

SALESFORCE COM INC  
Form S-3ASR  
May 26, 2011  
Table of Contents

As filed with the Securities and Exchange Commission on May 26, 2011

Registration No. 333-

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM S-3

## REGISTRATION STATEMENT

*Under*

*The Securities Act of 1933*

**salesforce.com, inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**94-3320693**  
(I.R.S. Employer  
Identification Number)

**The Landmark @ One Market, Suite 300**

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San Francisco, California 94105

(415) 901-7000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

David Schellhase, Esq.

Executive Vice President, Legal

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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective statement for the same offering. "

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If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

### CALCULATION OF REGISTRATION FEE

| <b>Title of Each Class of<br/>Securities to be Registered</b> | <b>Amount<br/>to be<br/>Registered (1)</b> | <b>Proposed<br/>Maximum<br/>Offering Price<br/>Per Share (2)</b> | <b>Proposed<br/>Maximum<br/>Aggregate<br/>Offering Price (2)</b> | <b>Amount of<br/>Registration Fee</b> |
|---|--|--|--|---------------------------------------|
| Common stock, par value \$0.001 per share                     | 436,167                                    | \$132.49   | \$57,787,766   | \$6,709                               |

- (1) Pursuant to Rule 416(a) of the Securities Act of 1933, as amended, this Registration Statement shall also cover any additional shares of the Registrant's common stock that become issuable by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without receipt of consideration that increases the number of the Registrant's outstanding shares of common stock.
- (2) Estimated in accordance with Rule 457(c) solely for purposes of calculating the registration fee on the basis of the average of the high and low prices of Registrant's common stock as reported on the New York Stock Exchange on May 19, 2011.

**Table of Contents**

**PROSPECTUS**

**DATED MAY 26, 2011**

**436,167 SHARES**

**Common Stock**

The selling stockholders of salesforce.com, inc. ( salesforce, we, or the Company ) listed on page 23 may offer and resell up to 436,167 shares of salesforce common stock under this prospectus. The selling stockholders acquired these shares from us pursuant to a Share Purchase Agreement dated March 30, 2011 by and among salesforce, salesforce.com Canada Corporation, a New Brunswick, Canada corporation and a wholly-owned subsidiary of salesforce, Radian6 Technologies Inc. ( Radian6 ), a New Brunswick, Canada corporation, each of the shareholders of Radian6 (the Shareholders ) and Summerhill Venture Partners Inc., as Shareholder Representative, in connection with our acquisition of Radian6. The selling stockholders (which term as used herein includes their respective donees, transferees, assignees or other successors in interest) may sell these shares through public or private transactions at market prices prevailing at the time of sale or at negotiated prices. We will not receive any proceeds from the sale of the shares by the selling stockholders.

Our common stock is listed on the New York Stock Exchange under the symbol CRM. On May 25, 2011, the last reported sale price for our common stock on the New York Stock Exchange was \$150.93 per share.

**Investing in our common stock involves risks. See Risk Factors beginning on page 4.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is May 26, 2011

**Table of Contents**

**TABLE OF CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| <u>Prospectus Summary</u>                    | 1           |
| <u>Risk Factors</u>                          | 4           |
| <u>Forward-Looking Statements</u>            | 21          |
| <u>Use of Proceeds</u>                       | 22          |
| <u>Selling Stockholders</u>                  | 23          |
| <u>Plan of Distribution</u>                  | 25          |
| <u>Legal Matters</u>                         | 27          |
| <u>Experts</u>                               | 27          |
| <u>Where You Can Find More Information</u>   | 27          |
| <u>Information Incorporated by Reference</u> | 27          |

**No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.**

**Table of Contents**

**PROSPECTUS SUMMARY**

*This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in our common stock. You should read the following summary together with the more detailed information regarding our company, the common stock being registered hereby, and our financial statements and notes thereto incorporated by reference in this prospectus.*

**Overview**

We are a leading provider of enterprise cloud computing applications. We provide a comprehensive customer and collaboration relationship management, or CRM, service to businesses of all sizes and industries worldwide and we provide a technology platform for customers and developers to build and run business applications.

We were incorporated in Delaware in February 1999, and founded on the simple concept of delivering enterprise business applications via the Internet or cloud. Cloud computing refers to the use of Internet-based computing, storage and connectivity technology for a variety of different services. We introduced our first service in February 2000. Since then, we have augmented our CRM service with new editions and enhanced features. We introduced our Force.com platform to customers and developers so they can build complementary applications to extend beyond CRM. In 2010 we introduced our AppExchange directory of enterprise cloud computing applications that are integrated with our CRM service and in most cases have been developed on our platform by third parties. We also introduced Chatter, a collaboration application for the enterprise to connect and share information securely and in real-time.

Our principal executive offices are located at The Landmark @ One Market, Suite 300, San Francisco, California 94105, our telephone number is (415) 901-7000 and our principal website address is [www.salesforce.com](http://www.salesforce.com). The contents of our website are not incorporated by reference in or otherwise a part of this prospectus.

We designed and developed our applications to be easy-to-use and intuitive solutions that can be deployed rapidly, customized easily and integrated with other software applications. We deliver our service through any of the market-leading Web browsers. Customers who use our CRM and collaboration services and platform are able to avoid much of the expense and complexity of traditional enterprise software development and implementations. As a result, our customers incur less risk and lower upfront costs and benefit from increased productivity.

We market our service to businesses on a subscription basis, primarily through our direct sales efforts and indirectly through partners. Through our Force.com platform and developer tools and our AppExchange, we also encourage third parties to develop additional functionality and applications that run on our platform, but which are sold separately from, or in conjunction with, our CRM service.

**Our Strategy**

Key elements of our strategy include:

**Table of Contents**

*Strengthening our existing CRM applications and extending into new functional areas within CRM.* We designed our service to easily accommodate new features and functions. We intend to continue to add CRM features and functionality to our core service that we will make available to customers at no additional charge. We offer advanced editions for an additional subscription fee to customers that require enhanced CRM capabilities. We have a growing portfolio of applications that serve different customer segments and markets. During fiscal 2011 we acquired several companies in complementary businesses, joint ventures, services and technologies in an effort to strengthen and extend our service CRM offerings. We expect to continue to make such investments and acquisitions in the future.

*Pursuing new customers and new territories aggressively.* We believe that our cloud application and platform offerings provide significant value for businesses of any size. As a result, we will continue to aggressively target businesses of all sizes, primarily through our direct sales force. We have steadily increased and plan to continue to increase the number of direct sales professionals we employ, and we intend to develop additional distribution channels for our service. We have created several editions of our service to address the distinct requirements of businesses of different sizes. We also believe that there is a substantial market opportunity for our service outside of North America. We plan to continue to aggressively market to customers outside of North America by recruiting local sales and support professionals and by building partnerships that help us add customers in these regions.

*Deepening relationships with our existing customer base.* We believe there is significant opportunity to leverage our relationships with existing customers. As the customer realizes the benefits of our service, we aim to either upgrade our customers to higher priced editions or sell more subscriptions by targeting additional functional areas and business units within the customer organization and ultimately pursuing enterprise-wide deployments. We aim to have our customers renew their subscriptions at the end of their contractual terms and we run customer success and other programs in an effort to secure renewals of existing customers.

*Continuing to lead the industry transformation to the next phase of cloud computing.* We believe that the market transformation to cloud applications and platforms is a growing trend in the information technology industry. With the popularity of social networking websites, new ways to communicate and collaborate based on feeds and status updates have emerged in the enterprise. We believe we have established a leadership position in the enterprise cloud computing industry as a successful vendor of CRM application services, an enabler for third parties to create their own cloud applications through our platform and a developer of cloud computing technologies with social, mobile and open characteristics to provide to enterprise customers around the world.

*Encouraging the development of third-party applications on our Force.com cloud computing platform.* Our Force.com cloud computing platform enables existing customers, ISVs and third-party developers to develop and deliver cloud applications they have built in our multi-tenant environment. It is a platform on which applications can be created, tested, published, and run. In addition, these applications can be listed on the AppExchange, our online marketplace of cloud applications, or sold by ISVs. We believe the ecosystem of cloud developers and ISVs will address the business requirements of both current and potential customers.



