STELLENT INC
Form S-4
February 06, 2004

Table of Contents

As filed with the Securities and Exchange Commission on February 6, 2004

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Stellent, Inc.

(Exact name of registrant as specified in its charter)

Minnesota	7372	41-1652566
(State or other jurisdiction of incorporation or organization)	*(Primary standard industrial classification code number)*	*(IRS employer identification no.)*

7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344
(952) 903-2000
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Gregg A. Waldon

Executive Vice President, Chief Financial Officer, Secretary and Treasurer
Stellent, Inc.
7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344
(952) 903-2000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Kris Sharpe Gordon S. Weber Faegre & Benson LLP 2200 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402 Phone: (612) 766-7000 Fax: (612) 766-1600	Mark K. Ruport President and Chief Executive Officer Optika Inc. 7450 Campus Drive, Suite 200 Colorado Springs, CO 80920 Phone: (719) 548-9800 Fax: (719) 531-0019	Jeremy W. Makarechian E*Law Group 3555 West 110th Place Westminster, CO 80031 Phone: (303) 410-8988 Fax: (303) 410-0468	Warren L. Troupe Scott M. Davies Morrison & Foerster LLP 5200 Republic Plaza 370 Seventeenth Street Denver, CO 80202 Phone: (303) 592-1500 Fax: (303) 592-1510

Approximate date of commencement of proposed sale of securities to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the merger described herein have been satisfied or waived.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value $0.01 per share, including Rights to purchase Preferred Stock(1)	Not applicable(2)	Not applicable	$31,667,892(3)	$4,013

(1) Rights to purchase preferred stock are initially attached to and trade with Stellent common stock. Value attributable to the rights, if any, is reflected in the market price for Stellent common stock.

(2) Pursuant to Rule 457(o), the registration fee has been calculated on the basis of the maximum aggregate offering price, and the number of shares being registered has been omitted.

(3) Computed in accordance with Rules 457(f)(1) and 457(c) under the Securities Act, based upon the number of outstanding shares of common stock of Optika Inc. and the average of the high and low sale prices of such shares as quoted on the Nasdaq SmallCap Market on February 5, 2004. The proposed maximum aggregate offering price is estimated solely to determine the registration fee.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information contained in this joint proxy statement/ prospectus is not complete and may be changed. Stellent may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/ prospectus is not an offer to sell these securities and Stellent is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS
DATED FEBRUARY 1 , 2004, SUBJECT TO COMPLETION

JOINT PROXY STATEMENT/PROSPECTUS
Merger Proposed Your Vote Is Very Important

Stellent, Inc. and Optika Inc. have entered into a merger agreement that provides for the merger of Optika with a subsidiary of Stellent. As a result of the merger, Optika effectively will become a wholly owned subsidiary of Stellent.

Under the merger agreement:

Each outstanding share of Optika common stock will be converted into the right to receive 0.44 of a share of Stellent common stock, subject to adjustment described below.

All outstanding shares of Optika preferred stock will be converted into the right to receive a total of $10 million in cash and, in certain circumstances described below, shares of Stellent common stock.

Each outstanding option to acquire shares of Optika common stock will be assumed by Stellent and converted into the right to acquire shares of Stellent common stock.

If the value of 0.44 of a share of Stellent common stock, based on the average closing price of a share of Stellent common stock over a period ending shortly before the merger is consummated, is greater than $4.00 (which is equivalent to an average closing price of approximately $9.09 per share of Stellent common stock during such period), then:

80% of the per-share value in excess of $4.00 will be allocated to the holders of Optika common stock.

20% of the per-share value in excess of $4.00 will be allocated to the holders of Optika preferred stock.

This allocation will be accomplished by reducing the total number of Stellent shares to be issued to the holders of Optika common stock and by issuing those shares to the holders of Optika preferred stock. The total number of shares to be issued by Stellent will not change.

On 1 , 2004, the closing price of Stellent common stock, which trades on the Nasdaq National Market System under the symbol STEL, was $ 1 per share. If the price of Stellent s common stock at the effective time of the merger was equal to that price, then each share of Optika preferred stock would be exchanged for $13.664 in cash and Stellent common stock having a per-share market value of $ 1 , and each share of Optika common stock would be exchanged for Stellent common stock having a per-share value of $ 1 , each calculated in the manner described above.

Both companies have called special meetings of their shareholders to consider and vote on proposals relating to the merger. At Optika s meeting, Optika will ask its stockholders to consider and vote on the approval of the merger agreement and the merger, as well as an amendment to Optika s certificate of designation of its preferred stock. At Stellent s meeting, Stellent will ask its shareholders to consider and vote on the approval of the issuance of Stellent common stock in the merger. To complete the merger, the shareholders of each company must approve the applicable merger-related proposals.

This joint proxy statement/ prospectus gives you detailed information about Stellent, Optika, the merger and the Optika certificate of designation amendment and includes a copy of the merger agreement, Optika s amended and restated certificate of designation of its preferred stock and other important documents. We encourage you to read this entire document carefully before deciding how to vote. **In particular, you should read carefully the Risk Factors section beginning on page 21 for a description of various risks you should consider in evaluating the merger.**

Your vote is important, regardless of the number of shares you own. To vote your shares, you may use the enclosed proxy card or you may attend the meeting held by your company. In the case of Optika stockholders, if you do not vote, it will have the same effect as voting against approval of the merger agreement and the merger.

We are very enthusiastic about the merger and join the members of the two companies boards of directors in recommending that you vote FOR the proposal being submitted for your consideration and vote.

ROBERT F. OLSON	MARK K. RUPORT
Chairman, President and Chief Executive Officer	*Chairman, President and Chief Executive Officer*
Stellent, Inc.	Optika Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this joint proxy statement/ prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated l , 2004,

and is first being mailed to shareholders on or about l , 2004.

