities of the partnership. If you are a partner of a partnership holding Art Technology Group common stock, you should consult your own tax advisor.

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For purposes of this discussion, we use the term U.S. holder to mean a beneficial owner of Art Technology Group common stock that is:

a citizen or individual resident of the United States for United States federal income tax purposes;

a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or

an estate that is subject to United States federal income tax on all of its income regardless of source.

A non-U.S. holder is a beneficial owner (other than a partnership or other entity or arrangement taxable as a partnership for United States federal income tax purposes) of Art Technology Group common stock that is not a U.S. holder.

U.S. Holders

The receipt of cash in the merger will generally be a taxable transaction to U.S. holders for United States federal income tax purposes. In general, for United States federal income tax purposes, a U.S. holder of shares of Art Technology Group common stock will recognize gain or loss equal to the difference between its adjusted tax basis in shares of Art Technology Group common stock and the amount of cash received. Gain or loss will be determined separately for each block of shares (i.e., shares acquired at the same cost in a single transaction) owned by a U.S. holder. If the shares of Art Technology Group common stock have been held for more than one year at the effective time of the merger, the gain or loss will be long-term capital gain or loss, and will be short-term capital gain or loss if the shares have been held for one year or less. Long-term capital gains recognized by non-corporate U.S. holders may be subject to reduced tax rates. The deductibility of capital losses is subject to limitation.

Information returns will be filed with the Internal Revenue Service in connection with payments to a U.S. holder pursuant to the merger, unless the U.S. holder is an exempt recipient. Under the United States federal income tax backup withholding rules, Oracle and the paying agent generally will be required to withhold 28% (or 31% beginning on January 1, 2011) of all payments to which a U.S. holder is entitled in the merger, unless the U.S. holder (i) is a corporation or comes within other exempt categories and demonstrates this fact or (ii) provides its correct tax identification number (social security number, in the case of an individual, or employer identification number in the case of other stockholders), certifies under penalties of perjury that the number is correct, certifies as to no loss of exemption from backup withholding and otherwise complies with the applicable requirements of the backup withholding rules. Each U.S. holder should complete, sign and return to the paying agent for the merger the substitute Form W-9 that each stockholder will receive with the letter of transmittal following completion of the merger in order to provide the information and certification necessary to avoid backup withholding, unless an applicable exception exists and is proved in a manner satisfactory to the paying agent. Backup withholding is not an additional tax. Generally, any amounts withheld under the backup withholding rules described above can be credited against a holder s United States federal income tax liability, if any, or refunded provided that the required information is furnished to the Internal Revenue Service in a timely manner. A U.S. holder should consult its own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining such exemption.

Non-U.S. Holders

Any gain realized on the receipt of cash pursuant to the merger by a non-U.S. holder generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with a United States trade or business of such non-U.S. holder (and, if an applicable income tax treaty so provides, is also attributable to a permanent establishment in the

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United States maintained by such non-U.S. holder), in which case the non-U.S. holder generally will be taxed at graduated United States federal income tax rates applicable to United States persons (as defined under the Code) and, if the non-U.S. holder is a foreign corporation, an additional branch profits tax may apply to its effectively connected earnings and profits for the taxable year at the rate of 30% (or such lower rate as may be specified by an applicable income tax treaty); or

the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of the merger and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax on the non-U.S. holder s gain realized in the merger (unless an exception is provided under an applicable treaty), which may be offset by U.S. source capital losses of the non-U.S. holder, if any.

A non-U.S. holder will be subject to information reporting and, in certain circumstances, backup withholding (at a rate of 28% through 2010, which is scheduled to increase to 31% beginning on January 1, 2011) may apply to the cash received pursuant to the merger, unless the non-U.S. holder certifies under penalties of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the holder is a United States person as defined under the Code) or such holder otherwise establishes an exemption. To avoid backup withholding, non-U.S. holders generally must submit a signed Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding or other applicable Form W-8. Backup withholding is not an additional tax. Generally, any amounts withheld under the backup withholding rules described above can be credited against a non-U.S. holder s United States federal income tax liability, if any, or refunded provided that the required information is furnished to the Internal Revenue Service in a timely manner. A non-U.S. holder should consult its own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining such exemption.

The foregoing discussion of material United States federal income tax consequences is not intended to be, and should not be construed as, legal or tax advice to any holder of shares of Art Technology Group common stock. We urge you to consult your tax advisor to determine the particular tax consequences to you (including the application and effect of any state, local or foreign income and other tax laws) of the receipt of cash in exchange for shares of Art Technology Group common stock pursuant to the merger.

THE MERGER AGREEMENT

The summary of the material provisions of the merger agreement below and elsewhere in this proxy statement is qualified in its entirety by reference to the merger agreement, a copy of which is attached to this proxy statement as Annex A and which we incorporate by reference into this document. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. We encourage you to read carefully the merger agreement in its entirety.

The Merger

The merger agreement provides that, subject to the terms and conditions of the merger agreement and in accordance with Delaware law, at the effective time of the merger, the Merger Subsidiary will be merged with and into Art Technology Group and, as a result of the merger, the separate corporate existence of the Merger Subsidiary will cease and Art Technology Group will continue as the surviving corporation and become a wholly-owned subsidiary of Oracle. As the surviving corporation, Art Technology Group will possess the rights, powers, privileges, immunities and franchises and be subject to all of the obligations, liabilities, restrictions and disabilities of Art Technology Group and the Merger Subsidiary, all as provided under Delaware law.

The Merger Subsidiary and the surviving corporation will take all necessary actions such that, at the effective time of the merger, the certificate of incorporation of Art Technology Group will be amended to read in its entirety as set forth

in the form attached to the merger agreement and, as so amended, will be the

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certificate of incorporation of the surviving corporation, and the bylaws of the surviving corporation will be those of the Merger Subsidiary as in effect immediately prior to the merger.

The closing of the merger will occur as soon as practicable but in any event within two business days after all of the conditions set forth in the merger agreement and described under Conditions to the Merger are satisfied or waived, or at such other time as agreed to by the parties.

The merger will become effective when the certificate of merger has been duly filed with the Delaware Secretary of State or at a later time as agreed to by the parties. It is currently anticipated that the effective time of the merger will occur in early 2011. However, the parties cannot predict the exact timing of the completion of the merger or whether the merger will be completed at an earlier or later time, as agreed by the parties, or at all.

The Merger Consideration and the Conversion of Capital Stock

At the effective time of the merger, by virtue of the merger, each share of Art Technology Group common stock issued and outstanding immediately prior to the effective time of the merger will be cancelled and converted into the right to receive $6.00 in cash, without interest and less any applicable withholding taxes, other than:

- shares of Art Technology Group common stock held by Art Technology Group as treasury stock or owned by Oracle or the Merger Subsidiary immediately prior to the effective time of the merger will be cancelled and no payment will be made with respect thereto; and

- shares of Art Technology Group common stock held by any subsidiary of either Art Technology Group or Oracle (other than the Merger Subsidiary) immediately prior to the effective time of the merger will be converted into such number of shares of common stock, par value $0.01 per share, of the surviving corporation such that each such subsidiary owns the same percentage of the surviving corporation immediately following the effective time of the merger as such subsidiary owned in Art Technology Group immediately prior to the effective time of the merger.

The price to be paid for each share of Art Technology Group common stock in the merger will be adjusted appropriately to reflect the effect of any change in the outstanding shares of capital stock of Art Technology Group, including by reason of any reclassification, recapitalization, stock split (including reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend, that occurs prior to the effective time of the merger.

Each share of common stock of the Merger Subsidiary outstanding immediately prior to the effective time of the merger will be converted into and become one share of common stock, par value $0.01 per share, of the surviving corporation with the same rights, powers and privileges as the shares so converted and, together with the shares of common stock of the surviving corporation converted from shares of Art Technology Group held by any subsidiary of either Art Technology Group or Oracle (other than the Merger Subsidiary) as described above, will thereafter constitute the only outstanding shares of capital stock of the surviving corporation.

Payment Procedures

Prior to the effective time of the merger, Oracle will appoint an exchange agent for the purpose of exchanging for the merger consideration the certificates and uncertificated shares of Art Technology Group common stock. As of the effective time of the merger, Oracle will deposit with the exchange agent the aggregate merger consideration to be paid in respect of the certificates and uncertificated shares of Art Technology Group common stock.

Each holder of shares of Art Technology Group common stock that are converted into the right to receive the merger consideration will be entitled to receive the merger consideration upon (i) surrender to the exchange agent of a certificate, together with a duly completed and validly executed letter of transmittal and such other documents as may reasonably be requested by the exchange agent, or (ii) receipt of an agent s message by the exchange agent (or such other evidence, if any, of transfer as the exchange agent may

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reasonably request) in the case of a book-entry transfer of uncertificated shares. Until so surrendered or transferred, each such certificate or uncertificated share will represent after the effective time of the merger for all purposes only the right to receive such merger consideration. No interest will be paid or accrued on the cash payable upon the surrender or transfer of such certificate or uncertificated share.