**Table of Contents**

**The Shares Offered in this Prospectus**

Common stock offered by the selling stockholders 436,167 shares

Our common stock is listed on the New York Stock Exchange under the symbol CRM

Use of proceeds All of the shares of common stock being offered under this prospectus are being sold by the selling stockholders or their pledges, donees, transferees, assignees or other successors in interest. Accordingly, we will not receive any proceeds from the sale of these shares.

**Table of Contents**

**RISK FACTORS**

*You should carefully consider the risks described below, together with all of the other information included in or incorporated by reference into this prospectus, before making an investment decision. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we do not currently believe are important to an investor may also harm our business operations. If any of the events, contingencies, circumstances or conditions described in the following risks actually occurs, our business, financial condition or our results of operations could be seriously harmed. If that happens, the trading price of our common stock could decline and you may lose part or all of the value of any of our shares held by you.*

**Risks Related to Our Business and Industry**

***Defects or disruptions in our service could diminish demand for our service and subject us to substantial liability.***

Because our service is complex and we have incorporated a variety of new computer hardware and software which is developed in-house and acquired from third party vendors, our service may have errors or defects that users identify after they begin using it that could result in unanticipated downtime for our subscribers and harm our reputation and our business. Internet-based services frequently contain undetected errors when first introduced or when new versions or enhancements are released. We have from time to time found defects in our service and new errors in our existing service may be detected in the future. In addition, our customers may use our service in unanticipated ways that may cause a disruption in service for other customers attempting to access their data. Since our customers use our service for important aspects of their business, any errors, defects, disruptions in service or other performance problems with our service could hurt our reputation and may damage our customers' businesses. If that occurs, customers could elect not to renew, or delay or withhold payment to us, we could lose future sales or customers may make warranty or other claims against us, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable or the expense and risk of litigation.

***Interruptions or delays in service from our third-party data center hosting facilities could impair the delivery of our service and harm our business.***

We currently serve our customers from third-party data center hosting facilities located in the United States and Singapore. Any damage to, or failure of, our systems generally could result in interruptions in our service. As we continue to add data centers and add capacity in our existing data centers, we may move or transfer our data and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our service. Further, any damage to, or failure of, our systems generally could result in interruptions in our service. Interruptions in our service may reduce our revenue, cause us to issue credits or pay penalties, cause customers to terminate their subscriptions and adversely affect our renewal rates and our ability to attract new customers. Our business will also be harmed if our customers and potential customers believe our service is unreliable.

As part of our current disaster recovery arrangements, our production environment and all of our customers' data is currently replicated in near real-time in a facility located on the east coast of the United States. Companies and products added through acquisition may be temporarily served through alternate facilities. We do not control the operation of any of these facilities, and they are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. They

## **Table of Contents**

may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Despite precautions taken at these facilities, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in our service. Even with the disaster recovery arrangements, our service could be interrupted.

*If our security measures are breached and unauthorized access is obtained to a customer's data or our data or our information technology systems, our service may be perceived as not being secure, customers may curtail or stop using our service and we may incur significant legal and financial exposure and liabilities.*

Our service involves the storage and transmission of customers' proprietary information, and security breaches could expose us to a risk of loss of this information, litigation and possible liability. These security measures may be breached as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance or otherwise, during transfer of data to additional data centers or at any time, and result in someone obtaining unauthorized access to our customers' data or our data, including our intellectual property and other confidential business information, or our information technology systems. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information in order to gain access to our customers' data or our data, including our intellectual property and other confidential business information, or our information technology systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, our customers may authorize third party technology providers, whose applications are available through our AppExchange directory, to access their customer data. Because we do not control the transmissions between our customers and third-party AppExchange technology providers, or the processing of such data by third-party AppExchange technology providers, we cannot ensure the complete integrity or security of such transmissions or processing. Any security breach could result in a loss of confidence in the security of our service, damage our reputation, disrupt our business, lead to legal liability and negatively impact our future sales.

*Because we recognize revenue from subscriptions for our service over the term of the subscription, downturns or upturns in sales may not be immediately reflected in our operating results.*

We generally recognize revenue from customers ratably over the terms of their subscription agreements, which are typically 12 to 24 months, although terms can range from one to 60 months. As a result, most of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may not be immediately reflected in our revenue results for that quarter. Such a decline, however, will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our service, and potential changes in our rate of renewals may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term. In addition, we may be unable to adjust our cost structure to reflect the changes in revenues.

**Table of Contents**

***We cannot accurately predict subscription renewal or upgrade rates and the impact these rates may have on our future revenue and operating results.***

Our customers have no obligation to renew their subscriptions for our service after the expiration of their initial subscription period, which is typically 12 to 24 months, and in fact, some customers have elected not to renew. In addition, our customers may renew for fewer subscriptions, renew for shorter contract lengths, or renew for lower cost editions of our service. We cannot accurately predict renewal rates, particularly for our enterprise customers who purchase a large number of subscriptions under multiyear contracts and for our small and medium size business customers. Our renewal rates may decline or fluctuate as a result of a number of factors, including customer dissatisfaction with our service, customers' ability to continue their operations and spending levels, decreases in the number of users at our customers and deteriorating general economic conditions. If our customers do not renew their subscriptions for our service or reduce the number of paying subscriptions at the time of renewal, our revenue will decline and our business will suffer.

Our future success also depends in part on our ability to sell additional features and services, more subscriptions or enhanced editions of our service to our current customers. This may also require increasingly sophisticated and costly sales efforts that are targeted at senior management. Similarly, the rate at which our customers purchase new or enhanced services depends on a number of factors, including general economic conditions. If our efforts to upsell to our customers are not successful, our business may suffer.

***If we experience significant fluctuations in our rate of anticipated growth and fail to balance our expenses with our revenue forecasts, our results could be harmed.***

Due to our evolving business model and the unpredictability of future general economic and financial market conditions, we may not be able to accurately forecast our rate of growth. We plan our expense levels and investment on estimates of future revenue and future anticipated rate of growth. We may not be able to adjust our spending quickly enough if the addition of new subscriptions or the renewal rate for existing subscriptions falls short of our expectations.

As a result, we expect that our revenues, operating results and cash flows may fluctuate significantly on a quarterly basis. Our recent revenue growth rates may not be sustainable and may decline in the future. We believe that period-to-period comparisons of our revenues, operating results and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

***We have been and may in the future be sued by third parties for alleged infringement of their proprietary rights.***

The software and Internet industries are characterized by the existence of a large number of patents, trademarks and copyrights and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. We have received in the past and may receive in the future communications from third parties claiming that we have infringed the intellectual property rights of others. In addition we have been, and may in the future be, sued by third parties for alleged infringement of their proprietary rights. Our technologies may be subject to injunction if they are held to infringe the rights of a third party or we may be required to pay damages or both.

The outcome of any litigation, regardless of its merits, is inherently uncertain. Any intellectual property claims and lawsuits could be time-consuming and expensive to resolve, divert management attention

## **Table of Contents**

from executing our business plan and require us to change our technology, change our business practices and/or pay monetary damages or enter into short- or long-term royalty or licensing agreements.

Many of our subscription agreements require us to indemnify our customers for third-party intellectual property infringement claims, which would increase the cost to us of an adverse ruling on such a claim. Any adverse determination related to intellectual property claims or litigation could prevent us from offering our service to others, could be material to our net income or cash flows (or both) or could otherwise adversely affect our operating results.

Our exposure to risks associated with the use of intellectual property may be increased as a result of acquisitions, as we have a lower level of visibility into the development process with respect to such technology or the care taken to safeguard against infringement risks. In addition, third parties may make infringement and similar or related claims after we have acquired technology that had not been asserted prior to our acquisition.

### ***Our quarterly results can fluctuate and our stock price and the value of your investment could decline substantially.***

Our quarterly operating results are likely to fluctuate. For example, our fourth quarter has historically been our strongest quarter for new business and renewals. The year-over-year compounding effect of this seasonality in billing patterns and overall new business and renewal activity causes the value of invoices that we generate in the fourth quarter to continually increase in proportion to our billings in the other three quarters of our fiscal year.