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE MERGER
SUMMARY
- The Merger
- The Companies
- What Optika Stockholders Will Receive in the Merger
- Ownership of Stellent Following the Merger
- Reasons for the Merger
- Recommendations of Boards of Directors
- Opinions of Financial Advisors
- Interests of Directors and Executive Officers of Optika in the Merger
- The Shareholders Meetings
- Voting Agreements
- Optika Stock Options
- Accounting Treatment
- Material United States Federal Income Tax Consequences
- Appraisal Rights
- Regulatory Matters
- Material Terms of the Merger Agreement
- Federal Securities Laws Consequences: Stock Transfer Restrictions
- Stock Price and Dividend Information
- STELLENT, INC. SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA
- OPTIKA INC. SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA
- SUMMARY SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL DATA
- COMPARATIVE PER SHARE DATA

RISK FACTORS
- Risks Relating to the Merger
- Risks Relating to Stellent s Business
- Risks Relating to Optika s Business

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS
THE STELLENT SHAREHOLDERS MEETING
- Time and Place
- Matters to Be Considered
- Record Date
- Quorum
- Vote Required
- Share Ownership as of the Record Date
- How to Vote by Proxy
- How Proxies Will Be Voted
- Treatment of Abstentions and Broker Non-Votes
- How to Revoke Your Proxy
- Solicitation of Proxies
- No Other Business; Adjournments

THE OPTIKA STOCKHOLDERS MEETING
- Time and Place; Matters to be Considered
- Record Date; Quorum
- Votes Required
- Recommendation of Optika s Board of Directors
- How Shares Will Be Voted; Proxies

Treatment of Abstentions and Broker Non-Votes
How to Revoke Your Proxy
Solicitation of Proxies
THE MERGER
General
Background of the Merger
Stellent s Reasons for the Merger
Recommendation of the Merger by the Stellent Board of Directors
Optika s Reasons for the Merger
Recommendation of the Merger by the Optika Board of Directors
Opinion of Financial Advisor to Stellent
Opinion of Financial Advisor to Optika
Interests of Directors and Executive Officers of Optika in the Merger
Accounting Treatment
Material United States Federal Income Tax Consequences of the Merger
Regulatory Matters
Federal Securities Laws Consequences; Stock Transfer Restrictions
THE MERGER AGREEMENT
Structure of the Merger
Closing; Effective Time
Conversion of Optika Common Stock in the Merger
Conversion of Optika Preferred Stock in the Merger
Optika Stock Options and Employee Stock Purchase Plan
Exchange of Certificates
Transfer of Shares
Representations and Warranties
Conduct of Business
Additional Agreements
Conditions to the Completion of the Merger
Termination
Expenses
Amendments
AMENDMENT TO CERTIFICATE OF DESIGNATION
General
Ranking of Preferred Stock
Dividends
Liquidation Preference
Voting Rights
Status of Converted Shares
Conversion
THE VOTING AGREEMENTS
TWCP WRITTEN CONSENT AND VOTING AGREEMENT
COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION
Market Prices and Dividends
Post-Merger Dividend Policy
APPRAISAL RIGHTS
Stellent Shareholders
Optika Stockholders
COMPARISON OF SHAREHOLDER RIGHTS
SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT
Stellent

Optika
WHERE YOU CAN FIND MORE INFORMATION
EXPERTS
LEGAL MATTERS
SHAREHOLDER PROPOSALS FOR ANNUAL MEETINGS
Stellent
Optika
ANNEX A
ANNEX B
ANNEX C
ANNEX D
ANNEX E
ANNEX F
ANNEX G
ANNEX H
PART I
Item 1. Business
Risks Relating to the Merger
Item 2. Properties
Item 3. Legal Proceedings
Item 4. Submission of Matters to a Vote of Security Holders
PART II
Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Repurchases of Equity Securities
Item 6. Selected Financial Data
Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations
Item 7A. Quantitative and Qualitative Disclosures About Market Risk
Item 8. Financial Statements and Supplementary Data
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure
Item 9A. Controls and Procedures
PART III
Item 10. Directors and Executive Officers of Registrant
Item 11. Executive Compensation
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters
Item 13. Certain Relationships and Related Transactions
Item 14. Principal Accountant Fees and Services
PART IV
Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K
SIGNATURES
EXHIBIT INDEX
ANNEX I
ANNEX J
EMPLOYMENT AGREEMENT
RECITALS
AGREEMENT
EMPLOYMENT AGREEMENT
RECITALS
AGREEMENT
PART II
Item 20. Indemnification of Directors and Officers.

Item 21. Exhibits and Financial Statement Schedule.
Item 22. Undertakings.
SIGNATURES
POWER OF ATTORNEY
INDEX TO EXHIBITS
Opinion/Consent of Faegre & Benson LLP
Opinion/Consent of Faegre & Benson LLP-Tax Matters
Opinion/Consent of Morrison & Foerster LLP
Consent of Grant Thornton LLP
Consent of KPMG LLP
Form of Proxy of Stellent, Inc.
Form of Proxy of Optika Inc.
Consent of RBC Dain Rauscher Inc.
Consent of Revolution Partners, LLC.

Table of Contents

ADDITIONAL INFORMATION

This joint proxy statement/ prospectus incorporates by reference important business and financial information about Stellent and Optika that is not included in or delivered with this document. See Where You Can Find More Information beginning on page 109.

You can obtain any of the documents incorporated by reference into this document from Stellent or Optika, respectively, or from the SEC s Web site at http://www.sec.gov. Documents incorporated by reference are available from Stellent or Optika, respectively, without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference into this document. You may obtain documents incorporated by reference into this document by requesting them in writing or by telephone from the applicable company as follows:

Stellent, Inc.	Optika Inc.
7777 Golden Triangle Drive	7450 Campus Drive, Suite 200
Eden Prairie, Minnesota 55344	Colorado Springs, Colorado 80920
Attention: Chief Financial Officer	Attention: Chief Financial Officer
Telephone number: (952) 903-2000	Telephone number: (719) 548-9800

If you would like to request documents incorporated by reference, please do so by l , 2004, to receive them before your company s special meeting. Please be sure to include your complete name and address in your request. If you request any documents, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request.

This joint proxy statement/ prospectus is accompanied by a copy of Optika s Annual Report on Form 10-K for the fiscal year ended December 31, 2003, as filed with the SEC on February 6, 2004, which is attached as Annex H. The enclosed Form 10-K of Optika includes important business and financial information about Optika that is not included in this document. See Where You Can Find More Information beginning on page 109.

Table of Contents

STELLENT, INC.

7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held on l , 2004

A Special Meeting of Shareholders of Stellent, Inc. will be held at Stellent s headquarters at 7777 Golden Triangle Drive, Eden Prairie, Minnesota, at l :00 a.m., Central Time, on l , l , 2004 for the following purposes:

1. To consider and vote upon the proposed issuance of shares of Stellent common stock in the merger of Optika Inc. into STEL Sub, Inc., a wholly owned subsidiary of Stellent, under the Agreement and Plan of Merger, dated as of January 11, 2004, among Stellent, STEL Sub, and Optika, a copy of which is included as Annex A to the accompanying joint proxy statement/ prospectus.

2. To transact any other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

The Stellent board of directors unanimously recommends that the Stellent shareholders vote FOR approval of the issuance of Stellent shares pursuant to the merger agreement.

The Board of Directors has fixed l , 2004 as the record date for the meeting, and only shareholders of record at the close of business on that date are entitled to receive notice of and vote at the meeting.