If any portion of the merger consideration is to be paid to a person other than the person in whose name the surrendered certificate or the transferred uncertificated share is registered, such payment is subject to the conditions that (i) either such certificate will be properly endorsed or will otherwise be in proper form for transfer or such uncertificated share will be properly transferred and (ii) the person requesting such payment will pay to the exchange agent any transfer or other tax required as a result of such payment to a person other than the registered holder of such certificate or uncertificated share or establish to the satisfaction of the exchange agent that such tax has been paid or is not payable.

After the effective time of the merger, there will be no further registration of transfers of shares of Art Technology Group common stock on the stock transfer books of the surviving corporation. If, after the effective time of the merger, certificates or uncertificated shares of Art Technology Group common stock are presented to the surviving corporation, they will be canceled and exchanged for the merger consideration.

Any portion of the payment fund deposited with the exchange agent that remains unclaimed by the holders of shares of Art Technology Group common stock six months after the effective time of the merger will be returned to Oracle, upon demand, and any such holder who has not exchanged shares for the merger consideration prior to that time will thereafter look only to Oracle for payment of the merger consideration. Oracle will not be liable to any holder of shares of Art Technology Group common stock for any amounts paid to a public official pursuant to applicable abandoned property, escheat or similar laws. Any amounts remaining unclaimed by holders of shares of Art Technology Group common stock two years after the effective time of the merger (or such earlier date, immediately prior to such time when the amounts would escheat to or become property of any governmental authority) will become, to the extent permitted by applicable law, the property of Oracle free and clear of any claims or interest of any person previously entitled thereto.

Treatment of Equity-based Awards; Employee Stock Purchase Plan

Equity-based Awards. Each Art Technology Group stock option, restricted stock unit, other than restricted stock units that will vest as a result of the completion of the merger, and other equity-based award denominated in shares of Art Technology Group common stock, each of which we refer to as a compensatory award, that is held by an employee of, or consultant to, Art Technology Group that is outstanding immediately prior to the effective time of the merger, whether or not then vested or exercisable, will be assumed by Oracle and converted automatically upon the effective time of the merger into an option, restricted stock unit award or other equity-based award, as the case may be, denominated in shares of Oracle common stock and which has other terms and conditions substantially identical to those of the related compensatory award (including any accelerated vesting provisions therein) except that (i) the number of shares of Oracle common stock subject to each assumed compensatory award shall be determined by multiplying the number of shares of Art Technology Group common stock subject to the assumed compensatory award immediately prior to the effective time of the merger by a fraction, which we refer to as the award exchange ratio, the numerator of which is $6.00 and the denominator of which is the average closing price of Oracle common stock over the five trading days immediately preceding (but not including) the effective date of the merger (rounded down to the nearest whole share) and (ii) if applicable, the exercise or purchase price per share of Oracle common stock (rounded upwards to the nearest whole cent) shall equal the per share exercise or purchase price for the shares of Art Technology Group common stock subject to the assumed compensatory award immediately prior to the effective time of the merger divided by the award exchange ratio.

Unless determined otherwise by Oracle, each compensatory award that is held by a person who is not an employee of, or a consultant to, Art Technology Group immediately prior to the effective time of the merger will not be assumed by Oracle and will be cancelled and extinguished and the vested portion of each of those compensatory awards shall automatically be converted into the right to receive an amount in cash equal to the

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product obtained by multiplying the aggregate number of shares of Art Technology Group common stock that were issuable upon exercise or settlement of the compensatory awards immediately prior to the effective time of the merger and $6.00, less any per share exercise price of the compensatory award.

Art Technology Group restricted stock units that vest by their terms at the effective time of the merger by reason of the change of control effected by the merger will be settled at or immediately prior to the effective time of the merger by payment made through Art Technology Group s payroll promptly following the effective time of the merger of an amount equal to the product of the aggregate number of shares of Company Common Stock issued by reason of such vesting multiplied by $6.00, less such amount of Art Technology Group is required to deduct and withhold.

Employee Stock Purchase Plan. Art Technology Group will terminate all offerings under its 1999 Employee Stock Purchase Plan, which we refer to as the ESPP, as of the last day of the payroll period ending at least ten days before the effective time of the merger (which we refer to as the final exercise date). Art Technology Group will provide that no further offerings will commence under the ESPP on or following the final exercise date and terminate the ESPP as of the final exercise date. Each outstanding option under the ESPP on the final exercise date will be exercised on such date for the purchase of shares of Art Technology Group common stock in accordance with the terms of the ESPP.

Stockholders Meeting

Pursuant to the terms of the merger agreement, Art Technology Group has agreed to, as promptly as practicable after the date of the merger agreement, establish a record date for, duly call and give notice of, convene and hold a meeting of its stockholders (which we refer to as the special meeting) for the purpose of obtaining the vote of Art Technology Group s stockholders necessary to satisfy the voting condition described in Conditions to the Merger. If Art Technology Group is unable to obtain a quorum of its stockholders at such time, Art Technology Group may adjourn or postpone the date of the special meeting by no more than five business days and Art Technology Group must use its reasonable best efforts to obtain such a quorum as soon as practicable during the five business day period. Art Technology Group may delay, adjourn or postpone the special meeting to the extent (and only to the extent) Art Technology Group reasonably determines that such delay, adjournment or postponement is required by applicable law or to comply with comments made by the SEC with respect to the proxy statement or otherwise.

Unless the merger agreement is terminated as described below under Termination of the Merger Agreement, Art Technology Group has agreed to submit the merger agreement to a vote of Art Technology Group s stockholders, even if Art Technology Group s board of directors has approved, endorsed or recommended another takeover proposal, or withdraws or modifies its unanimous recommendation as described below under Art Technology Group Board Recommendation that Art Technology Group s stockholders vote in favor of the adoption of the merger agreement. As soon as practicable after the date that the definitive proxy statement is filed (but not prior to or later than five business days following the clearance of the definitive proxy statement by the SEC), Art Technology Group has agreed to use its reasonable best efforts to mail to its stockholders the definitive proxy statement and all other proxy materials for the special meeting and, if necessary to comply with applicable securities laws, after the definitive proxy statement has been mailed, promptly circulate amended, supplemental or supplemented proxy materials and, if required in connection therewith, re-solicit proxies.

Representations and Warranties

The merger agreement contains representations and warranties made by Art Technology Group to Oracle and the Merger Subsidiary and representations and warranties made by Oracle to Art Technology Group. The assertions embodied in those representations and warranties were made solely for purposes of the merger agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating the terms of the merger agreement. Moreover, these representations and warranties have been qualified by certain disclosures that

Art Technology Group made to Oracle and the Merger Subsidiary in connection with the negotiation of the merger agreement, which disclosures are not reflected in the merger

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agreement. Furthermore, some of those representations and warranties may not be accurate or complete as of any particular date because they are subject to a contractual standard of materiality or material adverse effect different from that generally applicable to public disclosures to stockholders. The representations and warranties were used for the purpose of allocating risk between the parties to the merger agreement rather than establishing matters of fact. For the foregoing reasons, you should not rely on the representations and warranties contained in the merger agreement as statements of factual information. The representations and warranties in the merger agreement and the description of them in this proxy statement should be read in conjunction with the other information contained in the reports, statements and filings Art Technology Group publicly files with the SEC. This description of the representations and warranties is included to provide Art Technology Group s stockholders with additional information regarding the terms of the merger agreement.

In the merger agreement, Art Technology Group has made representations and warranties to Oracle and the Merger Subsidiary with respect to, among other things:

- the due incorporation, valid existence, good standing, power and authority of Art Technology Group;
- its power and authority to enter into the merger agreement and to complete the transactions contemplated by the merger agreement and the enforceability of the merger agreement against Art Technology Group;
- the adoption and unanimous recommendation of the Art Technology Group board of directors to enter into the merger agreement, the merger and the transactions contemplated by the merger agreement;
- the required consents and approvals of governmental entities in connection with the transactions contemplated by the merger agreement;
- the absence of conflicts with, creation of liens, violations or defaults under Art Technology Group s governing documents, applicable laws or certain agreements as a result of entering into the merger agreement and the consummation of the merger;
- its capitalization, including in particular the number of outstanding shares of Art Technology Group common stock, preferred stock, and restricted stock and the number of shares of common stock issuable upon the exercise of stock options and warrants;
- its subsidiaries and their due incorporation or organization, valid existence, good standing, power and authority;
- its SEC filings since January 1, 2007, including financial statements contained therein, internal controls and compliance with the Sarbanes-Oxley Act of 2002;
- conduct of business and absence of certain changes, except as contemplated by the merger agreement, including that there has been no fact, event, change, development or set of circumstances, that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect to Art Technology Group;
- the absence of undisclosed material liabilities;
- the absence of certain litigation;

Art Technology Group s and its subsidiaries compliance with applicable legal requirements since January 1, 2005;

matters with respect to Art Technology Group s material contracts;

tax matters;

matters related to Art Technology Group s employee benefit plans;

labor and employment matters;

matters related to Art Technology Group s insurance policies;

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compliance with environmental laws and regulations;

intellectual property and information technology;

title to properties and the absence of encumbrances;

related party transaction matters;

compliance with the U.S. Foreign Corrupt Practices Act and other anti-corruption laws;

relationships with, and other matters related to, major customers and suppliers of Art Technology Group;

the absence of undisclosed brokers fees and expenses;

receipt by the Art Technology Group board of directors of a fairness opinion from Morgan Stanley; and

the inapplicability of state takeover statutes and Art Technology Group s rights plan to the merger.

