

Commerce One Delivers New Strategic Sourcing Solution

Best-of-Breed Sourcing Capabilities Combined with Proven Commerce One Platform to Enable Enterprise-Wide Strategic Sourcing

Commerce One, Inc. (NASDAQ: CMRC) today announced Commerce One Source, a comprehensive sourcing solution designed to deliver rapid return on investment (ROI) by enhancing visibility and control across the entire sourcing process for direct and indirect materials and services. Commerce One Source is currently in Beta release with customers and will be generally available in December 2001.

Commerce One Source is powered by a unique, integrated business process engine, enabling the creation of business process flows tailored to support industries, companies and even individual supplier relationships. These process flows help organizations construct simplified, repeatable processes across the enterprise, creating the opportunity for new levels of efficiency and ROI.

Built on the company's proven e-commerce platform, Commerce One Source helps enterprises automate and orchestrate critical sourcing and negotiation processes within the organization and extend them onto the Internet to connect with trading partners. These capabilities are designed to deliver ROI through faster time-to-market for products, reduced cost for goods and services and faster production cycles through better communication, negotiation and contract compliance.

Commerce One Source combines new, competitively distinct sourcing capabilities with Commerce One's proven e-commerce platform, said Dennis H. Jones, president and chief operating officer for Commerce One. This combination enables enterprises to extend their visibility and control over the entire strategic sourcing process, while connecting silos of information and action both inside the enterprise and with trading partners anywhere, anytime.

The Commerce One e-commerce platform also provides integration with existing enterprise ERP and supply chain applications, along with the full suite of Commerce One procurement and e-commerce solutions, to automate the complete source-to-pay process. Unlike traditional e-commerce solutions, the Commerce One platform provides business process management capabilities to coordinate sourcing processes across multiple organizations and enterprise applications.

"In today's down economy, e-Sourcing provides one of the most rapid and direct means for companies to identify and achieve hard-dollar cost savings," said Tim Minahan, vice president, Supply Chain Research, Aberdeen Group. "With Commerce One Source, Commerce One has expanded on its traditional online negotiation and auction capabilities to support more sophisticated and complex sourcing collaboration and decision support capabilities. Together, these components provide a compelling platform for addressing the complete sourcing cycle -- from spending analysis through contract award and management."

Key capabilities of Commerce One Source include:

Sourcing

Guides an enterprise through the complete sourcing cycle, using sophisticated supplier management tools to gather critical information about suppliers. Easy-to-use RFx and project management capabilities speed the negotiation process. The application is designed to enable enterprises to improve collaboration with suppliers throughout the bidding and negotiation processes and to help buyers make the best decisions.

Features include:

RFx (requests for information, proposal and quote)

Allows buyers to build complex bid packages. Buyers can bundle line items and specify criteria; suppliers can bid on partial or complete packages.

Negotiation

Provides structured one-on-one negotiation capabilities.

Quotation Analysis

Supports what if scenarios and allows comparison of bid packages.

Supplier Performance Management

Provides tools for rating, categorizing, analyzing and tracking supplier performance.

Sourcing Activity Reporting

Capabilities range from basic process activity reports to spend and performance analysis by line item, commodity and supplier.

Auction

Reverse auction supports both strategic and ad-hoc sourcing efforts including real-time interactive bidding for direct and indirect goods and services. Enhanced multi-variable bidding allows buyers to analyze incoming bids by rank, weight and user-defined formulas. The module handles a variety of auction types and bids to source anything from commodity items to complex engineered goods.

Sourcing Intelligence

Sourcing Intelligence allows buyers to analyze spending by commodity, supplier, project or contract. The module enables in-depth analysis, ensuring enterprises have the information required to develop an effective sourcing strategy.

Contract Management [Scheduled Availability, Q1 2002]

Encompasses the entire lifecycle of the contract, providing tools for creation, review, negotiation, award and management. Analysis tools improve contract compliance through supplier performance ratings for attributes such as price, delivery and quality.

The Commerce One Platform

Commerce One Source is built on the Commerce One platform, an integration and e-commerce platform that links and orchestrates enterprise legacy applications and interaction with trading partners. The platform provides seamless, real-time information exchange to automate and streamline business processes within and outside the enterprise.

About Commerce One

Commerce One (Nasdaq: CMRC) is the e-marketplace company. Through its software, services and Global Trading Web of interconnected business communities, Commerce One enables worldwide commerce on the Internet. With headquarters in Pleasanton, California and offices around the world, Commerce One can be reached by phone at 800 308 3838 or +1 925 520 6000 or via the Internet at www.commerceone.com.

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Forward Looking Statements

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements discuss the potential benefits of Commerce One's Source product and Commerce One products generally. Among the potential benefits attributed to the sourcing product, and/or other Commerce One products, are the following: improved management of sourcing and negotiation processes; shortened product-to-market cycles; reductions in the cost of goods and services; improved return on investment; faster production cycles through improved communication, negotiation, and contract compliance; the potential for improved collaboration with suppliers throughout the bidding process; real-time interactive bidding; effective integration with existing enterprise ERP and supply chain applications; coordination of sourcing processes across multiple organizations and multiple software applications; easy to use templates; the ability to build complex bid packages and map responses; the ability to analyze spending by commodity, supplier, project, or contract; and the ability to conduct multi-dimensional spend and performance analysis. The words "believe," "expect," "intend," "plan," "project," "will" and similar phrases as they relate to Commerce One are intended to identify such forward-looking statements. These statements reflect the current views and assumptions of Commerce One, and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. These factors include, but are not limited to, the following: the potential that the Source product may not operate as effectively as expected, either with respect to the anticipated benefits described above or in other areas of performance; the possibility that other Commerce One applications may not meet user expectations, either by themselves or in conjunction with the Source product; various external factors, including economic conditions, that may impact the results obtained by particular customers; potential delays or complications in the release of the Source product; and potential problems as to the cooperation between Commerce One and its partners, or among the parties who use the products or those parties who produce or license third-party software that may be integrated with the Commerce One applications. The

information provided in this press release is current as of the date of its publication. Commerce One expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any changes in expectations, or any change in events or circumstances on which those statements are based, unless otherwise required by law. For a discussion of these and other risk factors that could affect Commerce One's business, see "Risk Factors" in Commerce One's filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2000 and its quarterly report on Form 10-Q for the quarter ended September 30, 2001.

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