Your proxy is important to ensure a quorum at the meeting. Even if you own only a few shares, and whether or not you expect to be present at the meeting, please mark, date, and sign the enclosed proxy card and return it in the accompanying postage-paid reply envelope as quickly as possible, or follow the instructions for voting by telephone or over the Internet. You may revoke your proxy at any time prior to its exercise, and returning your proxy will not affect your right to vote in person if you attend the meeting and revoke the proxy.

By Order of the Board of Directors,

GREGG A. WALDON
Executive Vice President, Chief
Financial Officer and Secretary

Eden Prairie, Minnesota
l , 2004

Table of Contents

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on l , 2004

To the Stockholders of Optika Inc.:

A special meeting of stockholders of Optika Inc. will be held at l , Colorado Springs, Colorado on l , 2004 at l a.m., Mountain Time, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of January 11, 2004, by and among Stellent, Inc., STEL Sub, Inc., a wholly owned subsidiary of Stellent, and Optika Inc. and the merger pursuant to which Optika will merge with and into STEL Sub on and subject to the terms contained in that agreement. A copy of the Agreement and Plan of Merger is attached as Annex A of the accompanying joint proxy statement/ prospectus;

2. To consider and vote upon a proposal to amend and restate the certificate of designation of Optika s preferred stock, as set forth in Annex I of the accompanying joint proxy statement/ prospectus, in connection with and as a condition precedent to the merger; and

3. To transact any other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

Our board of directors has unanimously approved the merger agreement, the merger, and the amendment to the certificate of designation and recommends that you vote FOR the adoption of the merger agreement and the merger and FOR the adoption of the amendment to the certificate of designation.

Each of the proposals is described in more detail in the accompanying joint proxy statement/ prospectus, which you should read in its entirety before voting. A copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/ prospectus and a copy of the amendment to the certificate of designation is attached as Annex I to the accompanying joint proxy statement/ prospectus.

Only stockholders of record at the close of business on l , 2004 are entitled to notice of the special meeting, and to vote at the special meeting and at any adjournments thereof. The stock transfer books will not be closed between the record date and the date of the meeting. A list of stockholders entitled to vote at the meeting will be available for inspection at Optika s executive offices during normal business hours, for purposes related to the meeting, for a period of ten days prior to the meeting.

All Optika stockholders are cordially invited to attend the special meeting in person. However, to ensure your representation at the special meeting, we urge you to complete, sign and return the enclosed proxy card as promptly as possible in the enclosed postage-prepaid envelope, or follow the instructions for voting by telephone or over the Internet. You may revoke your proxy in the manner described in the accompanying joint proxy statement/ prospectus at any time before it is voted at the special meeting. **If you fail to return a properly executed proxy card or to vote at the special meeting, the effect will be a vote against the proposals to adopt the merger agreement and the merger, and the amendment to the certificate of designation.**

We cannot complete the merger unless holders of shares of Optika common stock representing a majority of the shares of common stock outstanding as of l , 2004 vote to adopt the merger proposals.

By Order of the Board of Directors,

STEVEN M. JOHNSON
Chief Financial Officer,
Executive Vice President and Secretary

Colorado Springs, Colorado
l , 2004

Table of Contents

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE MERGER	1
SUMMARY	6
The Merger	6
The Companies	6
What Optika Stockholders Will Receive in the Merger	7
Ownership of Stellent Following the Merger	7
Reasons for the Merger	7
Recommendations of Boards of Directors	8
Opinions of Financial Advisors	8
Interests of Directors and Executive Officers of Optika in the Merger	8
The Shareholders Meetings	9
Voting Agreements	10
Optika Stock Options	10
Accounting Treatment	11
Material United States Federal Income Tax Consequences	11
Appraisal Rights	11
Regulatory Matters	11
Material Terms of the Merger Agreement	12
Federal Securities Laws Consequences; Stock Transfer Restrictions	14
Stock Price and Dividend Information	14
Stellent, Inc. Summary Selected Historical Consolidated Financial Data	16
Optika Inc. Summary Selected Historical Consolidated Financial Data	18
Summary Selected Unaudited Pro Forma Condensed Combined Consolidated Financial Data	19
Comparative Per Share Data	20
RISK FACTORS	21
Risks Relating to the Merger	21
Risks Relating to Stellent s Business	26
Risks Relating to Optika s Business	30
CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS	35
THE STELLENT SHAREHOLDERS MEETING	37
Time and Place	37
Matters to Be Considered	37
Record Date	37
Quorum	37
Vote Required	37
Share Ownership as of the Record Date	37
How to Vote by Proxy	37
How Proxies Will Be Voted	38
Treatment of Abstentions and Broker Non-Votes	38
How to Revoke Your Proxy	38
Solicitation of Proxies	38
No Other Business; Adjournments	39
THE OPTIKA STOCKHOLDERS MEETING	40
Time and Place; Matters to be Considered	40
Record Date; Quorum	40
Votes Required	40
Recommendation of Optika s Board of Directors	41

How Shares Will Be Voted; Proxies	41
Treatment of Abstentions and Broker Non-Votes	42
How to Revoke Your Proxy	42
Solicitation of Proxies	42
THE MERGER	43
General	43
What Optika Stockholders Will Receive in the Merger	43
Ownership of Stellent Following the Merger	44
Background of the Merger	44
Stellent s Reasons for the Merger	50
Recommendation of the Merger by the Stellent Board of Directors	50
Optika s Reasons for the Merger	52
Recommendation of the Merger by the Optika Board of Directors	53
Opinion of Financial Advisor to Stellent	55
Opinion of Financial Advisor to Optika	61
Interests of Directors and Executive Officers of Optika in the Merger	69
Accounting Treatment	71
Material United States Federal Income Tax Consequences of the Merger	72
Regulatory Matters	75
Federal Securities Laws Consequences; Stock Transfer Restrictions	75
THE MERGER AGREEMENT	76
Structure of the Merger	76
Closing; Effective Time	76
Conversion of Optika Common Stock in the Merger	76
Conversion of Optika Preferred Stock in the Merger	77
Optika Stock Options and Employee Stock Purchase Plan	77
Exchange of Certificates	78
Transfer of Shares	78
Representations and Warranties	78
Conduct of Business	79
Additional Agreements	81
Conditions to the Completion of the Merger	82
Termination	84
Expenses	85
Amendments	86
AMENDMENT TO CERTIFICATE OF DESIGNATION	87
General	87
Ranking of Preferred Stock	87
Dividends	87
Liquidation Preference	87
Voting Rights	87
Status of Converted Shares	87
Conversion	87
THE VOTING AGREEMENTS	88
TWCP WRITTEN CONSENT AND VOTING AGREEMENT	89
STELLENT, INC. UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS	91
COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION	97
Market Prices and Dividends	97