Many of the representations and warranties in the merger agreement made by Art Technology Group are qualified by a materiality or material adverse effect to Art Technology Group standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would, as the case may be, be material or have a material adverse effect to Art Technology Group). For purposes of the merger agreement, a material adverse effect to Art Technology Group means (i) a material adverse effect on the business, financial condition or results of operations of Art Technology Group and its subsidiaries, taken as a whole, or (ii) an effect that would prevent, materially delay or materially impair Art Technology Group s ability to consummate the merger.

For purposes of clause (i) above, the definition of material adverse effect to Art Technology Group excludes any material adverse effect resulting from or arising out of:

the announcement or pendency of the merger (including any loss of or adverse change in the relationship of Art Technology Group and its subsidiaries with their respective employees, customers, partners or suppliers related thereto);

general market, economic or political conditions (including acts of terrorism or war) that do not disproportionately affect Art Technology Group and its subsidiaries, taken as a whole, as compared to other companies participating in the same industry as Art Technology Group;

general conditions in the industry in which Art Technology Group and its subsidiaries operate that do not disproportionately affect Art Technology Group and its subsidiaries, taken as a whole, as compared to other companies participating in the same industry as Art Technology Group;

any changes (after the date of the merger agreement) in GAAP or applicable law;

the taking of any specific action at the written direction of Oracle or as expressly required by the merger agreement or the refraining from taking any action expressly prohibited by the covenants regarding the conduct of Art Technology Group pending the merger;

any legal proceeding made or brought by any stockholder of Art Technology Group (on the holder s own behalf or on behalf of Art Technology Group) arising out of or related to the merger agreement or any of the transactions contemplated thereby (including the merger); or

any failure of Art Technology Group to meet internal or analysts estimates or projections (although any cause of any such failure may be taken into consideration when determining whether a material adverse effect to Art Technology Group has occurred).

In the merger agreement, Oracle made customary representations and warranties to Art Technology Group with respect to, among other things:

the due incorporation, valid existence, good standing and power of Oracle and the Merger Subsidiary;

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the authority of each of Oracle and the Merger Subsidiary to enter into the merger agreement and to complete the transactions contemplated by the merger agreement and the enforceability of the merger agreement against each of Oracle and the Merger Subsidiary;

the required consents and approvals of governmental entities in connection with the transactions contemplated by the merger agreement;

the absence of conflicts with, violations or defaults under Oracle s or the Merger Subsidiary s governing documents, applicable laws or certain agreements as a result of entering into the merger agreement and the consummation of the merger;

the absence of certain litigation;

the accuracy and compliance with applicable securities laws of the information supplied by Oracle and the Merger Subsidiary contained in this proxy statement; and

the sufficiency of funds to pay the merger consideration.

The representations and warranties contained in the merger agreement and in any certificate or other writing delivered pursuant to the merger agreement will not survive the effective time of the merger. This limit does not apply to any covenant or agreement of the parties which by its terms contemplates performance after the effective time of the merger.

Covenants Regarding Conduct of Business by Art Technology Group Pending the Merger

Except for matters contemplated by the merger agreement, as required by applicable law or agreed to in writing by Oracle, from the date of the merger agreement until the effective time of the merger, Art Technology Group will, and will cause each of its subsidiaries to, conduct its business in the ordinary course, consistent with past practice, and use its commercially reasonable efforts to:

preserve its intellectual property, business organization and material assets;

keep available the services of its directors, officers and employees;

maintain in effect all of its government authorizations; and

maintain satisfactory relationships with its customers, lenders, suppliers, licensors, licensees, distributors and others that have business relationships with Art Technology Group.

In addition, except as required by the terms of the merger agreement or applicable law or agreed to in writing by Oracle, Art Technology Group will not, nor will it permit its subsidiaries to:

amend their respective certificate of incorporation, bylaws or other comparable charter or organizational documents (whether by merger, consolidation or otherwise);

declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock, property or otherwise) in respect of, or enter into any agreement with respect to the voting of, any capital stock of Art Technology Group or any of its subsidiaries, other than dividends and distributions by a direct or indirect

wholly-owned subsidiary of Art Technology Group to its parent (except distributions under the ESPP in the ordinary course and for distributions resulting from the vesting or exercise of Art Technology Group stock options, restricted stock and restricted stock units (which we collectively refer to as Art Technology Group compensatory awards));

split, combine or reclassify any capital stock of Art Technology Group or any of its subsidiaries;

except as described below, issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, shares of capital stock of Art Technology Group or any of its subsidiaries;

purchase, redeem or otherwise acquire any securities of Art Technology Group or any of its subsidiaries, except in satisfaction by holders of Art Technology Group compensatory awards of the applicable exercise price and/or withholding taxes;

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take any action that would result in the amendment, modification or change of any term of any indebtedness of Art Technology Group or any of its subsidiaries;

issue, deliver, sell, grant, pledge, transfer, subject to any lien or otherwise encumber or dispose of any securities of Art Technology Group or any of its subsidiaries, other than:

- the issuance of shares of Art Technology Group common stock upon the exercise of Art Technology Group stock options or pursuant to the terms of Art Technology Group restricted stock units that are outstanding as of the date of the merger agreement, in each case in accordance with the applicable equity award s terms as in effect on the date of the merger agreement; or

- the issuance of shares of Art Technology Group common stock pursuant to the ESPP;

amend any term of any Art Technology Group security or any Art Technology Group subsidiary security;

adopt a plan or agreement of, or resolutions providing for or authorizing, complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization with respect to Art Technology Group or any of its subsidiaries;

make any capital expenditures or incur any obligations or liabilities in respect thereof in excess of $1,000,000 in the aggregate in any fiscal quarter;

acquire any business, assets or capital stock of any person or entity or division thereof, whether in whole or in part (whether by purchase of stock, purchase of assets, merger, consolidation, or otherwise);

acquire any other material assets (other than assets acquired in the ordinary course of business consistent with past practice);

sell, lease, license, pledge, transfer, subject to any lien or otherwise dispose of any of its intellectual property, material assets or material properties except (i) pursuant to certain transactions in the ordinary course of business as described more fully below, (ii) pursuant to existing contracts or commitments, (iii) sales of inventory or used equipment in the ordinary course of business consistent with past practice or (iii) permitted liens incurred in the ordinary course of business consistent with past practice;

hire any new employee to whom a written offer of employment has not previously been made and accepted prior to the date of the merger agreement, or, after the date of the merger agreement, extend any new offers of employment with Art Technology Group or any of its subsidiaries to any individual;

grant to any current or former director, officer, employee or consultant of Art Technology Group or any of its subsidiaries any (i) increase in compensation, (ii) bonus or (iii) other benefits, in each case in addition to those pursuant to arrangements in effect on the date of the merger agreement;

grant to any current or former director, officer, employee or consultant of Art Technology Group or any of its subsidiaries any severance or termination pay or benefits or any increase in severance, change of control or termination pay or benefits;

establish, adopt, enter into or amend any Art Technology Group benefit plan (other than offer letters that contemplate at will employment without severance benefits) or collective bargaining agreement, in each case

except as required by applicable law;

take any action to amend or waive any performance or vesting criteria or accelerate any rights or benefits or take any action to fund or in any other way secure the payment of compensation or benefits under any Art Technology Group benefit plan except to the extent required pursuant to the terms thereof or applicable law;

make any person or entity a beneficiary of any retention or severance plan, agreement or other arrangement under which such person or entity is not as of the date of the merger agreement a beneficiary which would entitle such person or entity to vesting, acceleration or any other right as a