Additionally, some of the important factors that may cause our revenues, operating results and cash flows to fluctuate from quarter to quarter include:

our ability to retain and increase sales to existing customers, attract new customers and satisfy our customers' requirements;

the renewal rates for our service;

the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business;

the number of new employees added;

changes in our pricing policies whether initiated by us or as a result of intense competition;

the cost, timing and management effort for the introduction of new features to our service;

the rate of expansion and productivity of our sales force;

the length of the sales cycle for our service;

new product and service introductions by our competitors;

our success in selling our service to large enterprises;

**Table of Contents**

variations in the revenue mix of editions of our service;

technical difficulties or interruptions in our service;

expenses related to developing our new global headquarters and increasing our data center capacity and expanding our data centers domestically and internationally;

changes in foreign currency exchange rates;

changes in interest rates and our mix of investments, which would impact our return on our investments in cash and marketable securities;

conditions, particularly sudden changes, in the financial markets have and may continue to impact the value of and access to our investment portfolio;

changes in the effective tax rates;

general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional subscriptions or upgrade their service, or delay a prospective customer's purchasing decision, or reduce the value of new subscription contracts, or affect renewal rates;

timing of additional investments in our enterprise cloud computing application and platform services and in our consulting service;

changes in deferred revenue balances due to the seasonal nature of our customer invoicing, changes in the average duration of our invoices, rate of renewals and the rate of new business growth;

regulatory compliance costs;

the timing of customer payments and payment defaults by customers;

costs associated with acquisitions of companies and technologies;

extraordinary expenses such as litigation or other dispute-related settlement payments;

conversion of the notes at the election of the note holders;

the impact of new accounting pronouncements; and

the timing of stock awards to employees and the related adverse financial statement impact of having to expense those stock awards ratably over their vesting schedules.

Many of these factors are outside of our control, and the occurrence of one or more of them might cause our operating results to vary widely. As such, we believe that quarter-to-quarter comparisons of our revenues, operating results and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

Additionally, we may fail to meet or exceed the expectations of securities analysts and investors, and the market price of our common stock could decline. If one or more of the securities analysts who cover us



## **Table of Contents**

change their recommendation regarding our stock adversely, the market price of our common stock could decline. Moreover, our stock price may be based on expectations, estimates or forecasts of our future performance that may be unrealistic or that may not be met. Further, our stock price may be affected by financial media, including television, radio and press reports and blogs.

*Weakened global economic conditions may adversely affect our industry, business and results of operations.*

Our overall performance depends in part on worldwide economic conditions. The United States and other key international economies have experienced in the past a downturn in which economic activity was impacted by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty with respect to the economy. These conditions affect the rate of information technology spending and could adversely affect our customers' ability or willingness to purchase our enterprise cloud computing services, delay prospective customers' purchasing decisions, reduce the value or duration of their subscription contracts, or affect renewal rates, all of which could adversely affect our operating results.

*As we acquire companies or technologies, they could prove difficult to integrate, disrupt our business, dilute stockholder value and adversely affect our operating results and the value of your investment.*

As part of our business strategy, we periodically make investments in, or acquisitions of, complementary businesses, joint ventures, services and technologies, and we expect that we will continue to make such investments and acquisitions in the future. Acquisitions and investments involve numerous risks, including:

the potential failure to achieve the expected benefits of the combination or acquisition;

difficulties in and the cost of integrating operations, technologies, services and personnel;

diversion of financial and managerial resources from existing operations;

risk of entering new markets in which we have little or no experience or where competitors may have stronger market positions;

potential write-offs of acquired assets or investments;

potential loss of key employees;

inability to generate sufficient revenue to offset acquisition or investment costs;

the inability to maintain relationships with customers and partners of the acquired business;

the difficulty of incorporating acquired technology and rights into our products and services and of maintaining quality standards consistent with our brand;

potential unknown liabilities associated with the acquired businesses;



## Table of Contents

unanticipated expenses related to acquired technology and its integration into existing technology;

negative impact to our results of operations because of the depreciation and amortization of amounts related to acquired intangible assets, fixed assets and deferred compensation, and the loss of acquired deferred revenue;

delays in customer purchases due to uncertainty related to any acquisition;

the need to implement controls, procedures and policies appropriate for a public company at companies that prior to the acquisition lacked such controls, procedures and policies; and

challenges caused by distance, language and cultural differences.

In addition, if we finance acquisitions by issuing equity or convertible debt securities, our existing stockholders may be diluted which could affect the market price of our common stock. Further, if we fail to properly evaluate and execute acquisitions or investments, our business and prospects may be seriously harmed and the value of your investment may decline.

***We rely on third-party computer hardware and software that may be difficult to replace or which could cause errors or failures of our service.***

We rely on computer hardware purchased or leased and software licensed from third parties in order to offer our service, including database software from Oracle Corporation. This hardware and software may not continue to be available at reasonable prices or on commercially reasonable terms, or at all. Any loss of the right to use any of this hardware or software could significantly increase our expenses and otherwise result in delays in the provisioning of our service until equivalent technology is either developed by us, or, if available, is identified, obtained and integrated. Any errors or defects in third-party hardware or software could result in errors or a failure of our service which could harm our business.

***If the market for our technology delivery model and enterprise cloud computing services develops more slowly than we expect, our business could be harmed.***

The market for enterprise cloud computing application services is not as mature as the market for packaged enterprise software, and it is uncertain whether these services will achieve and sustain high levels of demand and market acceptance. Our success will depend to a substantial extent on the willingness of enterprises, large and small, to increase their use of enterprise cloud computing application services in general, and for CRM in particular. Many enterprises have invested substantial personnel and financial resources to integrate traditional enterprise software into their businesses, and therefore may be reluctant or unwilling to migrate to an enterprise cloud computing application service. Furthermore, some enterprises may be reluctant or unwilling to use enterprise cloud computing application services because they have concerns regarding the risks associated with security capabilities, among other things, of the technology delivery model associated with these services. If enterprises do not perceive the benefits of enterprise cloud computing application services, then the market for these services may not develop at all, or it may develop more slowly than we expect, either of which would significantly adversely affect our operating results. In addition, we may make errors in predicting and reacting to relevant business trends, which could harm our business. Our success also depends on the willingness of third-party developers to build applications that are complementary to our service. Without the development of these applications, both current and potential customers may not find our service sufficiently attractive. In addition, for those customers who authorize a

## **Table of Contents**

third-party technology partner access to their data, we do not warrant the functionality, security and integrity of the data transmission or processing. Despite contract provisions to protect us, customers may look to us to support and warrant the third-party applications, which may expose us to potential claims, liabilities and obligations for applications we did not develop or sell.

*The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed.*

The market for enterprise CRM business applications and development platforms is highly competitive, rapidly evolving and fragmented, and subject to changing technology, shifting customer needs and frequent introductions of new products and services. We compete primarily with vendors of packaged CRM software and companies offering on-demand CRM applications. We also compete with internally developed applications and face, or expect to face, competition from enterprise software vendors and online service providers who may develop toolsets and products that allow customers to build new applications that run on the customers' current infrastructure or as hosted services. Our current competitors include:

enterprise software application vendors;

on-demand CRM application service providers;

enterprise software application service providers;

traditional platform development environment companies; and

cloud computing development platform companies.

Many of our current and potential competitors enjoy substantial competitive advantages, such as greater name recognition, longer operating histories and larger marketing budgets, as well as substantially greater financial, technical and other resources. In addition, many of our current and potential competitors have established marketing relationships and access to larger customer bases, and have major distribution agreements with consultants, system integrators and resellers.

As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. Furthermore, because of these advantages, even if our service is more effective than the products that our competitors offer, potential customers might accept competitive products and services in lieu of purchasing our service. For all of these reasons, we may not be able to compete successfully against our current and future competitors.