Post-Merger Dividend Policy	97
APPRAISAL RIGHTS	98
Stellent Shareholders	98
Optika Stockholders	98
COMPARISON OF SHAREHOLDER RIGHTS	99
SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT	106
Stellent	106
Optika	108
WHERE YOU CAN FIND MORE INFORMATION	109
EXPERTS	111
LEGAL MATTERS	111
SHAREHOLDER PROPOSALS FOR ANNUAL MEETINGS	111
Stellent	111
Optika	111

LIST OF ANNEXES

ANNEX A	Agreement and Plan of Merger	A-1
ANNEX B	Optika Voting Agreement with Stellent Officers and Directors, as amended	B-1
ANNEX C	Stellent Voting Agreement with Certain Optika Officers and Directors	C-1
ANNEX D	Written Consent and Voting Agreement with Certain Optika Preferred Stockholders	D-1
ANNEX E	Opinion of RBC Dain Rauscher Inc	E-1
ANNEX F	Opinion of Revolution Partners, LLC	F-1
ANNEX G	Provisions of Delaware Law Governing Appraisal Rights	G-1
ANNEX H	Optika s Annual Report on Form 10-K for the fiscal year ended December 31, 2003	H-1
ANNEX I	Amended and Restated Certificate of Designation of Series A-1 Convertible Preferred Stock of Optika	I-1
ANNEX J	Mark Ruport Employment Agreement with Stellent	J-1

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What will happen in the transaction?

A: We are proposing to merge Optika into STEL Sub, a wholly owned subsidiary of Stellent. In the transaction, Optika effectively will become a wholly owned, direct subsidiary of Stellent. Optika stockholders will have their shares of Optika common stock converted into newly issued shares of Stellent common stock and their shares of Optika preferred stock converted into cash and, depending on the average closing price of a share of Stellent common stock over a period ending shortly before the merger is consummated, possibly newly issued shares of Stellent common stock. Stellent shareholders will retain their existing shares of Stellent common stock. We expect that, upon the completion of the transaction, approximately 1 % of the outstanding common stock of the combined company will be held by former Stellent shareholders, and approximately 1 % of the outstanding common stock of the combined company will be held by former Optika stockholders.

Q: Are there any limits on the value of the consideration that I will receive for my shares of Optika common stock?

A: No, there is neither a minimum nor a maximum dollar value for what you will receive in the merger for your shares.

Q: What will holders of Optika common stock receive in the transaction?

A: Holders of Optika common stock will receive 0.44 of a share of Stellent common stock for each share of Optika common stock, subject to adjustment based on the average closing price of a share of Stellent common stock over a period ending shortly before the merger is consummated. If the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over the relevant period, is greater than $4.00 (which is equivalent to an average closing price of approximately $9.09, per share, of Stellent common stock), 20% of the per-share value in excess of $4.00 will be allocated to the holders Optika preferred stock and 80% of the per-share value in excess of $4.00 will be allocated to the holders of Optika common stock. The allocation will be accomplished by reducing the ratio at which each share of Optika common stock will be converted into a share of Stellent common stock. The total number of shares of Stellent common stock issued at the closing of the transaction will not change.

Q: What will holders of Optika preferred stock receive in the transaction?

A: Holders of Optika s preferred stock will receive an aggregate of $10 million in cash plus, if the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over a period ending shortly before the merger is consummated, is greater than $4.00, an amount (in the form of newly issued shares of Stellent common stock) equal to 20% of the value of the total number of outstanding shares of Optika common stock multiplied by the difference between the value of 0.44 of a share of Stellent common stock and $4.00. Such additional amount, if any, will be allocated on a pro rata basis to the holders of the Optika preferred stock.

Q: Does any shareholder have dissenters or appraisal rights in the transaction?

A: Under Delaware law, holders of Optika common stock and preferred stock who comply with the governing statutory provisions are entitled to appraisal rights to receive a judicially determined fair value for their shares through the Delaware state courts instead of the merger consideration. A copy of the applicable statute is attached to this joint proxy statement/ prospectus as Annex G. Holders of Stellent common stock are not entitled to dissenters rights in connection with the merger.

Q: Why was the transaction structured with Optika becoming a subsidiary of Stellent?

A: The technical form of the transaction, where Optika merges with and into STEL Sub, resulting in Optika effectively becoming a direct wholly owned subsidiary of Stellent, was chosen for a number of legal and technical reasons, none of which affected the economic substance of the transaction. Under any of the structures considered, the Stellent and Optika shareholders would own the same relative percentage ownership in the combined company as they would under the structure actually chosen.

Table of Contents

Q: When are the shareholder meetings?

A: Each company s meeting will take place on l , 2004 at the time and location specified in each company s respective meeting notice included with this document.

Q: Who is entitled to vote?

A: If you owned shares of Stellent common stock at the close of business on l , 2004, you are entitled to vote at the Stellent shareholder meeting. If you owned shares of Optika common stock or Optika preferred stock at the close of business on l , 2004, you are entitled to vote at the Optika stockholder meeting.

Q: What do I need to do now?

A: After you have carefully read this entire document, please vote your Stellent or Optika shares. **Your votes are very important.** You may do this either by completing, signing, dating and mailing the enclosed proxy card or by submitting your proxy by telephone or through the Internet, as explained in this document. This will enable your shares to be represented and voted at the Stellent special meeting or the Optika special meeting.

Q: What shareholder votes are required?

A: *Stellent Shareholders:* Stellent shareholders are being asked to approve the issuance of Stellent shares in the merger. Approval of the share issuance requires the affirmative vote of a majority of the shares of Stellent common stock present in person or by proxy at the Stellent shareholders meeting, assuming that a quorum is present at the meeting. Stellent s board of directors unanimously recommends voting **FOR** this proposal.

Optika Stockholders: Optika stockholders are being asked to approve the merger agreement and the merger, and the amendment and restatement of the certificate of designation of Optika s preferred stock in connection with and as a condition precedent to the merger. The affirmative vote of the holders of at least a majority of the outstanding shares of Optika common stock and Optika preferred stock (on an as-converted-to-common-stock basis) entitled to vote at the special meeting is required to approve the merger agreement and the merger and the amendment to the certificate of designation, assuming that a quorum is present at the meeting. Optika s board of directors unanimously recommends voting **FOR** these proposals, which are frequently referred to in this document as the Optika merger proposals.

Q: Why is my vote important?

A: If you are a Stellent shareholder and do not vote your shares, then it will be more difficult for Stellent to obtain the necessary quorum at the Stellent shareholders meeting. If you are an Optika stockholder and do not vote your shares, that will have the same effect as a vote against the Optika merger proposals.

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

A: No. Your broker is not permitted to vote your shares without specific instructions from you. Unless you follow the directions your broker provides you regarding how to instruct your broker to vote your shares, your shares will not be voted. Please check the voting-information form used by your broker to see if it offers telephone or internet voting.