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consequence of completion of the transactions contemplated by the merger agreement and/or termination of employment;

write down any of its material assets, including any capitalized inventory or Art Technology Group s intellectual property;

make any change in any method of financial accounting principles, method or practices, in each case except for any such change required by GAAP or applicable law;

repurchase, prepay or incur any indebtedness in, including by way of a guarantee or an issuance or sale of debt securities;

issue or sell options, warrants, calls or other rights to acquire any debt securities of Art Technology Group or any of its subsidiaries, or enter into any keep well or other agreement to maintain any financial statement or similar condition of another person (other than (i) in connection with financing ordinary course trade payables consistent with past practice or (ii) accounts payable in the ordinary course of business consistent with past practice);

make any loans, advances or capital contributions to, or investments in, any other person or entity other than (i) Art Technology Group and its subsidiaries or (ii) accounts receivable and extensions of credit in the ordinary course of business, and advances in expenses to employees, in each case in the ordinary course of business consistent with past practice;

agree to any exclusivity, non-competition, most favored nation or similar provision or covenant restricting Art Technology Group, any of its subsidiaries or their affiliates from competing in any line of business or with any person or entity or in any area or engaging in any activity or business, or pursuant to which any benefit or right would be required to be given or lost as a result, or which would have any such effect on Oracle or its affiliates after the consummation of the merger;

enter into any contract, or relinquish or terminate any contract or other right, in any individual case with an annual value in excess of $200,000 with a value over the life of the contract value in excess of $500,000 other than:

- entering into software license agreements, optimization services agreements or on-demand services agreements, or the renewal of such existing agreements where Art Technology Group or any of its subsidiaries is the licensor or service provider in the ordinary course of business consistent with past practice;
- entering into service or maintenance contracts entered into in the ordinary course of business consistent with past practice pursuant to which Art Technology Group or any of its subsidiaries is providing services to customers;
- entering into non-exclusive distribution, marketing, reselling or consulting agreements entered into in the ordinary course of business consistent with past practice that provide for distribution of a product or service of Art Technology Group or any of its subsidiaries by a third party; or
- entering into non-exclusive OEM agreements entered into in the ordinary course of business consistent with past practice that are terminable without penalty within twelve months;

make or change any tax election, change any annual tax accounting period or adopt or change any method of tax accounting;

amend any tax returns or file any claim for tax refunds, enter into any closing agreement or enter into any tax allocation, tax sharing or tax indemnity agreement (other than any customary commercial or financing agreements entered into in the ordinary course of business consistent with past practices);

settle any tax claim, audit or assessment or surrender any right to claim a tax refund (including any such refund to the extent it is used to offset or otherwise reduce tax liability);

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institute, pay, discharge, compromise, settle or satisfy (or agree to do any of the preceding with respect to) any claims, liabilities or obligations, in excess of $200,000 in any individual case, other than (i) as required by their terms as in effect on the date of the merger agreement, (ii) claims, liabilities or obligations reserved against on the December 31, 2009 balance sheet of Art Technology Group (for amounts not in excess of such reserves) or (iii) incurred since December 31, 2009 in the ordinary course of business consistent with past practice, (however, in the case of each of (i), (ii) and (iii), the payment, discharge, settlement or satisfaction of such claim, liability or obligation may not include any material obligation (other than the payment of money) to be performed by Art Technology Group or any of its subsidiaries following the consummation of the merger);

waive, relinquish, release, grant, transfer or assign any right with a value of more than $200,000 in any individual case except in the ordinary course of business consistent with past practice;

waive any material benefits of, or agree to modify in any adverse respect, or fail to enforce, or consent to any matter with respect to which its consent is required under, any confidentiality, standstill or similar contract to which Art Technology Group or any of its subsidiaries is a party;

engage in (i) any trade loading practices or any other promotional sales or discount activity with any customers or distributors with any intent of accelerating to prior fiscal quarters (including the current fiscal quarter) sales to the trade or otherwise that would otherwise be expected (based on past practice) to occur in subsequent fiscal quarters; (ii) any practice which would have the effect of accelerating to prior fiscal quarters (including the current fiscal quarter) collections of receivables that would otherwise be expected (based on past practice) to be made in subsequent fiscal quarters, (iii) any practice which would have the effect of postponing to subsequent fiscal quarters payments by Art Technology Group or any of its Subsidiaries that would otherwise be expected (based on past practice) to be made in prior fiscal quarters (including the current fiscal quarter); or (iv) any other promotional sales or discount activity, in each case in clauses (i) through (iv) in a manner outside the ordinary course of business consistent with past practices; or

authorize, commit or agree to take any of the things described above.

No Solicitations

Art Technology Group has agreed that, neither Art Technology Group nor any of its subsidiaries will, nor will Art Technology Group or any of its subsidiaries authorize or permit any of its or their directors, officers, employees, financial advisors, attorneys, accountants, consultants, agents and other authorized representatives acting in such capacity (whom we refer to collectively as representatives) to, and Art Technology Group will instruct, and cause each applicable subsidiary, if any, to instruct, each such representative not to, directly or indirectly:

solicit, initiate or knowingly take any action to facilitate or encourage the submission of any acquisition proposal (as defined below) or the making of any inquiry, offer or proposal that could reasonably be expected to lead to any acquisition proposal;

conduct or engage in any discussions or negotiations with, disclose any non-public information relating to Art Technology Group or any of its subsidiaries to, afford access to the business, properties, assets, books or records of Art Technology Group or any of its subsidiaries to or otherwise cooperate in any way, or knowingly assist, participate in, facilitate or encourage any effort by, any third party that is seeking to make or has made any acquisition proposal;

amend or grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of Art Technology Group or any of its subsidiaries;

approve any transaction under, or any third party becoming an interested stockholder under, Delaware law;

enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other contract relating

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to any acquisition proposal or enter into any agreement or agreement in principle requiring Art Technology Group to abandon, terminate or fail to consummate the transactions contemplated by the merger agreement or breach its obligations under the merger agreement; or

resolve, propose or agree to do any of the foregoing.

Art Technology Group also agreed to, and agreed to cause its subsidiaries and their respective representatives to, cease immediately and cause to be terminated, and not authorize or knowingly permit any of its or their representatives to continue, any and all existing activities, discussions or negotiations, if any, with any third party conducted prior to the date of the merger agreement with respect to any acquisition proposal and to use its reasonable best efforts to cause any such third party (or its agents or advisors) in possession of non-public information in respect of Art Technology Group or any of its subsidiaries that was furnished by or on behalf of Art Technology Group and its subsidiaries to return or destroy (and confirm destruction of) all such information.

Acquisition proposal means any offer, proposal, inquiry or indication of interest from any third party relating to any transaction or series of related transactions involving any (i) acquisition or purchase by any person or entity, directly or indirectly, of 15% or more of any class of outstanding voting or equity securities of Art Technology Group or any of its subsidiaries, or any tender offer (including a self-tender) or exchange offer that, if consummated, would result in any person or entity beneficially owning 15% or more of any class of outstanding voting or equity securities of Art Technology Group or any of its subsidiaries, (ii) merger, amalgamation, consolidation, share exchange, business combination, joint venture or other similar transaction involving Art Technology Group or any of its subsidiaries, the business of which constitutes 15% or more of the net revenues, net income or assets of Art Technology Group and its subsidiaries, taken as a whole, (iii) sale, lease, exchange, transfer, license (other than licenses in the ordinary course of business), acquisition or disposition of 15% or more of the consolidated assets of Art Technology Group and any of its subsidiaries (measured by the lesser of book or fair market value thereof), or (iv) liquidation, dissolution, recapitalization, extraordinary dividend or other significant corporate reorganization of Art Technology Group or any of its subsidiaries, the business of which accounts for 15% or more of the consolidated net revenues, net income or assets of Art Technology Group and its subsidiaries.

Notwithstanding the restrictions described above, at any time before the adoption of the merger agreement by Art Technology Group s stockholders, the Art Technology Group board of directors, directly or indirectly through any representative, may (i) engage in negotiations or discussions with any third party that has made in writing after the date of the merger agreement (and not withdrawn) a bona fide unsolicited acquisition proposal, that did not result from or arise out of a breach of the non-solicitation provisions of the merger agreement, and that the Art Technology Group board of directors believes in good faith, after consultation with its outside legal counsel and financial advisor of nationally recognized reputation, constitutes or would reasonably be expected to result in a superior proposal (as defined below) and (ii) thereafter furnish to such third party non-public information relating to Art Technology Group or any of its subsidiaries pursuant to an acceptable confidentiality agreement, but in each case under the preceding clauses (i) and (ii), only if the Art Technology Group board of directors determines in good faith, after consultation with its outside legal counsel, that the failure to take such action would be a breach of its fiduciary duties under applicable law.

The merger agreement requires Art Technology Group to give Oracle at least three business days prior written notice that Art Technology Group intends to furnish non-public information to, or enter into discussions or negotiations with, the third party or group making the acquisition proposal. Art Technology Group is required to notify Oracle promptly (and in no event later than 24 hours) after it obtains knowledge of the receipt by Art Technology Group or any of its representatives of any acquisition proposal, any inquiry, offer or proposal that would reasonably be expected to lead to an acquisition proposal, or any request for non-public information relating to Art Technology Group or any of its subsidiaries or for access to the business, properties, assets, books or records of Art Technology Group or any of its

subsidiaries by any third party. This notice is required to contain the identity of the third party and a description of the terms and conditions of the acquisition proposal, inquiry, offer, proposal or request. Art Technology Group must keep Oracle reasonably informed, on a prompt basis, of the status and material terms of any such acquisition proposal, inquiry, offer,

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proposal or request, including any material amendments or proposed amendments as to price and other material terms thereof. Art Technology Group also must provide Oracle with at least 48 hours prior notice of any meeting of the Art Technology Group board of directors at which the Art Technology Group board of directors is reasonably expected to consider any acquisition proposal. Art Technology Group also is obligated to promptly provide Oracle with any non-public information concerning Art Technology Group s business, present or future performance, financial condition or results of operations, provided to any third party that was not previously provided to Oracle.