*Our efforts to expand our service beyond the CRM market and to develop our existing service in order to keep pace with technological developments may not succeed and may reduce our revenue growth rate and/or harm our business.*

We derive substantially all of our revenue from subscriptions to our CRM enterprise cloud computing application service, and we expect this will continue for the foreseeable future. The market for our Force.com cloud computing platform is relatively new and it is uncertain whether our efforts will ever result in significant revenue for us. Further, the introduction of new services beyond the CRM market may not be successful, and early stage interest and adoption of such new services may not result in long term success or

**Table of Contents**

significant revenue for us. Our efforts to expand our service beyond the CRM market may not succeed and may reduce our revenue growth rate.

Additionally, if we are unable to develop enhancements to and new features for our existing service or new services that keep pace with rapid technological developments, our business will be harmed. The success of enhancements, new features and services depends on several factors, including the timely completion, introduction and market acceptance of the feature or edition. Failure in this regard may significantly impair our revenue growth. In addition, because our service is designed to operate on a variety of network hardware and software platforms using a standard browser, we will need to continuously modify and enhance our service to keep pace with changes in Internet-related hardware, software, communication, browser and database technologies. We may not be successful in either developing these modifications and enhancements or in timely bringing them to market. Furthermore, uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, could increase our research and development or service delivery expenses. Any failure of our service to operate effectively with future network platforms and technologies could reduce the demand for our service, result in customer dissatisfaction and harm our business.

***Supporting our existing and growing customer base could strain our personnel resources and infrastructure, and if we are unable to scale our operations and increase productivity, we may not be able to successfully implement our business plan.***

We continue to experience significant growth in our customer base, which has placed a strain on our management, administrative, operational and financial infrastructure. We anticipate that additional investments in our infrastructure and research and development spending will be required to scale our operations and increase productivity, to address the needs of our customers, to further develop and enhance our service, and to expand into new geographic areas.

Our success will depend in part upon the ability of our senior management to manage our projected growth effectively. To do so, we must continue to increase the productivity of our existing employees and to hire, train and manage new employees as needed. To manage the expected domestic and international growth of our operations and personnel, we will need to continue to improve our operational, financial and management controls and our reporting systems and procedures. The additional investments we are making will increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls by reducing expenses in the short term. If we fail to successfully scale our operations and increase productivity, we will be unable to execute our business plan.

***As more of our sales efforts are targeted at larger enterprise customers, our sales cycle may become more time-consuming and expensive, we may encounter pricing pressure and implementation and customization challenges, and we may have to delay revenue recognition for some complex transactions, all of which could harm our business and operating results.***

As we target more of our sales efforts at larger enterprise customers, we will face greater costs, longer sales cycles and less predictability in completing some of our sales. In this market segment, the customer's decision to use our service may be an enterprise-wide decision and, if so, these types of sales would require us to provide greater levels of education regarding the use and benefits of our service, as well as education regarding privacy and data protection laws and regulations to prospective customers with international operations. In addition, larger customers may demand more customization, integration services and features. As a result of these factors, these sales opportunities may require us to devote greater sales support and

## **Table of Contents**

professional services resources to individual customers, driving up costs and time required to complete sales and diverting our own sales and professional services resources to a smaller number of larger transactions, while potentially requiring us to delay revenue recognition on some of these transactions until the technical or implementation requirements have been met.

Professional services may also be performed by a third party or a combination of our own staff and a third party. Our strategy is to work with third parties to increase the breadth of capability and depth of capacity for delivery of these services to our customers. If a customer is not satisfied with the quality of work performed by us or a third party or with the type of services or solutions delivered, then we could incur additional costs to address the situation, the profitability of that work might be impaired, and the customer's dissatisfaction with our services could damage our ability to obtain additional work from that customer. In addition, negative publicity related to our customer relationships, regardless of its accuracy, may further damage our business by affecting our ability to compete for new business with current and prospective customers.

*Periodic changes of our sales organization can be disruptive and may negatively impact our revenues.*

We periodically change and make adjustments to our sales organization in response to market opportunities, competitive threats, management changes, product introductions or enhancements, acquisitions, sales performance, increases in sales headcount, cost levels, and other internal and external considerations. In the past, these changes sometimes resulted in a temporary lack of focus and reduced productivity; these effects could recur in connection with any future sales changes we might undertake and our rate of revenue growth could be negatively affected. In addition, any significant change to the way we structure our compensation of our sales organization may be disruptive and may affect our revenue growth.

*Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.*

If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business might be harmed. In addition, defending our intellectual property rights might entail significant expense. Any of our trademarks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. While we have some U.S. patents and many U.S. and international patent applications pending, we may be unable to obtain patent protection for the technology covered in our patent applications. In addition, our existing patents and any patents issued in the future may not provide us with competitive advantages, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to us in every country in which our service is available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the U.S., and mechanisms for enforcement of intellectual property rights may be inadequate. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

We might be required to spend significant resources to monitor and protect our intellectual property rights. We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel.

## **Table of Contents**

*If we fail to develop our brands, our business may suffer.*

We believe that developing and maintaining awareness of the salesforce.com brand and our other brands is critical to achieving widespread acceptance of our existing and future services and is an important element in attracting new customers. In the past, our efforts to build our brands have involved significant expense. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incurred in building our brands. If we fail to successfully promote and maintain our brands, or incur substantial expenses in an unsuccessful attempt to promote and maintain our brands, we may fail to attract enough new customers or retain our existing customers to the extent necessary to realize a sufficient return on our brand-building efforts, and our business could suffer.

*We may not realize the anticipated benefits in connection with our purchase of undeveloped land in San Francisco where we plan to develop our global headquarters. If we do not realize these benefits, our financial performance will be negatively impacted.*

In November 2010, we purchased approximately 14 acres of undeveloped real estate in San Francisco, California, including entitlements and improvements associated with the land, which we plan to develop into our global headquarters. We may not realize the anticipated benefits with respect to the purchase and future development of such real estate. We have devoted significant capital resources to the purchase, and we will be required to devote substantial additional resources in the future to building our global headquarters on such land, which may impact our liquidity and financial flexibility. We may not be able to obtain financing for development projects on favorable terms, or at all, or complete construction on schedule or within budget. Any delay or lack of available financing could result in increased construction costs and debt costs to fund such construction and development. In addition, our development efforts will otherwise be subject to various operational risks. We may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations. The construction costs and total investment amounts may exceed any estimates that we formulate, and projects may not be completed, or delivered as planned. Finally, real estate assets are not as liquid as certain other types of assets. In the event that we have a future need to sell this property, we may not be able to do so on favorable terms or at all.

*Sales to customers outside the United States expose us to risks inherent in international sales.*

Because we sell our service throughout the world, we are subject to risks and challenges that we would otherwise not face if we conducted our business only in the United States. For example, sales in Europe and Asia Pacific together represented approximately 30 percent of our total revenues for the year ended January 31, 2011, and we intend to continue to expand our international sales efforts. The risks and challenges associated with sales to customers outside the United States include:

localization of our service, including translation into foreign languages and associated expenses;

laws and business practices favoring local competitors;

compliance with multiple, conflicting and changing governmental laws and regulations, including employment, tax, privacy and data protection laws and regulations;

**Table of Contents**

treatment of revenue from international sources and changes to tax codes, including being subject to foreign tax laws and being liable for paying withholding income or other taxes in foreign jurisdictions;

regional data privacy laws that apply to the transmission of our customers' data across international borders;

foreign currency fluctuations and controls;

different pricing environments;

difficulties in staffing and managing foreign operations;

different or lesser protection of our intellectual property;

longer accounts receivable payment cycles and other collection difficulties;

regional economic conditions; and

regional political conditions.

Any of these factors could negatively impact our business and results of operations.

Additionally, our international subscription fees are paid either in U.S. dollars or local currency. As a result, fluctuations in the value of the U.S. dollar and foreign currencies may make our service more expensive for international customers, which could harm our business.

***From time to time, we may become defendants in legal proceedings about which we are unable to assess our exposure and which could become significant liabilities upon judgment.***

We may become defendants in legal proceedings from time to time. Companies in our industry have been subject to claims related to patent infringement and product liability, as well as contract and employment-related claims. We may not be able to accurately assess the risk related to these suits, and we may be unable to accurately assess our level of exposure.