Q: What if I fail to instruct my broker?

A: If you fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, the resulting broker non-vote will, if you are a Stellent shareholder, not be counted towards a quorum at the Stellent shareholders meeting and not have any effect in determining whether the share-issuance proposal is approved. If you are an Optika stockholder, broker non-votes will be counted for the purpose of determining the existence of a quorum but will not be voted on any of the Optika merger proposals. A broker non-vote will therefore have the same effect as a vote against the proposals.

Table of Contents

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. You are invited to attend your company s shareholder meeting. If your shares are held in street name, then you are not the shareholder of record and you must ask the bank, broker, or other nominee holding your shares how you can vote in person at the meeting.

Q: Can I change my vote?

A: Yes.

If you are a Stellent shareholder, you may change your vote by:

delivering a written notice to any corporate officer of Stellent, before the vote on the share-issuance proposal, stating that you are revoking your proxy;

completing and signing a later-dated proxy card and returning it by mail before the Stellent shareholder meeting or by voting again by telephone or through the Internet before the deadline described in this document; or

attending the Stellent shareholders meeting and voting in person after having delivered to any corporate officer of Stellent a written notice revoking your proxy.

If you are an Optika stockholder, you may change your vote by:

delivering a written notice to Optika s corporate secretary, before the vote on the Optika merger proposals, stating that you are revoking your proxy;

completing and signing a later-dated proxy card and returning it by mail before the Optika stockholder meeting or by voting again by telephone or through the Internet before the deadline described in this document; or

attending the Optika stockholder meeting and voting in person after having delivered to Optika s corporate secretary a written notice revoking your proxy.

If your shares are held in an account at a brokerage firm or a bank, you should contact your brokerage firm or bank to change your vote.

Q: Should I send in my stock certificates now?

A: No. You should not send in your stock certificates at this time. Optika stockholders will need to exchange their Optika stock certificates for shares of Stellent common stock after we complete the transaction. We will send you instructions for exchanging Optika stock certificates at that time. If you hold your Optika common stock in book-entry form, we will send you instructions for exchanging your shares after we complete the transaction. Stellent shareholders will retain their current stock certificates after the transaction and should not send in their stock certificates.

Q: When do you expect to complete the transaction?

A: We expect to complete the transaction during April 2004. However, we cannot assure you when or if the transaction will be completed. We must first obtain the necessary approvals of our shareholders at the special meetings, and we also may be required to obtain certain regulatory approvals.

Q: Whom should I call with questions?

A: Shareholders of either company with any questions about the merger and related transactions should call l , the proxy solicitors that both companies have hired, toll-free at (l)

In addition, Stellent shareholders with any questions about the merger and related transactions should call Gregg A. Waldon, Stellent s Chief Financial Officer, at (952) 903-2000.

Optika stockholders with any questions about the merger and related transactions should call Steven M. Johnson, Optika s Chief Financial Officer at (719) 548-9800.

Q: What are the material United States federal income tax consequences of the merger to Stellent shareholders and Optika stockholders?

A: *Stellent shareholders:* Stellent shareholders will not recognize any gain or loss for United States federal income tax purposes as a result of the merger.

Optika stockholders: The merger is intended to qualify as a reorganization for United States federal income tax purposes. Assuming the merger so qualifies, an Optika common stockholder who exchanges all of such stockholder s shares of Optika common stock solely for shares of Stellent common stock pursuant to the merger generally will not recognize any gain or loss on the exchange for such purposes, except with respect to the cash, if any, that the stockholder receives in lieu of a fractional share of Stellent common stock. An Optika stockholder who receives only cash in the merger, including a stockholder who perfects his, her, or its appraisal rights, generally will recognize a taxable gain or loss equal to the difference between the cash received and the stockholder s tax basis in the stockholder s Optika stock. If an Optika preferred stockholder receives a combination of Stellent common stock and cash in the merger, the stockholder generally will recognize a taxable gain, but not loss, in the merger. Even if the merger qualifies as a reorganization as described above, Optika stockholders could be subject to potentially material adverse United States federal income tax consequences described in more detail under the heading The Merger Material United States Federal Income Tax Consequences of the Merger beginning on page 72.

Q: Does Stellent pay dividends?

A: No. Stellent does not currently pay cash dividends on its common stock and does not anticipate paying dividends in the foreseeable future.

Q: Where can I find more information about the companies?

A: Both companies file reports and other information with the Securities and Exchange Commission. You can read and copy this information at the SEC s public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. This information is also available at the Website the SEC maintains at http://www.sec.gov. You can also request copies of these documents from Stellent or Optika. In addition, you can get information about our companies from our Websites located at http://www.stellent.com and http://www.optika.com. The information on our Websites is not a part of, and is not being incorporated by reference into, this joint proxy statement/ prospectus.

Q: Who can answer my questions?

A: If you are a Stellent shareholder and have questions or want additional copies of this joint proxy statement/ prospectus, please contact:

Stellent, Inc.
7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344
Attention: Chief Financial Officer
Telephone number: (952) 903-2000

If you are an Optika stockholder and have questions or want additional copies of this joint proxy statement/ prospectus, please contact:

Optika Inc.
7450 Campus Drive, Suite 200
Colorado Springs, Colorado 80920
Attention: Chief Financial Officer
Telephone number: (719) 548-9800

Stellent and Optika shareholders may also contact:

***[INSERT PROXY SOLICITOR INFORMATION]**

E-mail: l

or

Call Toll-Free (800) l - l

SUMMARY

This summary highlights material information from this joint proxy statement/ prospectus. It may not contain all of the information that is important to you. To better understand the merger, we urge you to read carefully this entire joint proxy statement/ prospectus and the documents we refer to in this joint proxy statement/ prospectus. Please see Where You Can Find More Information on page 109. A copy of the merger agreement itself is attached to this joint proxy statement/ prospectus as Annex A. We urge you to read carefully the entire merger agreement and the other documents attached to this joint proxy statement/ prospectus.

The Merger (See page 43.)

Stellent and Optika have entered into a merger agreement that provides for the merger of Optika into STEL Sub, Inc., a wholly owned subsidiary of Stellent. As a result of the merger, Optika effectively will become a wholly owned subsidiary of Stellent.

The Companies

Stellent, Inc.

7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344
(952) 903-2000

Stellent is a leading provider of content management software solutions that allow browser-based Web and wireless access to content-rich business Websites and content-supported e-business applications. Stellent s Universal Content Management architecture provides all five content management elements Web content management, document management, collaboration, records management and digital asset management from a single technology platform and interface. The Stellent technology enables customers to rapidly deploy business Websites by automating the content contribution, conversion, management and publishing processes for these sites. The solution allows content from a wide variety of enterprise sources, including desktop applications, business applications and templates, to be automatically converted to output formats such as XML, HTML, WML, cHTML and PDF. In addition, the personalization features of Stellent s products and their compatibility with corporate security models ensure users access only the information they need. For further information, visit Stellent s Website at http://www.stellent.com. Information on Stellent s Website is not a part of, and is not being incorporated by reference into, this joint proxy statement/ prospectus.