Art Technology Group Board Recommendation

Subject to the provisions described below, the Art Technology Group board of directors agreed to unanimously recommend that Art Technology Group s stockholders vote in favor of the adoption and approval of the merger agreement and approval of the merger at the special meeting (which we refer to as the board recommendation). The Art Technology Group board of directors also agreed to include the board recommendation in this proxy statement. Subject to the provisions described below, the merger agreement provides that neither the Art Technology Group board of directors nor any committee thereof will:

- fail to make, withdraw, amend or modify, or publicly propose to withhold, withdraw, amend or modify, in a manner adverse to Oracle or the Merger Subsidiary, the board recommendation;
- approve, endorse, adopt or recommend, or publicly propose to approve, endorse, adopt or recommend, any acquisition proposal or superior proposal;
- fail to recommend against acceptance of any tender offer or exchange offer for the common stock of Art Technology Group within ten business days after the commencement of such offer;
- make any public statement inconsistent with the board recommendation; or
- resolve or agree to take any of the foregoing actions.

We refer to each of the foregoing actions as an adverse recommendation change.

Notwithstanding these restrictions, the Art Technology Group board of directors may effect an adverse recommendation change at any time before the adoption of the merger agreement by Art Technology Group s stockholders if, following the receipt of and on account of a superior proposal:

- the Art Technology Group board of directors determines in good faith, after consultation with its outside legal counsel, that the failure to make an adverse recommendation change would be a breach of its fiduciary duties under applicable law;
- Art Technology Group first gives Oracle prompt written notice of its intention to make an adverse recommendation change with respect to a superior proposal at least five business days prior to taking such action;
- Art Technology Group delivers to Oracle with such notice the most current version of the proposed agreement or a reasonably detailed summary of all material terms of any such superior proposal (which summary shall be updated on a prompt basis) and the identity of the third party making the superior proposal;
- Art Technology Group and its financial and legal advisors have, during the five business day notice period, negotiated with Oracle in good faith to make such adjustments in the terms and conditions of the merger

agreement so that the acquisition proposal is no longer a superior proposal (it being agreed that in the event that, after the commencement of the five business day notice period, there is any material revision to the terms of the superior proposal, including any revision in price, the notice period shall be extended, if applicable, to ensure that at least three business days remain in the notice period subsequent to the time that Art Technology Group notifies Oracle of any such material revision); and

Oracle has not made, within the notice period, an offer that is determined by the Art Technology Group board of directors in good faith, after consulting with its outside counsel and financial advisor of

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nationally recognized reputation, to be at least as favorable to Art Technology Group s stockholders as the superior proposal.

Superior proposal means any bona fide, unsolicited, written acquisition proposal that did not result from or arise out of a breach of the non-solicitation provisions of the merger agreement, made by a third party, that, if consummated, would result in such third party (or, in the case of a direct merger between such third party or any subsidiary of such third party and Art Technology Group, the stockholder of such third party) owning, directly or indirectly, all of the outstanding shares of Art Technology Group common stock, or all or substantially all of the consolidated assets of Art Technology Group and its subsidiaries, and which acquisition proposal the Art Technology Group board of directors determines in good faith, after considering the advice of its outside legal counsel and a financial advisor of nationally recognized reputation, and after taking into account all of the terms and conditions of such acquisition proposal (including any termination or breakup fees, expense reimbursement provisions and conditions to consummation), and after taking into account all financial, legal, regulatory, and other aspects of such acquisition proposal (including the financing terms and the ability of such third party to finance such acquisition proposal), (i) is more favorable to Art Technology Group s stockholders (other than Oracle and its affiliates) than as provided in the merger agreement (including any changes to the terms of the merger agreement proposed by Oracle in response to such superior proposal pursuant to and in accordance with the merger agreement), (ii) is not subject to any financing condition (and if financing is required, such financing is then fully committed to the third party), (iii) is reasonably capable of being completed on the terms proposed without unreasonable delay, and (iv) includes termination rights of the third party on terms no less favorable to Art Technology Group than the terms set forth in the merger agreement, all from a third party capable of performing such terms.

Notwithstanding the foregoing, at any time before the adoption of the merger agreement by Art Technology Group s stockholders, in response to a material fact, event, change, development or set of circumstances (other than an acquisition proposal occurring or arising after the date of the merger agreement) that was not known to the Art Technology Group board of directors nor reasonably foreseeable by the Art Technology Group board of directors as of or prior to the date of the merger agreement (and not relating in any way to any acquisition proposal) (which we collectively refer to as an intervening event), the Art Technology Group board of directors may make an adverse recommendation change if:

the Art Technology Group board of directors determines in good faith, after consultation with its outside legal counsel, that, in light of such intervening event, the failure to effect such an adverse recommendation change would be a breach of the Art Technology Group board of directors fiduciary duties under applicable law;

at least four business days prior to such adverse recommendation change, Art Technology Group provides Oracle written notice advising Oracle that the Art Technology Group board of directors intended to take such action and specifying the facts underlying the determination that an intervening event has occurred, and the reasons for the adverse recommendation change, in reasonable detail; and

during the four business day period following Oracle s receipt of the notice of adverse recommendation change, Art Technology Group negotiates in good faith with Oracle to amend the merger agreement in such a manner that prevents the need for an adverse recommendation change as a result of the intervening event.

Notwithstanding the provisions described above, the merger agreement does not prohibit the Art Technology Group board of directors from complying with Rule 14d-9 and Rule 14e-2(a) under the Exchange Act with regard to an acquisition proposal although such disclosure (other than a stop, look and listen communication or similar communication of the type contemplated by Section 14d-9(f) of the Exchange Act) will constitute an adverse recommendation change unless Art Technology Group s board of directors expressly publicly reaffirms the board recommendation in such communication or within two business days after requested to do so by Oracle.

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Employee Compensation and Benefits

Employee Benefits and Service Credit. From and after the consummation of the merger, Oracle has agreed (1) to provide employees of Art Technology Group or its subsidiaries who continue employment with the surviving corporation or any of its subsidiaries with credit for prior service of such employees with Art Technology Group, for eligibility to participate, levels of benefits and vesting purposes, under Oracle s benefit plans (other than equity compensation or sabbatical plans) in which any such employee is or becomes eligible to participate, and (2) with respect to welfare plans, to use reasonable efforts to waive all limitations as to pre-existing conditions, waiting periods, required physical examinations and exclusions with respect to participation and coverage requirements under applicable Oracle plans, subject to certain limitations, and to provide credit for any co-payments and deductibles paid by such employees in the calendar year, and prior to the date, that such employees commence participating in applicable Oracle plans.

Treatment of Art Technology Group s 401(k) Plan. Unless Oracle requests otherwise, Art Technology Group will terminate all of its 401(k) plans as of the day prior to the effective time of the merger.

Other Covenants and Agreements

Access to Information; Confidentiality. From the date of the merger agreement until the effective time of the merger, subject to certain exceptions described in the merger agreement, Art Technology Group has agreed to (i) give Oracle and its representatives reasonable access to the offices, properties, books, records, contracts, governmental authorizations, documents, directors, officers and employees of Art Technology Group and its subsidiaries during normal business hours, (ii) furnish to Oracle and its representatives such financial, tax and operating data and other information as they may reasonably request and (iii) instruct its representatives to cooperate with Oracle and its representatives in Oracle s investigation. In addition, Oracle and Art Technology Group have agreed to remain bound by the confidentiality agreement executed by the parties prior to the execution of the merger agreement.

State Takeover Laws. If any control share acquisition, fair price, moratorium or other anti-takeover laws or regulations enacted under state, federal or foreign laws becomes or is deemed to be applicable to Art Technology Group, Oracle, the Merger Subsidiary, the merger, the voting agreements or any other transaction contemplated by the merger agreement, then each of Art Technology Group, Oracle, the Merger Subsidiary, and their respective board of directors will grant such approvals and take such actions as are necessary to render such statutes inapplicable.

Voting of Shares. Oracle will vote any shares of Art Technology Group common stock beneficially owned by it or any of its subsidiaries in favor of adoption of the merger agreement at the special meeting, and will vote or cause to be voted the shares of the Merger Subsidiary held by it or any of its subsidiaries, as the case may be, in favor of adoption of the merger agreement.