***Privacy concerns and laws, evolving regulation of the Internet and other domestic or foreign regulations may reduce the effectiveness of our solution and adversely affect our business.***

As Internet commerce continues to evolve, increasing regulation by federal, state or foreign agencies becomes more likely. For example, we believe increased regulation is likely in the area of data privacy, and laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information could affect our customers' ability to use and share data, potentially reducing demand for CRM solutions and restricting our ability to store, process and share data with our customers.

Our customers can use our service to store contact and other personal or identifying information regarding their customers and contacts. Federal, state and foreign government bodies and agencies have adopted or are considering adopting laws and regulations regarding the collection, use and disclosure of personal information obtained from consumers and individuals. The costs of compliance with, and other



## **Table of Contents**

burdens imposed by, such laws and regulations that are applicable to the businesses of our customers may limit the use and adoption of our service and reduce overall demand for it, or lead to significant fines, penalties or liabilities for any noncompliance with such privacy laws. Furthermore, privacy concerns may cause our customers customers to resist providing the personal data necessary to allow our customers to use our service effectively. Even the perception of privacy concerns, whether or not valid, may inhibit market adoption of our service in certain industries.

For example, in the United States regulations such as the Gramm-Leach-Bliley Act, which protects and restricts the use of consumer credit and financial information, and the Health Insurance Portability and Accountability Act of 1996, which regulates the use and disclosure of personal health information, impose significant requirements and obligations on businesses that may affect the use and adoption of our service. The European Union has also adopted a data privacy directive that requires member states to impose restrictions on the collection and use of personal data that, in some respects, are more stringent, and impose more significant burdens on subject businesses, than current privacy standards in the United States.

All of these domestic and international legislative and regulatory initiatives may adversely affect our customers ability to collect and/or use demographic and personal information from their customers, which could reduce demand for our service. Many other jurisdictions have similar stringent privacy laws and regulations.

In addition to government activity, privacy advocacy groups and the technology and other industries are considering various new, additional or different self-regulatory standards that may place additional burdens on us. If the gathering of personal information were to be curtailed in this manner, CRM solutions would be less effective, which may reduce demand for our service and harm our business.

***We may lose key members of our management team and development and operations personnel, or may be unable to attract and retain employees we need to support our operations and growth.***

Our success depends substantially upon the continued services of our executive officers and other key members of management, particularly our Chief Executive Officer. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives. Such changes in our executive management team may be disruptive to our business. We are also substantially dependent on the continued service of our existing development and operations personnel because of the complexity of our service and technologies. We do not have employment agreements with any of our executive officers, key management, development or operations personnel and, therefore, they could terminate their employment with us at any time. The loss of one or more of our key employees or groups could seriously harm our business.

In the technology industry, there is substantial and continuous competition for engineers with high levels of experience in designing, developing and managing software and Internet-related services, as well as competition for sales executives and operations personnel. We may not be successful in attracting and retaining qualified personnel. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be severely harmed.

## **Table of Contents**

### ***Unanticipated changes in our effective tax rate could adversely affect our future results.***

We are subject to income taxes in the United States and various foreign jurisdictions, and our domestic and international tax liabilities are subject to the allocation of expenses in differing jurisdictions.

Our effective tax rate could be adversely affected by changes in the mix of earnings and losses in countries with differing statutory tax rates, certain non-deductible expenses as a result of acquisitions, the valuation of deferred tax assets and liabilities and changes in federal, state or international tax laws and accounting principles. Increases in our effective tax rate could materially affect our net results.

In addition, we are subject to income tax audits by many tax jurisdictions throughout the world. Although we believe our income tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, an adverse resolution of one or more uncertain tax positions in any period could have a material impact on the results of operations for that period.

### ***Natural disasters and other events beyond our control could materially adversely affect us.***

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers, and could decrease demand for our services. The majority of our research and development activities, corporate headquarters, information technology systems, and other critical business operations, are located near major seismic faults in the San Francisco Bay Area. Because we do not carry earthquake insurance for direct quake-related losses, and significant recovery time could be required to resume operations, our financial condition and operating results could be materially adversely affected in the event of a major earthquake or catastrophic event.

### **Risks Relating to Ownership of Our Common Stock**

#### ***The market price of our common stock is likely to be volatile and could subject us to litigation.***

The trading prices of the securities of technology companies have been highly volatile. Accordingly, the market price of our common stock has been and is likely to continue to be subject to wide fluctuations. Factors affecting the market price of our common stock include:

variations in our operating results, earnings per share, cash flows from operating activities, deferred revenue, and other financial metrics and non-financial metrics, and how those results compare to analyst expectations;

forward looking guidance to industry and financial analysts related to future revenue and earnings per share;

the net increases in the number of customers, either independently or as compared with published expectations of industry, financial or other analysts that cover our company;

**Table of Contents**

changes in the estimates of our operating results or changes in recommendations by securities analysts that elect to follow our common stock;

announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors;

announcements by us or by our competitors of mergers or other strategic acquisitions, or rumors of such transactions involving us or our competitors;

announcements of customer additions and customer cancellations or delays in customer purchases;

recruitment or departure of key personnel;

disruptions in our service due to computer hardware, software or network problems;

the economy as a whole, market conditions in our industry, and the industries of our customers;

trading activity by a limited number of stockholders who together beneficially own a majority of our outstanding common stock;

the issuance of shares of common stock by us, whether in connection with an acquisition, a capital raising transaction or upon conversion of some or all of our outstanding \$575.0 million of 0.75% convertible senior notes due January 15, 2015 (the "Notes"); and

any other factors discussed herein.

In addition, if the market for technology stocks or the stock market in general experiences uneven investor confidence, the market price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The market price of our common stock might also decline in reaction to events that affect other companies within, or outside, our industry even if these events do not directly affect us. Some companies that have experienced volatility in the trading price of their stock have been the subject of securities class action litigation. If we are the subject of such litigation, it could result in substantial costs and a diversion of management's attention and resources.

***Provisions in our amended and restated certificate of incorporation and bylaws, Delaware law and our outstanding Notes might discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the market price of our common stock.***

Our amended and restated certificate of incorporation and bylaws contain provisions that could depress the market price of our common stock by acting to discourage, delay or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions among other things:

establish a classified board of directors so that not all members of our board are elected at one time;

permit the board of directors to establish the number of directors;



**Table of Contents**

provide that directors may only be removed for cause and only with the approval of 66 2/3 percent of our stockholders;

require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and bylaws;

authorize the issuance of blank check preferred stock that our board could use to implement a stockholder rights plan (also known as a poison pill );

eliminate the ability of our stockholders to call special meetings of stockholders;

prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;

provide that the board of directors is expressly authorized to make, alter or repeal our bylaws; and

establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control of our company. Section 203 imposes certain restrictions on merger, business combinations and other transactions between us and holders of 15 percent or more of our common stock.

In addition, the fundamental change purchase rights applicable to our Notes, which will allow note holders to require us to purchase all or a portion of their Notes upon the occurrence of a fundamental change, and the provisions requiring an increase to the conversion rate for conversions in connection with a make-whole fundamental change may in certain circumstances delay or prevent a takeover of us and the removal of incumbent management that might otherwise be beneficial to investors.

***Our debt service obligations may adversely affect our financial condition and cash flows from operations.***

As a result of our sale of the Notes in January 2010, we have a higher level of debt compared to historical periods. Our maintenance of this indebtedness could have important consequences because:

it may impair our ability to obtain additional financing in the future;

an increased portion of our cash flows from operations may have to be dedicated towards repaying the principal in 2015 or earlier if necessary; and

it may make us more vulnerable to downturns in our business, our industry or the economy in general.

Our ability to meet our expenses and debt obligations will depend on our future performance, which will be affected by financial, business, economic, regulatory and other factors. We will not be able to control many of these factors, such as economic conditions and governmental regulations. Our operations may not generate sufficient cash to enable us to service our debt. If we fail to make a payment on our debt, we could be in default on such debt.