Optika Inc.

7450 Campus Drive, Suite 200
Colorado Springs, Colorado 80920
(719) 548-9800

Optika is a leading provider of enterprise content management, or ECM, technology, including document imaging, workflow, collaboration and records management software. Optika s Acorde family of ECM software solutions, including Acorde Context™, Acorde Process™, Acorde Resolve™, Acorde Application Link™ and Acorde Records Management™, allows companies to streamline their business processes, eliminate paper, increase operational efficiencies and effectively leverage their enterprise resource planning and line-of-business systems. Acorde provides the ability to manage compliance requirements, access and store multiple formats of business content, both digital and non-digital; automate processes across the organization and externally with partners and customers; and enable online collaboration around these paper-intensive or complex processes in real and near time. Acorde supports a wide spectrum of critical business operations, including accounts payable, accounts receivable, claims processing, expense reporting, records management and human resources. For further information, visit Optika s Website at http://www.optika.com. Information on Optika s Website is not a part of, and is not being incorporated by reference into, this joint proxy statement/ prospectus.

STEL Sub, Inc.

7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344
(952) 903-2000

STEL Sub, Inc. is a Delaware corporation and a direct wholly owned subsidiary of Stellent. STEL Sub, Inc. was formed exclusively for the purpose of completing the merger.

What Optika Stockholders Will Receive in the Merger (See page 43.)

Upon completion of the merger:

- each outstanding share of Optika common stock will be converted into the right to receive 0.44 of a share of Stellent common stock, subject to adjustment described below; and

- all outstanding shares of Optika preferred stock will be converted into the right to receive a total of $10 million in cash and, in certain circumstances described below, shares of Stellent common stock.

If the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over a period ending shortly before the merger is consummated, is greater than $4.00, then:

- 80 percent of the per-share value in excess of $4.00 will be allocated to the holders of Optika common stock; and

- 20 percent of the per-share value in excess of $4.00 will be allocated to the holders of the Optika preferred stock.

This allocation will be accomplished by reducing the total number of Stellent shares to be issued to holders of Optika common stock and by issuing those shares to the holders of the Optika preferred stock. The total number of shares to be issued by Stellent will not change. As a result, if there is such an allocation, the exchange ratio per share of Optika common stock will be reduced to something less than 0.44 of a share of Stellent common stock for each outstanding share of Optika common stock.

Ownership of Stellent Following the Merger (See page 44.)

We anticipate that former Optika stockholders will own approximately 1 % of the outstanding shares of Stellent common stock following the merger.

Reasons for the Merger (See pages 50 and 52.)

Stellent. Stellent s board of directors has unanimously agreed that the merger is advisable and in the best interest of Stellent and its shareholders. In reaching its decision, the Stellent board of directors identified several reasons for, and potential benefits of, the merger to Stellent shareholders. These potential benefits include the following:

- combining Stellent s strength in content management with Optika s strength in business process automation will enable Stellent to create a platform of products that encompasses content management, integrated document management, document imaging, content distribution, business process management, collaboration and record management;

- combining Optika s product offering with Stellent s product offering will provide marketing opportunities by enabling customers to satisfy multiple facets of their content management and document processing needs with a single vendor;

- greater entity size, marketing resources and financial strength may present improved opportunities for marketing the products of the combined company; and

- combined technological resources may allow Stellent to compete more effectively by enhancing its ability to develop new products and add functionality to existing products.

Optika. The Optika board of directors has unanimously agreed that the merger is advisable and in the best interests of Optika and its stockholders. In reaching its decision, the Optika board of directors

identified several reasons for, and potential benefits of, the merger to Optika stockholders. These potential benefits include the following:

- the strategic factors cited above by Stellent;
- the financial condition, results of operations, and businesses of Optika and Stellent before and after giving effect to the merger;
- the near- and long-term prospects of Optika as an independent company and of the combined company;
- the opportunity for Optika stockholders to participate in the potential for greater growth, operational efficiencies, financial strength, and earning power of the combined company after the merger;
- industry trends toward consolidation and the advantages that might be expected to accrue to the combined company through the creation of a larger customer base, a higher market profile, greater financial strength, and broader customer offerings, which could enhance the ability of the combined company to compete in the marketplace; and
- the opinion of Revolution Partners, LLC dated January 11, 2004 to the Optika board of directors to the effect that as of that date, and based upon and subject to the matters described in their opinion, the consideration to be received by the stockholders of Optika was fair, from a financial point of view, to such stockholders.

Recommendations of Boards of Directors (See pages 50 and 53.)

Stellent Shareholders. After careful consideration, the Stellent board of directors unanimously recommends that the Stellent shareholders vote **FOR** approval of the issuance of Stellent shares pursuant to the merger agreement.

Optika Stockholders. The Optika board of directors believes that the merger is in the best interests of Optika and its stockholders and, after careful consideration, recommends that Optika stockholders vote **FOR** approval of the merger agreement and the merger and the amendment to the certificate of designation.

Opinions of Financial Advisors (See page 55.)

Stellent. RBC Dain Rauscher Inc., a member of RBC Capital Markets, referred to in this joint proxy statement/prospectus as RBC, has given a written opinion, dated January 11, 2004, to the Stellent board of directors as to the fairness on that date, from a financial point of view, of the total consideration to be paid in the merger. The full text of this opinion is attached to this joint proxy statement/ prospectus as Annex E. You should read the opinion carefully in its entirety to understand the procedures followed, assumptions made, matters considered, and limitations on the review undertaken by RBC in providing its opinion. The opinion of RBC is directed to the Stellent board of directors and does not constitute a recommendation to any Stellent shareholder as to any matter relating to the merger.

Optika. Revolution Partners, LLC has given a written opinion, dated January 11, 2004, to the Optika board of directors as to the fairness on that date, from a financial point of view, of the consideration to be received by the holders of Optika capital stock in the merger. The full text of this opinion is attached to this joint proxy statement/ prospectus as Annex F. You should read the opinion carefully in its entirety to understand the procedures followed, assumptions made, matters considered and limitations on the review undertaken by Revolution Partners in providing its opinion. The opinion of Revolution Partners is directed to the Optika board of directors and does not constitute a recommendation to any Optika stockholder as to any matter relating to the merger.

Interests of Directors and Executive Officers of Optika in the Merger (See page 69.)