Director and Officer Indemnification and Insurance. For a period of six years after the effective time of the merger, Oracle is required to, or to cause the surviving corporation to, maintain officers and directors liability insurance (which we refer to as D&O Insurance) with respect to acts or omissions occurring before the effective time of the merger covering each such person currently covered by Art Technology Group s officers and directors liability insurance policy on terms with respect to coverage and amount no less favorable than those of the D&O Insurance in effect on the date of the merger agreement. In satisfying the foregoing obligation, neither Oracle nor the surviving corporation will be required to pay annual premiums for insurance in excess of 200% of the aggregate premiums paid by Art Technology Group in fiscal year 2009 (which we refer to as the current premium). If the premiums for such insurance would at any time exceed 200% of the current premium, the surviving corporation will maintain, in its

judgment, the maximum coverage available at an annual premium equal to 200% of the current premium. In lieu of the foregoing, Art Technology Group may obtain prepaid policies prior to the effective time of the merger for an aggregate amount not in excess of 200% of the current premium, which policies provide the covered persons with D&O Insurance coverage for an aggregate period of six years with respect to claims arising from facts or events that occurred on or before the effective time of the merger, including in respect of the transactions contemplated by the merger agreement. If prepaid policies have been obtained prior to the effective time of the merger, the

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surviving corporation will maintain such policies in full force and effect for their full term and continue to honor the obligations thereunder.

For a period of six years after the effective time of the merger, Oracle and the surviving corporation are required to fulfill and honor in all respects the obligations of Art Technology Group and its subsidiaries under Art Technology Group s certificate of incorporation or bylaws and under any indemnification or other similar agreements between Art Technology Group or any of its subsidiaries and their current and former directors and officers (whom we refer to as indemnified parties) in effect on the date of the merger agreement.

If Oracle, the surviving corporation or any or its successors or assigns consolidates with or merges into any other entity and is not the continuing or surviving corporation of such consolidation or merger, or transfers or conveys all or substantially all of its properties and assets to any person or entity, then the merger agreement requires that proper provision be made so that the successors and assigns of Oracle or the surviving corporation will assume all of the applicable obligations described above. The indemnified parties (and their successors and heirs) are intended third party beneficiaries of the indemnification and insurance provisions in the merger agreement.

Public Announcements. Oracle and Art Technology Group have agreed that each will consult with the other before issuing any press release or making any other public statement, or scheduling a press conference or conference call with investors or analysts, with respect to the merger agreement or the transactions contemplated thereby. Neither will issue any such press release or make any such other public statement without the consent of the other party, which will not be unreasonably withheld, except as such release or announcement may be required by applicable law or any listing agreement with or rule of any national securities exchange or association upon which the securities of Art Technology Group or Oracle, as applicable, are listed, or as such release or announcement may be made with respect to an adverse recommendation change, in each such case the party making the release or announcement will consult with the other party about, and allow the other party reasonable time (taking into account the circumstances) to comment on, such release or announcement in advance of such issuance, and the party making the release or announcement will consider such comments in good faith.

Notification of Certain Events. Subject to applicable law and certain limitations, the merger agreement provides that the executive officers of Art Technology Group, including its Chief Executive Officer, will consult in good faith on a regular basis with Oracle to report material (individually or in the aggregate) operational developments, the status of relationships with customers, resellers, partners, suppliers, licensors, licensees, distributors and others having material business relationships with Art Technology Group, the status of ongoing operations and other matters reasonably requested by Oracle pursuant to procedures reasonably requested by Oracle. In addition, the merger agreement provides that Art Technology Group will promptly notify Oracle of (i) any notice or other communication alleging that consent from any entity or person is required in connection with the transactions contemplated by the merger agreement, (ii) any notice or other communication received from any governmental authority in connection with the transactions contemplated by the merger agreement, (iii) any litigation commenced or, to Art Technology Group s knowledge, threatened against, relating to or involving or otherwise affecting Art Technology Group or any of its subsidiaries that, if pending on the date of the merger agreement, would have been required to be disclosed pursuant to the merger agreement, or that relate to the consummation of the transactions contemplated by the merger agreement, (iv) any notice or other communication from any major customer or major supplier that such customer or supplier is terminating its relationship with Art Technology Group or any of its subsidiaries as a result of the transactions contemplated by the merger agreement and (v) any inaccuracy of any representation or warranty or breach of covenant or agreement in the merger agreement that could be reasonably expected to cause the conditions to the merger not to be satisfied.

Reasonable Best Efforts

Subject to the terms and conditions of the merger agreement, each of Art Technology Group and Oracle will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable under

applicable law to consummate the transactions contemplated by the merger agreement, including (i) the obtaining from governmental authorities all necessary actions or nonactions, waivers, consents and approvals and the making of all necessary registrations and filings (including filings with governmental authorities, if any) and the taking of all reasonable steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any governmental authority, (ii) the delivery of required notices to, and the obtaining of required consents or waivers from, third parties, and (iii) the execution and delivery of any additional instruments necessary to consummate the merger and to fully carry out the purposes of the merger agreement.

Subject to applicable law relating to the exchange of information, Art Technology Group and Oracle and their respective counsel will (i) have the right to review in advance, and to the extent practicable each will consult the other on, any filing made with, or written materials to be submitted to, any governmental authority in connection with the transactions contemplated by the merger agreement, (ii) promptly inform each other of any communication (or other correspondence or memoranda) received from, or given to, the Antitrust Division, the FTC or any other governmental antitrust authority and (iii) promptly furnish each other with copies of all correspondence, filings and written communications between them or their subsidiaries or affiliates, on the one hand, and any governmental authority or its respective staff, on the other hand, with respect to the transactions contemplated by the merger agreement. Art Technology Group and Oracle will, to the extent practicable, provide the other party and its counsel with advance notice of and the opportunity to participate in any discussion, telephone call or meeting with any governmental authority in respect of any filing, investigation or other inquiry in connection with the transactions contemplated by the merger agreement and to participate in the preparation for such discussion, telephone call or meeting. However, neither Oracle nor Art Technology Group will commit to or agree with any governmental authority to stay, toll or extend any applicable waiting period under the HSR Act or applicable foreign competition laws, without the prior written consent of the other.

Without limiting the other provisions of the merger agreement, Oracle and Art Technology Group have further agreed to (i) provide or cause to be provided, as promptly as practicable to governmental authorities with regulatory jurisdiction over enforcement of any antitrust laws, all information and documents either requested by such governmental antitrust authorities or necessary, proper or advisable to permit completion of the transactions contemplated by the merger agreement, including preparing and filing any notification and report form and related material required under the HSR Act and any additional consents and filings under any antitrust laws as promptly as practicable following the date of the merger agreement (but in no event more than fifteen business days from the date of the merger agreement except by mutual consent confirmed in writing) and thereafter to respond as promptly as practicable to any request for additional information or documentary material that may be made under the HSR Act and any additional consents and filings under any antitrust laws; and (ii) use their reasonable best efforts to take such actions as are necessary or advisable to obtain prompt approval of consummation of the transactions contemplated by the merger agreement by any governmental authority.

The merger agreement provides that in connection with the receipt of any necessary governmental approvals or clearances (including under any antitrust law), none of Oracle, Art Technology Group or any of their respective subsidiaries is required to divest, hold separate, or enter into any license or similar agreement with respect to, or agree to restrict the ownership or operation of, or agree to conduct or operate in a specified manner, any portion of the business or assets of Oracle, Art Technology Group or any of their respective subsidiaries. Oracle or any of its subsidiaries will not be obligated to litigate or participate in the litigation of any proceeding, whether judicial or administrative, brought by any governmental authority or appeal any order (i) challenging or seeking to make illegal, delay materially or otherwise directly or indirectly restrain or prohibit the consummation of the merger or other transactions contemplated by the merger agreement or seeking to obtain from Oracle or any of its subsidiaries any damages in connection therewith, or (ii) seeking to prohibit or limit in any respect, or place any conditions on, the ownership or operation by Art Technology Group, Oracle or any of their respective affiliates of all or any portion of the business, assets or any product of Art Technology Group or Oracle or any of their respective subsidiaries or to

require any such entity to dispose of, license (whether pursuant to an exclusive or nonexclusive license) or enter into a consent decree or hold

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separate all or any portion of the business, assets or any product of Art Technology Group or Oracle or any of their respective subsidiaries, in each case as a result of or in connection with the merger or any of the other transactions contemplated by the merger agreement.

Each of Oracle and the Merger Subsidiary has agreed that, until the effective time of the merger, each will not, and will ensure that none of their subsidiaries or other affiliates will, take any action or propose, announce an intention or agree, in writing or otherwise, to take any action that would reasonably be expected to materially delay or prevent the completion of the transactions contemplated by the merger agreement.