**Table of Contents**

*The convertible note hedge and warrant transactions may affect the market price of our common stock.*

We entered into privately negotiated convertible note hedge transactions with the hedge counterparties concurrently with the issuance of the Notes. We also entered into privately negotiated warrant transactions with the hedge counterparties. Taken together, the convertible note hedge transactions and the warrant transactions are expected, but not guaranteed, to reduce the potential dilution with respect to our common stock upon conversion of the Notes.

As the hedge counterparties and their respective affiliates modify their hedge positions from time to time by entering into or unwinding various over-the-counter derivative transactions with respect to our common stock, and/or by purchasing or selling shares of our common stock or the Notes in privately negotiated transactions and/or open market transactions, their activities could adversely affect the market price of our common stock.

In addition, the hedge counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that these hedge counterparties may default under the convertible note hedge transactions.

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

This prospectus, including the sections entitled Prospectus Summary and Risk Factors, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements consist of, among other things, trend analyses, statements regarding future events, future financial performance, our business strategy and our plan to build our business, including our strategy to be the leading provider of CRM application services and the leading platform on which customers and partners build enterprise cloud computing applications, our service performance and security, the expenses associated with our data center capacity, our operating results, our anticipated growth, trends in our business, new application service features, our strategy of acquiring or making investments in complementary companies, services and technologies, the effect of general economic and market conditions including sudden declines in the fair value of our investments in cash equivalents and marketable securities, our ability to protect our intellectual property rights, our ability to develop our brands, the effect of evolving government regulations, the effect of foreign currency exchange rate and interest rate fluctuations on our financial results, the potential availability of additional tax assets in the future and related matters, the impact of expensing stock options, the sufficiency of our capital resources, potential litigation involving us, our plan to build our new global headquarters in San Francisco, and our strategy to be the leading provider of CRM application services and the leading platform on which customers and partners build enterprise cloud computing applications, of which are based on current expectations, estimates, and forecasts, and the beliefs and assumptions of our management. Words such as expects, anticipates, aims, projects, intends, plans, believes, estimates, seeks, and similar words, and similar expressions are also intended to identify such forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Readers are directed to risks and uncertainties identified below, under Risk Factors and elsewhere in this prospectus, for factors that may cause actual results to be different than those expressed in these forward-looking statements. Except as required by law, we undertake no obligation to revise or update publicly any forward-looking statements for any reason.

**Table of Contents**

**USE OF PROCEEDS**

We will not receive any proceeds from the sale of the common stock by the selling stockholders.



**Table of Contents****SELLING STOCKHOLDERS**

Up to 436,167 shares of common stock are being offered by this prospectus, all of which are being offered for resale for the account of the selling stockholders. Unless otherwise noted below, the shares being offered were issued to the selling stockholders pursuant to a Share Purchase Agreement dated March 30, 2011 by and among salesforce, Radian6 and certain other parties in connection with our acquisition of Radian6. The selling stockholders may from time to time offer and sell pursuant to this prospectus any or all of the shares of our common stock being registered.

The table below sets forth certain information known to us, based upon written representations from the selling stockholders, with respect to the beneficial ownership of our shares of common stock held by the selling stockholders as of May 2, 2011 (after giving effect to the closing of the acquisition of Radian6), except as described in the notes to such table. Because the selling stockholders may sell, transfer or otherwise dispose of all, some or none of the shares of our common stock covered by this prospectus, we cannot determine the number of such shares that will be sold, transferred or otherwise disposed of by the selling stockholders, or the amount or percentage of shares of our common stock that will be held by the selling stockholders upon termination of any particular offering. See Plan of Distribution. For purposes of the table below, we assume that the selling stockholders will sell all their shares of common stock covered by this prospectus. In addition, the selling stockholders named in the table below may transfer any of their shares of common stock to their assignees and/or successors in interest, who may subsequently offer and sell such shares pursuant to this prospectus. For purposes of this prospectus, selling stockholders shall include any such assignees and/or successors in interest.

In the table below, the percentage of shares beneficially owned is based on 133,899,618 shares of our common stock outstanding at April 30, 2011, determined in accordance with Rule 13d-3 under the Exchange Act. Under such rule, beneficial ownership includes any shares over which the selling stockholder has sole or shared voting power or investment power and also any shares that the selling stockholder has the right to acquire within 60 days of such date through the exercise of any options or other rights. Except as otherwise indicated, we believe that the selling stockholders have sole voting and investment power with respect to all shares of the common stock shown as beneficially owned by them.

| Name of Selling Stockholder                             | Prior to the Offering(1)                            |   | Number of Shares of Common Stock Being Registered for Resale | After the Offering                                  |   |
|---|---|---|--|---|---|
|   | Number of Shares of Common Stock Beneficially Owned | Percent of Shares of Common Stock Outstanding |  | Number of Shares of Common Stock Beneficially Owned | Percent of Shares of Common Stock Outstanding |
| Summerhill Ventures I LP (2)                            | 122,045   | *   | 122,045  |   | *   |
| Brightspark Ventures II, L.P. (3)                       | 107,472   | *   | 107,472  |   | *   |
| BDC Capital Inc. (4)                                    | 61,933  | *   | 61,933   |   | *   |
| Chris Newton (5)  | 49,583  | *   | 49,583   |   | *   |
| Gerald L. Pond (6)                                      | 38,949  | *   | 38,949   |   | *   |
| Windigo Consulting Inc. (7)                             | 16,941  | *   | 16,941   |   | *   |
| Robert Justason (8)                                     | 16,525  | *   | 16,525   |   | *   |
| New Brunswick Innovation Foundation Inc. (9)            | 13,746  | *   | 13,746   |   | *   |
| Marcel LeBrun (10)                                      | 12,395  | *   | 12,395   |   | *   |
| John Rocca (11)   | 9,088   | *   | 9,088  |   | *   |
| Justason Consulting (12)                                | 8,263   | *   | 8,263  |   | *   |
| David Alston (13)                                       | 8,263   | *   | 8,263  |   | *   |
| Mariner Partners Inc. (14)                              | 4,131   | *   | 4,131  |   | *   |
| DCS 70 Inc. (15)  | 4,131   | *   | 4,131  |   | *   |
| Andrew Justason (16)                                    | 4,131   | *   | 4,131  |   | *   |
| Chris Ramsey (17)                                       | 4,131   | *   | 4,131  |   | *   |
| FCS Flooring & Concrete Solutions Specialists Inc. (18) | 2,520   | *   | 2,520  |   | *   |
| Rocca Property Management Inc. (19)                     | 2,479   | *   | 2,479  |   | *   |
| Joel Levesque (20)                                      | 1,652   | *   | 1,652  |   | *   |
| Ellerdale Properties Ltd. (21)                          | 247   | *   | 247  |   | *   |
| Total shares of our common stock to be registered:      | 436,167   | *   | 436,167  |   | *   |



**Table of Contents**

(\*)Less than 1%.