In considering the recommendation of Optika s board of directors in favor of approval of the merger agreement and the merger, Optika stockholders should be aware that some of Optika s directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Optika stockholders generally. Optika s board of directors was aware of and considered these interests

when it considered and approved the merger agreement. The interests include the potential for those individuals to obtain positions as directors or officers of Stellent, the acceleration of vesting of certain stock options, the receipt of severance and other benefits under employment agreements, and the right to continued indemnification and insurance coverage for the benefit of current and former Optika directors and officers. In particular:

Mark K. Ruport, Optika s Chairman and Chief Executive Officer, has entered into an employment agreement with Stellent effective on the closing of the merger that provides for a new grant of options to purchase shares of the combined company and new terms and conditions of his employment as Executive Vice President of Operations of the combined company, including certain change of control severance benefits; and

Alan B. Menkes, one of Optika s directors, will become a member of the board of directors of the combined company.

The Shareholders Meetings (See page 37.)

Stellent Shareholders. Stellent will hold a special meeting of its shareholders at Stellent s headquarters at 7777 Golden Triangle Drive, Eden Prairie, Minnesota, at l a.m., Central Time, on l , 2004 to vote on the share-issuance proposal. You may vote at the meeting if you owned shares of Stellent common stock at the close of business on the record date, which was l , 2004. At the meeting, you will be entitled to cast one vote for each share of Stellent common stock that you owned at the close of business on the record date. At the close of business on the record date there were l shares of Stellent common stock outstanding, each entitled to one vote.

In order for the companies to complete the merger, Stellent shareholders must approve the issuance of shares of Stellent common stock in the merger. The affirmative vote of the holders of a majority of the number of shares of Stellent common stock present in person or by proxy at the Stellent shareholders meeting is required to approve the share-issuance proposal.

As of the close of business on the record date, directors and executive officers of Stellent owned and were entitled to vote l shares of Stellent common stock. Those shares represented approximately l % of the outstanding shares of Stellent common stock at that time. The directors and executive officers of Stellent have entered into a voting agreement with Optika under which they have agreed to vote their shares in favor of the share-issuance proposal.

Optika Stockholders. Optika will hold a special meeting of its stockholders at l , Colorado Springs, Colorado, at l a.m., Mountain Time, on l , 2004 to vote on the Optika merger proposals. You may vote at the meeting if you owned shares of Optika common stock or Optika preferred stock at the close of business on the record date, which was l , 2004. At the meeting, you will be entitled to cast one vote for each share of Optika common stock that you owned (or in the case of preferred stockholders, may be deemed to own on an as-converted-to-common-stock basis) at the close of business on the record date. At the close of business on the record date there were l shares of Optika common stock outstanding, each entitled to one vote (including the preferred stock on an as-converted-to-common-stock basis).

In order for the companies to complete the merger, Optika stockholders must approve each of the Optika merger proposals. The affirmative vote of the holders of at least a majority of the outstanding shares of Optika common stock and Optika preferred stock (on an as-converted-to-common-stock basis) entitled to vote at the special meeting is required to approve the Optika merger proposals, assuming that a quorum is present at the meeting.

As of the close of business on the record date, directors and executive officers of Optika owned and were entitled to vote l shares of Optika common stock. Those shares represented approximately l % of the outstanding shares of Optika common stock at that time. The directors and executive officers of Optika have entered into a voting agreement with Stellent under which they have agreed to vote their shares in favor of the Optika merger proposals.

Voting Agreements **(See page 88.)**

Stellent. The nine directors and executive officers of Stellent, owning, in the aggregate, approximately l % of the outstanding shares of Stellent common stock on the record date, have entered into a voting agreement with Optika and have delivered irrevocable proxies granting to Optika the right to vote all of the Stellent common stock owned by them in favor of the issuance of Stellent common stock in the merger. We have attached a copy of the Stellent voting agreement as Annex B to this joint proxy statement/ prospectus.

Optika. Eleven Optika stockholders, each a director or officer of Optika, owning, in the aggregate, approximately l % of the outstanding shares of Optika common stock on the record date, have entered into a voting agreement with Stellent and have delivered irrevocable proxies granting to Stellent the right to vote all of the Optika common stock owned by them in favor of the Optika merger proposals. We have attached a copy of the Optika voting agreement, as amended, as Annex C to this joint proxy statement/ prospectus.

TWCP Written Consent and Voting Agreement. In connection with the execution of the merger agreement, Stellent and Optika entered into a written consent and voting agreement with Thomas Weisel Capital Partners, L.P., or TWCP, and certain related entities, which hold as of the date of this joint proxy statement/ prospectus, approximately 95% of the outstanding shares of Optika s preferred stock. In that agreement, the TWCP entities agreed, among others things, to:

- consent to the merger agreement, the merger and the amendment to the certificate of designation of Optika s preferred stock, subject to the right of the TWCP entities to approve any amendment to the merger agreement;
- vote all of their shares of capital stock of Optika in favor of the merger agreement, the merger and the amendment to the certificate of designation (and the TWCP entities have delivered irrevocable proxies to this effect to Stellent);
- exchange their shares of Optika s preferred stock for their pro rata share of $10 million in cash and any adjustment shares of Stellent common stock, as calculated pursuant to the merger agreement;
- consent to the amendment of the rights and preferences of the Optika preferred stock as set forth in the amendment to the certificate of designation, as well as the termination of the registration rights agreement and certain other agreements relating to the Optika preferred stock; and
- refrain from transferring, in any way, the shares of Optika preferred stock held by them without the consent of Optika and Stellent during the term of the written consent and voting agreement, except to affiliates of the TWCP entities that will be bound by the agreement.

Pursuant to the TWCP written consent and voting agreement, Optika and Stellent have agreed, among other things, to indemnify TWCP and the other entities party to the TWCP written consent and voting agreement against any and all damages suffered by such parties arising out of or in connection with the performance by such parties of their obligations under the agreement or certain actions that may be brought in connection with the merger.

We have attached a copy of the TWCP written consent voting agreement as Annex D to this joint proxy statement/ prospectus.

Optika Stock Options **(See page 77.)**

Upon completion of the merger, each outstanding Optika stock option will be converted into an option to purchase a number of shares of Stellent common stock that is equal to the product of the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock (as described above) multiplied by the number of shares of Optika common stock that would have been obtained before the merger upon the exercise of the option, rounded to the nearest whole share. The exercise price per share will be equal to the exercise price per share of Optika common stock subject to the option before the conversion divided by the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock, rounded to the nearest whole cent.

Accounting Treatment (See page 71.)

The merger will be treated as a purchase for accounting purposes.

Material United States Federal Income Tax Consequences (See page 72.)