Conditions to the Merger

The obligations of Oracle and the Merger Subsidiary, on the one hand, and Art Technology Group, on the other hand, to consummate the merger are subject to the satisfaction of the following conditions:

- approval and adoption of the merger agreement and the merger by an affirmative vote of the holders of a majority of the outstanding shares of Art Technology Group common stock;

- no governmental authority with jurisdiction over any party will have issued any order, injunction, decree, judgment, ruling or other action that is in effect (whether temporary, preliminary or permanent) restraining, enjoining or otherwise prohibiting the consummation of the merger;

- no law or regulation will have been adopted that makes the consummation of the merger illegal or otherwise prohibited; and

- the waiting period applicable to the merger under the HSR Act will have expired or been terminated, and any applicable waiting period will have expired or been terminated, or any required affirmative approval of a governmental entity will have been obtained, under any applicable antitrust, competition, premerger notification or trade regulation laws of certain specified foreign jurisdictions.

The obligations of Oracle and the Merger Subsidiary to consummate the merger are subject to the satisfaction of the additional following conditions:

- the representations and warranties of Art Technology Group relating to corporate existence, power, authority, non-contravention, certain capitalization matters, finders fees, the opinion of Art Technology Group s financial advisor set forth in the merger agreement and certain anti-takeover statutes and Art Technology Group s rights plan, to the extent not qualified by materiality or material adverse effect thresholds, will be true in all material respects, and to the extent so qualified, will be true in all respects as so qualified, when made and as of immediately prior to the effective time of the merger (other than those representations and warranties that were made only as of a specified date, which need only be true and correct as of such specified date);

- the other representations and warranties of Art Technology Group made in the merger agreement, disregarding materiality or material adverse effect thresholds, will be true when made and as of immediately prior to the effective time of the merger (other than those representations and warranties that were made only as of a specified date, which need only be true and correct as of such specified date), provided that such representations will be deemed to be true unless the individual or aggregate impact of the failure to be so true would have or would reasonably be expected to have a material adverse effect on Art Technology Group;

- Art Technology Group will have performed, in all material respects, its obligations under the merger agreement on or prior to the consummation of the merger;

Oracle will have received a certificate signed on Art Technology Group s behalf by a senior executive officer of Art Technology Group as to the satisfaction of the conditions described in the preceding three bullets;

there will not be instituted or pending any suit, action, claim or proceeding initiated by any governmental authority, or instituted or pending any suit, action, claim or proceeding by any other third party that has a reasonable likelihood of success, that (i) challenges or seeks to make illegal, delay

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materially or otherwise restrain or prohibit the consummation of the merger or seek to obtain material damages, (ii) seeks to restrain or prohibits Oracle s ownership or operation of all or any material portion of the business, assets or products of Art Technology Group or any of its subsidiaries, taken as a whole, or of Oracle and any of its subsidiaries, taken as a whole, or to compel Oracle or any of its affiliates to dispose of, license or hold separate all or any material portion of the business, assets or products of Art Technology Group and any of its subsidiaries, taken as a whole, or Oracle and its subsidiaries, taken as a whole, (iii) seeks to impose or confirm material limitations on the ability of Oracle or any of its affiliates to effectively acquire, hold or exercise full rights of ownership of Art Technology Group common stock or any shares of common stock of the surviving corporation, including the right to vote such shares on all matters properly presented to Art Technology Group s stockholders, or (iv) seeks to require divestiture by Oracle, the Merger Subsidiary or any of Oracle s other affiliates of any equity interests;

there will not be in effect any order that is reasonably likely to result, directly or indirectly, in any of the effects referred to in clauses (i) through (iv) of the preceding bullet point;

the waiting period applicable to the merger under the HSR Act will have expired or been terminated, and any applicable waiting period will have expired or been terminated, or any required affirmative approval of a governmental entity will have been obtained, under any applicable antitrust, competition, premerger notification or trade regulation laws of any applicable foreign jurisdictions; and

there will not have been any fact, event, change, development or set of circumstances that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Art Technology Group.

The obligation of Art Technology Group to consummate the merger is subject to the satisfaction of the additional following conditions:

the representations and warranties of Oracle and the Merger Subsidiary made in the merger agreement, will be true and correct in all material respects as of the consummation of the merger (other than those representations and warranties that were made only as of a specified date, which need only be true and correct in all material respects as of such specified date);

Oracle and the Merger Subsidiary will have performed in all material respects their respective obligations under the merger agreement; and

Art Technology Group will have received a certificate signed on Oracle s behalf by a senior executive officer of Oracle as to the satisfaction of the conditions described in the preceding two bullets.

The above conditions may be amended or waived prior to the effective time of the merger if such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to the merger agreement or, in the case of a waiver, by each party against whom the waiver is to be effective. However, subsequent to the adoption of the merger agreement by Art Technology Group s stockholders, no such amendment or waiver will be made that requires the approval of Art Technology Group s stockholders under Delaware law unless the required further approval is obtained.

Termination of the Merger Agreement

Art Technology Group and Oracle may terminate the merger agreement by mutual written consent at any time before the consummation of the merger. In addition, either Oracle or Art Technology Group may terminate the merger

agreement at any time before the consummation of the merger if:

the merger is not consummated on or before May 2, 2011 (which we refer to as the end date); provided, that if all of the conditions to the consummation of the merger shall have been satisfied, other than the expiration or termination of the applicable waiting period under the HSR Act and if applicable, the receipt of required regulatory approvals under the applicable antitrust or merger control laws of the required foreign jurisdictions, the end date may be extended by a three month period by Oracle by written notice to Art Technology Group (the end date may be so extended not more than twice);

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provided further, that a party whose material breach of any provision of the merger agreement resulted in the failure of the merger to be consummated before the end date will not be entitled to exercise its right to terminate the merger agreement as described in this bullet point;

any governmental entity of competent jurisdiction issues an order, decree, injunction or ruling or takes any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the merger and such order, decree, injunction, ruling or other action becomes final and non-appealable;

any law or regulation is adopted that makes consummation of the merger illegal or otherwise prohibited; or

the approval and the adoption of the merger agreement and the merger by Art Technology Group s stockholders has not been obtained by reason of the failure to obtain the required vote upon a final vote taken at the special meeting (or any adjournment or postponement thereof).

Oracle may also terminate the merger agreement if:

an adverse recommendation change has occurred;

Art Technology Group has entered into, or publicly announced its intention to enter into, a letter of intent, memorandum of understanding or other contract (other than an acceptable confidentiality agreement) relating to any acquisition proposal;

Art Technology Group or any of its representatives have willfully and materially breached any of its obligations under the non-solicitation provisions in the merger agreement; or

Art Technology Group materially breaches or fails to perform any of its covenants or agreements contained in the merger agreement, or if any representation or warranty of Art Technology Group becomes inaccurate, in either case such that the conditions to the merger relating to the accuracy of Art Technology Group s representations and warranties and performance of covenants would not be satisfied as of the time of such breach or as of the time such representation and warranty became inaccurate (except that with respect to breaches or inaccuracies that are curable by Art Technology Group through the exercise of commercially reasonable efforts within 30 days and prior to the end date, Oracle cannot terminate the merger agreement as described in this bullet point until the earlier of (i) the expiration of the 30-day period after delivery of written notice from Oracle to Art Technology Group of any such breach or inaccuracy, or (2) Art Technology Group s ceasing to exercise commercially reasonable efforts to cure the breach or inaccuracy, provided that Art Technology Group continues to exercise commercially reasonable efforts to cure the breach or inaccuracy).

Art Technology Group may also terminate the merger agreement if:

prior to the receipt of approval of the adoption of the merger agreement by Art Technology Group s stockholders, the Art Technology Group board of directors authorizes Art Technology Group, in compliance with the other terms of the merger agreement, to enter into a binding definitive agreement in respect of a superior proposal with a third party if (1) Art Technology Group pays the termination fee (described below in Termination Fees and Expenses) at or prior to termination of the merger agreement and (2) Art Technology Group substantially concurrently enters into a binding definitive agreement with respect to such superior proposal; or

Oracle or the Merger Subsidiary materially breaches or fails to perform any of its covenants or agreements contained in the merger agreement, or if any representation or warranty of Oracle or the Merger Subsidiary

becomes inaccurate in any material respect (except that with respect to breaches or inaccuracies that are curable by Oracle or the Merger Subsidiary through the exercise of commercially reasonable efforts within 30 days and prior to the end date, Art Technology Group cannot terminate the merger agreement as described in this bullet point until the earlier of (i) the expiration of the 30-day period after delivery of written notice from Art Technology Group to Oracle of any such breach or inaccuracy, or (2) Oracle or the Merger Subsidiary, as the case may be, ceasing to exercise commercially reasonable efforts to cure the breach or inaccuracy, provided that Oracle or the Merger

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Subsidiary, as the case may be, continues to exercise commercially reasonable efforts to cure the breach or inaccuracy).

The party that desires to terminate the merger agreement must give written notice of termination to each other party to the merger agreement, except in the case of termination by mutual written consent.

Termination Fees and Expenses

If the merger agreement is terminated, it will become void and of no effect without liability of any party (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to each other party thereto. No such termination will relieve any party of any liability for damages resulting from any willful or intentional breach of the merger agreement.