- (1)The number of shares beneficially owned is determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, and the information is not necessarily indicative of beneficial ownership for any other purpose.
- (2)Summerhill Venture Partners Inc. ( Summerhill Inc. ) is the General Partner of Summerhill Ventures Partners LP, the General Partner of Summerhill Ventures I LP ( Summerhill I LP ) and may be deemed to have sole voting and dispositive power over the shares being registered for resale. Gary Rubinoff and Joseph Catalfamo are the directors of Summerhill Inc. and may be deemed to share voting and dispositive power over the Summerhill I LP shares. Each of these individuals disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for these entities and individuals is 21 St. Clair Avenue East, Suite 1400, Toronto, Ontario, Canada M4T 1L8.
- (3)Brightspark Canada Ltd. ( Brightspark Ltd. ) is the General Partner of Brightspark Ventures Partnership LP, the General Partner of Brightspark Ventures II, LP ( Brightspark II LP ) and may be deemed to have sole voting and dispositive power over the shares being registered for resale. Mark Skapinker, Sophie Forest and Tony Davis are the managing partners of Brightspark Ltd. and may be deemed to share voting and dispositive power over the Brightspark II LP shares. Each of these individuals disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for these entities and individuals is 2323 Yonge Street, Suite 502, Toronto, Ontario, Canada M4P 2C9.
- (4)BDC Capital Inc. ( BDC ) is a 100% owned subsidiary of the Business Development Bank of Canada, a Canadian Crown Corporation owned by the government of Canada. The address for BDC is 5, Place Ville Marie, Suite 400, Montreal, Quebec, Canada H3B 5E7.
- (5)All of these shares are subject to vesting conditions over two years, subject to certain acceleration provisions. Upon satisfaction of these vesting conditions, 50% shares vest on each of May 2, 2012 and May 2, 2013. Mr. Newton has voting power over all of the reported shares.
- (6)Includes (i) 4,131 shares held of record by Gerald L. Pond; (ii) 16,941 shares listed in footnote (7) below which are held of record by Windigo Consulting Inc. ( Windigo ); (iii) 13,746 shares listed in footnote (9) below which are held of record by New Brunswick Innovation Foundation Inc. ( NBIF ); and (iv) 4,131 shares listed in footnote (14) below which are held of record by Mariner Partners Inc. ( Mariner ). Mr. Pond disclaims beneficial ownership of the shares held of record by Windigo, NBIF and Mariner except to the extent of his pecuniary interest therein.
- (7)Gerald Pond is the sole director of Windigo and may be deemed to have sole voting and dispositive power over the Windigo shares. Mr. Pond disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for Windigo and Mr. Pond is 15 Larsen Drive, Rothesay, New Brunswick, Canada E2H 2V4.
- (8)Includes (i) 4,131 shares held of record by Robert Justason; (ii) 8,263 shares listed in footnote (12) below which are held directly by Justason Consulting Inc. ( Justason Consulting ); and 4,131 shares listed in footnote (14) below, which are held directly by Mariner. Mr. Justason disclaims beneficial ownership of the shares held by Justason Inc. and Mariner except to the extent of his pecuniary interest therein.
- (9)Dr. Robert Hatheway, Michael Jennings, Bill Levesque, Gerald Pond, Linda Eaton, Marc Leger, Byron James, Dr. Gregory Kealey, Beth Webster, Jean-Claude Mercier, Dr. Rodney Ouellette and Annette Comeau are the directors of NBIF and may be deemed to share voting and dispositive power over the NBIF shares. Each of these individuals disclaims beneficial ownership of such shares except to the extent of his or her pecuniary interest therein. The address for NBIF and these individuals is 440 King Street, King Tower, Suite 602, Fredericton, New Brunswick, Canada E3B 5H8.
- (10)All of these shares are subject to vesting conditions over two years, subject to certain acceleration provisions. Upon satisfaction of these vesting conditions, 50% shares vest on each of May 2, 2012 and May 2, 2013. Mr. LeBrun has voting power over all of the reported shares.
- (11)Includes (i) 3,842 shares held or record by John Rocca; (ii) 2,520 shares listed in footnote (18) below, which are held of record by FCS Flooring and Concrete Solutions Specialists Inc. ( FCS Flooring ); (iii) 2,479 shares listed in footnote (19) below, which are held of record by Rocca Property Management Inc. ( Rocca Mgmt ); and (iv) 247 shares listed in footnote (21) below, which are held of record by Ellerdale Properties Ltd. ( Ellerdale ). Mr. Rocca disclaims beneficial ownership of the shares held of record by FCS Flooring, Rocca Mgmt and Ellerdale except to the extent of his pecuniary interest therein.
- (12)Robert Justason and Linda Justason are the shareholders of Justason Consulting and may be deemed to share voting and investment power over the shares held by Justason Consulting. Each of these individuals disclaims beneficial ownership of such shares except to the extent of his or her pecuniary interest therein. The address for Justason Consulting and these individuals is 257 CK Justason Lane, Pennfield, New Brunswick, Canada E5H 1S5.
- (13)All of these shares are subject to vesting conditions over two years, subject to certain acceleration provisions. Upon satisfaction of these vesting conditions, 50% shares vest on each of May 2, 2012 and May 2, 2013. Mr. Alston has voting power over all of the reported shares.
- (14)Curtis Howe, Robert Justason, Gerald Pond, Brock Sansom, Thoms Bayne, Trenton Pomeroy, Marc Savoie, Thomas Laird, David Schriver and Andrew Harrigan are the current shareholders of Mariner and may be deemed to share voting and dispositive power over the Mariner shares. Each of these individuals disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for Mariner and these individuals other than Messrs. Justason, Pond and Savoie is 12 Smythe Street, 3<sup>rd</sup> Floor, Saint John, New Brunswick, Canada E2L 5G5.
- (15)Marc Savoie and Joanne Savoie are the shareholders of DCS 70 Inc. ( DCS ) and may be deemed to share voting and dispositive power over the DCS shares. Each of these individuals disclaims beneficial ownership of such shares except to the extent of his or her pecuniary interest therein. The address for DCS and these individuals is 35 Melrose Avenue, New Maryland, New Brunswick, Canada E3C 2R1.
- (16)The address for Mr. Justason is 100 Lansdowne Street, Fredricton, New Brunswick, Canada E3B IT4.
- (17)All of these shares are subject to vesting conditions over two years, subject to certain acceleration provisions. Upon satisfaction of these vesting conditions, 50% shares vest on each of May 2, 2012 and May 2, 2013. Mr. Ramsey has voting power over all of the reported shares.
- (18)John Rocca is the sole director of FCS Flooring and may be deemed to have sole voting and dispositive power over the FCS Flooring shares. Mr. Rocca disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for FCS Flooring and Mr. Rocca is 1190 Fairville Blvd., Saint John, New Brunswick, Canada E2M 5T7.
- (19)John Rocca is the sole director of Rocca Mgmt and may be deemed to have sole voting and dispositive power over the Rocca Mgmt shares. Mr. Rocca disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for Rocca Mgmt is 1190 Fairville Blvd., Saint John, New Brunswick, Canada E2M 5T7.
- (20)The address for Mr. Levesque is 561 Gondola Point Road, Quispamsis, New Brunswick, Canada E2E 1H7.
- (21)John Rocca is the sole director of Ellerdale and may be deemed to have sole voting and dispositive power over the Ellerdale shares. Mr. Rocca disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for Ellerdale is 1190 Fairville Blvd., Saint John, New Brunswick, Canada E2M 5T7.

**Table of Contents**

**PLAN OF DISTRIBUTION**

The selling stockholders may, from time to time, sell any or all of the shares of common stock beneficially owned by them and offered hereby.

The sales may be made on one or more exchanges or in the over-the-counter market or otherwise, at prices and at terms then prevailing or at prices related to the then current market price, or in negotiated transactions.

The selling stockholders may effect such transactions by selling the shares of common stock to or through broker-dealers. The shares of common stock may be sold through broker-dealers by one or more of, or a combination of, the following:

a block trade in which the broker-dealer so engaged will attempt to sell the shares of common stock as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by such broker-dealer for its account;

ordinary brokerage transactions and transactions in which the broker solicits purchasers; and

in privately negotiated transactions.

The selling stockholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

The selling stockholders also may transfer the shares of common stock in other circumstances, in which case the transferees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be underwriters within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The selling stockholders have informed us that, except as set forth below, none of them has any agreement or understanding, directly or indirectly, with any person to distribute the common stock. If any selling stockholder notifies us that a material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering or secondary distribution or a purchase by a broker or dealer, we may be required to file a prospectus supplement pursuant to the applicable rules promulgated under the Securities Act of 1933. Certain selling stockholders who are entities rather than natural persons (including Summerhill Ventures I LP and Brightspark Ventures II, L.P.) may distribute shares to their partners, shareholders or other owners in normal course, who may in turn sell the shares in the manner listed above.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the shelf registration statement, of which this prospectus forms a part.

We are required to pay all fees and expenses incident to the registration of the shares. We have agreed to indemnify the selling stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act, or the selling stockholders may be entitled to contribution. We may be

**Table of Contents**

indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act that may arise from written information furnished to us by the selling stockholders specifically for use in this prospectus.

None of the selling stockholders intends to use any means of distributing or delivering the prospectus other than by hand or the mails, and none of the selling stockholders intends to use any forms of prospectus other than printed prospectuses.

Once sold under the shelf registration statement, of which this prospectus forms a part, the shares of common stock will be freely tradeable in the hands of persons other than our affiliates.

**Table of Contents**

**LEGAL MATTERS**

The validity of the shares of common stock offered by this Prospectus has been passed upon for salesforce.com, inc. by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California.

**EXPERTS**

The consolidated financial statements of salesforce.com, inc. as of and for the year ended January 31, 2011 appearing in our Annual Report on Form 10-K for the year ended January 31, 2011, and the effectiveness of internal control over financial reporting as of January 31, 2011, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's Public Reference Room in Washington, D.C., located at 100 F Street, N.E. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public over the internet from the SEC's website at [www.sec.gov](http://www.sec.gov), or our website at [www.salesforce.com](http://www.salesforce.com). The contents of our website are not incorporated by reference in or otherwise a part of this prospectus.

**INFORMATION INCORPORATED BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this registration statement until the selling stockholders listed herein sell all of the shares of our common stock registered under this prospectus:

1. our Annual Report on Form 10-K for the fiscal year ended January 31, 2011, filed with the SEC on March 23, 2011;
2. our Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2011, filed with the SEC on May 26, 2011;
3. the information specifically incorporated by reference into the Annual Report from our definitive proxy statement on Schedule 14A, filed with the SEC on May 4, 2011;
4. our Current Reports on Form 8-K, filed with the SEC on March 30, 2011, April 1, 2011 and May 2, 2011; and

**Table of Contents**

5. the description of our common stock in our Registration Statement on Form 8-A, filed with the SEC on June 21, 2004. This prospectus is part of a registration statement on Form S-3 filed with the SEC under the Securities Act of 1933. This prospectus does not contain all of the information set forth in the registration statement. You should read the registration statement for further information about salesforce and our common stock.

Documents incorporated by reference are available from us, without charge, excluding all exhibits unless specifically incorporated by reference in the documents. You may obtain documents incorporated by reference in this prospectus by writing to us at the following address or by calling us at the telephone number listed below:

salesforce.com, inc.

The Landmark @ One Market, Suite 300

San Francisco, California 94105

(415) 901-7000

Attn: Secretary

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with different information. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front page of those documents.

**Table of Contents**

**436,167 Shares**

**Common Stock**

**PROSPECTUS**

**May 26, 2011**



**Table of Contents****PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.**

The Registrant will pay all reasonable expenses incident to the registration of the shares other than any commissions and discounts of underwriters, dealers or agents. Such expenses are set forth in the following table. All of the amounts shown are estimates except the SEC registration fee.

|                              | <b>Amount to<br/>be paid</b> |
|------------------------------|------------------------------|
| SEC registration fee         | \$ 6,709                     |
| Printing fees                | 15,000                       |
| Legal fees and expenses      | 25,000                       |
| Accounting fees and expenses | 5,000                        |
| <b>Total</b>                 | <b>\$ 51,709</b>             |

**ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.**

Section 102(b) of the Delaware General Corporation Law authorizes a corporation to provide in its Certificate of Incorporation that a director of the corporation shall not be personally liable to a corporation or its stockholders for monetary damages for breach or alleged breach of the director's duty of care. While this statute does not change the director's duty of care, it enables corporations to limit available relief to equitable remedies such as injunction or rescission. The statute has no effect on a director's duty of loyalty or liability for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, illegal payment of dividends or stock redemptions or repurchases, or for any transaction from which the director derives an improper personal benefit. As permitted by the statute, the Company has adopted provisions in its Certificate of Incorporation which eliminate to the fullest extent permissible under Delaware law the personal liability of its directors to the Company and its stockholders for monetary damages for breach or alleged breach of their duty of care.

Section 145 of the General Corporation Law of the State of Delaware allows for the indemnification of officers, directors, employees and agents of a corporation. The Bylaws of the Company provide for indemnification of its directors, officers, employees and agents to the full extent permitted by Delaware law, including those circumstances in which indemnification would otherwise be discretionary under Delaware law. The Company's Bylaws also empower the Company to enter into indemnification agreements with its directors and officers and to purchase insurance on behalf of any person whom it is required or permitted to indemnify. The Company has entered into agreements with its directors and its executive officers that require the Company to indemnify such persons to the fullest extent permitted under Delaware law against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred (including expenses of a derivative action) in connection with any proceeding, whether actual or threatened, to which any such person may be made a party by reason of the fact that such person is or was a director or an executive officer of the Company or any of its affiliated enterprises. The indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification thereunder. The Company intends to enter into indemnification agreements with any new directors and executive officers in the future.

**Table of Contents**

Section 145 of the General Corporation Law of the State of Delaware provides for indemnification in terms sufficiently broad to indemnify such individuals, under certain circumstances, for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

**ITEM 16. EXHIBITS.**

| Exhibit Number | Description   |
|----------------|---|
| 2.1(1)         | Share Purchase Agreement dated as of March 30, 2011, by and among salesforce.com, inc., salesforce.com Canada Corporation, Radian6 Technologies Inc. and each of the shareholders of the Company, and the shareholder representative. |
| 3.1(2)         | Restated Certificate of Incorporation of the Registrant.  |
| 3.2(3)         | Amended and Restated Bylaws of the Registrant.  |
| 5.1*           | Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation   |
| 23.1*          | Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm   |
| 23.2           | Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (contained in Exhibit 5.1 hereto)   |
| 24.1           | Power of Attorney (contained on signature page hereto)  |

\* Filed herewith

- (1) Incorporated by reference from the Registrant's Current Report on Form 8-K as filed with the SEC on March 30, 2011.
- (2) Incorporated by reference from the Registrant's Registration Statement on Form S-1 (No. 333-111289), Amendment No. 3, as filed with the SEC on April 20, 2004.
- (3) Incorporated by reference from the Registrant's Current Report on Form 8-K as filed with the SEC on January 14, 2011.

**ITEM 17. UNDERTAKINGS.**

A. The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

**Table of Contents**

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

*Provided, however,* that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

**Table of Contents****SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, State of California, on May 26, 2011.

**salesforce.com, inc.**

By: /s/ MARC BENIOFF  
Marc Benioff

Chief Executive Officer

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENT, that each person whose signature appears below hereby constitutes and appoints Marc Benioff, Graham Smith and David Schellhase, and each of them, as his or her true and lawful attorney in fact and agent with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement on Form S-3 (including post effective amendments), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney in fact, proxy and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney in fact, proxy and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-3 has been signed by the following persons in the capacities and on the dates indicated.

| <b>Signature</b>                                 | <b>Title</b>   | <b>Date</b>  |
|--|--|--------------|
| /s/ MARC BENIOFF<br>Marc Benioff                 | Chairman of the Board and Chief Executive Officer<br>(Principal Executive Officer) | May 26, 2011 |
| /s/ GRAHAM SMITH<br>Graham Smith                 | Chief Financial Officer<br>(Principal Financial & Accounting Officer)              | May 26, 2011 |
| /s/ CRAIG CONWAY<br>Craig Conway                 | Director   | May 26, 2011 |
| /s/ ALAN HASSENFELD<br>Alan Hassenfeld           | Director   | May 26, 2011 |
| /s/ CRAIG RAMSEY<br>Craig Ramsey                 | Director   | May 26, 2011 |
| /s/ SANFORD R. ROBERTSON<br>Sanford R. Robertson | Director   | May 26, 2011 |

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|                        |          |              |
|------------------------|----------|--------------|
| /s/ STRATTON SCLAVOS   | Director | May 26, 2011 |
| Stratton Sclavos       |          |              |
| /s/ LAWRENCE TOMLINSON | Director | May 26, 2011 |
| Lawrence Tomlinson     |          |              |
| /s/ MAYNARD WEBB       | Director | May 26, 2011 |
| Maynard Webb           |          |              |
| /s/ SHIRLEY YOUNG      | Director | May 26, 2011 |
| Shirley Young          |          |              |

II-4

**Table of Contents**

**EXHIBIT INDEX**

| <b>Exhibit Number</b> | <b>Description of Document</b>  |
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