Notwithstanding the foregoing, if Oracle terminates the merger agreement because:

of an adverse recommendation change;

Art Technology Group enters into, or publicly announces its intention to enter into, a letter of intent, memorandum of understanding or other contract (other than a permitted confidentiality agreement) relating to any acquisition proposal; or

Art Technology Group or any of its representatives has willfully and materially breached any of its obligations under the non-solicitation provisions in the merger agreement,

then Art Technology Group will pay to Oracle, within two business days after any such termination, $33.5 million (which we refer to as the termination fee).

If Art Technology Group terminates the merger agreement because, prior to the receipt of approval of the adoption of the merger agreement by Art Technology Group s stockholders, the Art Technology Group board of directors authorizes Art Technology Group, in compliance with the other terms of the merger agreement, to enter into a binding definitive agreement in respect of a superior proposal and Art Technology Group substantially concurrently enters into a binding definitive agreement in respect to such superior proposal, then Art Technology Group will pay to Oracle, at or prior to such termination, the termination fee.

If either Art Technology Group or Oracle terminates the merger agreement because:

the merger is not consummated on or before the end date (as such end date may be extended by Oracle as described above under Termination of the Merger Agreement); or

the required approval of the stockholders of Art Technology Group has not been obtained by reason of the failure to obtain the required vote upon a final vote taken at the special meeting (or any adjournment or postponement thereof); and

prior to such termination or the special meeting, as applicable, an acquisition proposal has been publicly announced and not publicly withdrawn; and

within 12 months following the date of such termination Art Technology Group either enters into a definitive agreement with respect to, or recommends to its stockholders or completed, a transaction contemplated by such acquisition proposal,

then Art Technology Group will pay to Oracle, within two business days after entering into such definitive agreement, making such recommendation or consummating such transaction, the termination fee.

If either Oracle or Art Technology Group terminates the merger agreement because the required approval of the stockholders of Art Technology Group has not been obtained by reason of the failure to obtain the required vote upon a final vote taken at the special meeting (or any adjournment or postponement thereof), Art Technology Group will pay all of Oracle s documented reasonable out-of-pocket fees and expenses (including reasonable legal and other third party advisors fees and expenses) actually incurred by Oracle and its affiliates on or prior to the termination of the merger agreement in connection with the transactions contemplated by the merger agreement. In no event will Art Technology Group be required to reimburse Oracle for expenses

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exceeding $5 million; provided that the amount of any payment of such expenses will be credited against any obligation of Art Technology Group to pay the termination fee. Art Technology Group will make such payment as promptly as possible (but in any event within three business days) following receipt of an invoice for such expenses.

Art Technology Group acknowledged in the merger agreement that the agreements contained in the provisions regarding the termination fee are an integral part of the transactions contemplated by the merger agreement and that, without those provisions, Oracle and the Merger Subsidiary would not have entered into the merger agreement. If Art Technology Group fails to pay the foregoing fees to Oracle when due, Art Technology Group will pay the costs and expenses (including legal fees and expenses) in connection with any action taken to collect payment (including the prosecution of any lawsuit or other legal action), together with interest on the unpaid amount.

Except as expressly set forth in the merger agreement and described above, all costs and expenses incurred in connection with the merger agreement and the merger will be paid by the party incurring such costs and expenses, provided that Oracle will pay all filing fees payable pursuant to the HSR Act or any foreign competition law unless the merger agreement is terminated as described above under Termination of the Merger Agreement (other than termination by Art Technology Group because Oracle or the Merger Subsidiary materially breaches or fails to perform any of its covenants or agreements contained in the merger agreement, or if any representation or warranty of Oracle or the Merger Subsidiary becomes inaccurate in any material respect) in which case Art Technology Group will reimburse Oracle for one-half of such filing fee.

Governing Law

The merger agreement is governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such state.

APPRAISAL RIGHTS

Under Section 262 of the DGCL, any holder of Art Technology Group common stock who does not wish to accept the merger consideration may elect to exercise appraisal rights in lieu of receiving the merger consideration. A stockholder who exercises appraisal rights may petition the Delaware Court of Chancery to determine the fair value of his, her or its shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, and receive payment of fair value in cash, together with a fair rate of interest, if any. However, the stockholder must comply with the provisions of Section 262 of the DGCL.

The following discussion is a summary of the law pertaining to appraisal rights under the DGCL. The full text of Section 262 of the DGCL is attached to this proxy statement as Annex C. All references in Section 262 of the DGCL to a stockholder and in this summary to a stockholder are to the record holder of the shares of Art Technology Group common stock.

Under Section 262 of the DGCL, when a merger is submitted for approval at a meeting of stockholders, as in the case of the merger agreement, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders entitled to appraisal rights that appraisal rights are available and include in the notice a copy of Section 262 of the DGCL. This proxy statement constitutes such notice, and the applicable statutory provisions are attached to this proxy statement as Annex C. This summary of appraisal rights is not a complete summary of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the text of Section 262 of the DGCL attached as Annex C. Any holder of Art Technology Group common stock, who wishes to exercise appraisal rights or who wishes to preserve the right to do so, should review the following discussion and Annex C carefully. Failure to comply with the procedures of Section 262 of the DGCL in a timely and proper manner will result in the loss of appraisal rights. If you lose your appraisal rights, you will be entitled to receive the merger consideration described in

the merger agreement.

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Stockholders wishing to exercise the right to seek an appraisal of their shares must do ALL of the following:

The stockholder must deliver to Art Technology Group a written demand for appraisal before the vote on the merger agreement at the special meeting.

The stockholder must not vote in favor of the proposal to adopt the merger agreement. Because a proxy that does not contain voting instructions will, unless revoked, be voted in favor of the proposal, a stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the proposal or vote to abstain.

The stockholder must continuously hold the shares from the date of making the demand through the effective time of the merger. A stockholder will lose appraisal rights if the stockholder transfers the shares before the effective time of the merger.

The stockholder must file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares within 120 days after the effective time of the merger. The surviving corporation is under no obligation to file any petition and has no intention of doing so.

Neither voting, in person or by proxy, against, abstaining from voting on nor failing to vote on the proposal to adopt the merger agreement will constitute a written demand for appraisal as required by Section 262 of the DGCL. The written demand for appraisal must be in addition to and separate from any proxy or vote.

Only a holder of record of shares of Art Technology Group common stock issued and outstanding immediately prior to the effective time of the merger may assert appraisal rights for the shares of stock registered in that holder s name. A demand for appraisal must be executed by or on behalf of the stockholder of record, fully and correctly, as the stockholder s name appears on the stock certificates. The demand must reasonably inform Art Technology Group of the identity of the stockholder and that the stockholder intends to demand appraisal of his, her or its Art Technology Group common stock.

STOCKHOLDERS WHO HOLD THEIR SHARES IN BROKERAGE ACCOUNTS OR OTHER NOMINEE FORMS, AND WHO WISH TO EXERCISE APPRAISAL RIGHTS, SHOULD CONSULT WITH THEIR BROKERS TO DETERMINE THE APPROPRIATE PROCEDURES FOR THE NOMINEE HOLDER TO MAKE A DEMAND FOR APPRAISAL OF THOSE SHARES. A PERSON HAVING A BENEFICIAL INTEREST IN SHARES HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BROKER OR NOMINEE, MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW PROPERLY AND IN A TIMELY MANNER THE STEPS NECESSARY TO PERFECT APPRAISAL RIGHTS.

A stockholder who elects to exercise appraisal rights under Section 262 of the DGCL should mail or deliver a written demand to:

ART TECHNOLOGY GROUP, INC.
One Main Street
Cambridge, Massachusetts 02421

If the merger is completed, Art Technology Group will give written notice of the effective time of the merger within 10 days after such effective time to each former Art Technology Group stockholder who did not vote in favor of the merger agreement and who made a written demand for appraisal in accordance with Section 262 of the DGCL. Within 120 days after the effective time of the merger, but not later, either the surviving corporation or any dissenting stockholder who has complied with the requirements of Section 262 of the DGCL may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of Art Technology Group common stock

held by all dissenting stockholders. The surviving corporation is under no obligation to file any petition and has no intention of doing so. Stockholders who desire to have their shares appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262 of the DGCL.

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Within 120 days after the effective time of the merger, any stockholder who has complied with the provisions of Section 262 of the DGCL to that point in time may receive from the surviving corporation, upon written request, a statement setting forth the aggregate number of shares not voted in favor of the merger agreement and with respect to which Art Technology Group has received demands for appraisal, and the aggregate number of holders of those shares. The surviving corporation must mail this statement to the stockholder within the later of 10 days of receipt of the request or 10 days after expiration of the period for delivery of demands for appraisal.

If a petition for appraisal is duly filed by a stockholder and a copy of the petition is delivered to the surviving corporation, the surviving corporation will then be obligated, within 20 days after receiving service of a copy of the petition, to provide the Delaware Court of Chancery with a duly verified list containing the names and addresses of all stockholders who