The merger is intended to qualify as a reorganization for United States federal income tax purposes. Assuming the merger so qualifies, an Optika common stockholder who exchanges all of such stockholder s shares of Optika common stock solely for shares of Stellent common stock pursuant to the merger generally will not recognize any gain or loss on the exchange for such purposes, except with respect to the cash, if any, that the stockholder receives in lieu of a fractional share of Stellent common stock. An Optika stockholder who receives only cash in the merger, including a stockholder who perfects his, her, or its appraisal rights, generally will recognize a taxable gain or loss equal to the difference between the cash received and the stockholder s tax basis in the stockholder s Optika stock. If an Optika preferred stockholder receives a combination of Stellent common stock and cash in the merger, the stockholder generally will recognize a taxable gain, but not loss, in the merger.

Even if the merger qualifies as a reorganization as described above, Optika stockholders may be subject to potentially material adverse United States federal income tax consequences if the Internal Revenue Service were to successfully contend that the consideration transferred by Stellent to the Optika common and preferred stockholders should be treated not as it was actually received, but rather as it would have been received by such stockholders prior to the amendment of the certificate of designation of the Optika preferred stock, pursuant to which the stated liquidated preference of the Optika preferred stock will be terminated. We urge you to review the United States federal tax consequences to stockholders in greater detail under the heading The Merger Material United States Federal Income Tax Consequences of the Merger beginning on page 72, and to consult with your tax adviser to determine the specific tax consequences of the merger to you.

Appraisal Rights (See page 98.)

Stellent. Under Minnesota law, Stellent shareholders will not have any dissenters rights in connection with the merger.

Optika. Optika stockholders are entitled under Delaware law to appraisal rights in connection with the merger. To exercise appraisal rights, an Optika stockholder must:

- provide written notice to Optika before the taking of the vote of the stockholders on the merger proposal in accordance with Section 262 of the Delaware General Corporation Law, stating his or her intention to exercise appraisal rights;
- vote against approval of the merger proposal or abstain from voting; and
- comply with the other procedures required by Section 262 of the Delaware General Corporation Law.

A copy of Section 262 of the Delaware General Corporation Law is attached to this joint proxy statement/ prospectus as Annex G.

Regulatory Matters (See page 75.)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, known as the HSR Act, if the amount of consideration to be paid by Stellent to the common and preferred stockholders of Optika were valued at $50 million or more for the entire 45-day period prior to the effective date of the merger, Stellent and Optika would not be allowed to complete the merger until they had furnished information required by the HSR Act to the Antitrust Division of the United States Department of Justice and the Federal Trade Commission and the applicable HSR Act waiting period had expired or been terminated. Based on the number of shares of common stock of Optika outstanding at January 30, 2004, as long as the price of Stellent s common stock closes below approximately $9.73 on at least one day during the 45-day period prior to the effective date of the merger Stellent and Optika would not be required to furnish certain information under the HSR Act or wait for HSR Act waiting period to expire or be terminated.

Material Terms of the Merger Agreement

Conversion of Optika Common Stock in the Merger (See page 76.) Upon completion of the merger, Optika stockholders will be entitled to receive, for each share of Optika common stock, 0.44 of a share of Stellent common stock, subject to adjustment based on the average closing price of a share of Stellent common stock during the ten consecutive trading days ending on, and including, the third trading day before the closing date of the merger. If the value of 0.44 of a share of Stellent common stock, based on the average closing price during that period, is greater than $4.00, a portion of the shares of Stellent common stock that otherwise would have been issued to holders of the Optika common stock instead will be allocated pro rata to holders of the Optika preferred stock. If any shares of Stellent common stock are allocated to the holders of the Optika preferred stock, the total number of shares so allocated, will be equal to:

the number of outstanding shares of Optika common stock multiplied by the difference between the value of 0.44 of a share of Stellent common stock and $4.00, multiplied again by 20%; divided by

the average closing price of a share of Stellent common stock during the ten consecutive trading days ending on, and including, the third trading day before the closing date of the merger.

If any shares of Stellent common stock that otherwise would have been issued to the holders of Optika common stock are allocated to the holders of the Optika preferred stock, Optika common stockholders will be entitled to receive, for each share of Optika common stock, a portion of a share of Stellent common stock equal to:

the product of the number of outstanding shares of Optika common stock multiplied by 0.44, less the number of shares of Stellent common stock allocated to the holders of the Optika preferred stock; divided by

the number of outstanding shares of Optika common stock.

Stellent will not issue fractional shares in the merger. As a result, the total number of shares of Stellent common stock that you receive in the merger will be rounded down to the nearest whole number. You will receive a cash payment for the value of the remaining fraction of a share of Stellent common stock that you would otherwise have received, based on the average of the trading price of Stellent common stock on the Nasdaq National Market System over the period of ten trading days ending on, and including, the third trading day before the closing of the merger.

Conversion of Optika Preferred Stock in the Merger (See page 77.) Upon completion of the merger, holders of Optika s preferred stock will receive an aggregate of $10 million in cash and, if the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over a period ending shortly before the merger is consummated, is greater than $4.00, an amount (in the form of newly issued shares of Stellent common stock) equal to 20% of the value of the total number of outstanding shares of Optika common stock multiplied by the difference between the value of 0.44 of a share of Stellent common stock and $4.00. Such additional amount, if any, will be allocated on a pro rata basis to the holders of the Optika preferred stock.

Conditions to Completion of the Merger (See page 82.) Stellent and Optika will not be required to complete the merger unless specified conditions are satisfied, including:

approval by Optika stockholders of the merger agreement, the merger and the amendment to the certificate of designation and approval by Stellent stockholders of the issuance of Stellent common stock in the merger;

the effectiveness of the registration statement (which includes this document) relating to the Stellent shares to be issued in the merger;

the authorization for listing on the Nasdaq National Market System, subject to official notice of issuance, of the shares of Stellent common stock to be issued in the merger;

all waiting periods, if any, under the HSR Act having expired or having been terminated and all material foreign antitrust approvals having been obtained;

- there not being an injunction prohibiting the merger, nor any litigation or administrative proceeding by any governmental, regulatory, or administrative entity pending that is reasonably likely to prohibit the merger or to have a material adverse effect on the combined company;
- compliance in all material respects by Stellent and Optika with their respective agreements and obligations under the merger agreement, and the truth and correctness in all material respects of the representations made by each of them under the merger agreement, both as of the date of the merger agreement and immediately before the merger;
- there not having occurred any event that, individually or in the aggregate, has had or would be reasonably likely to have a material adverse effect on Stellent or Optika;
- each party receiving an opinion of the other party s counsel to the effect that the matters submitted for approval of the other party s shareholders related to the merger have been duly authorized by all necessary corporate actions of the other party; and
- each party receiving an opinion of its special tax counsel to the effect that the merger will be treated as a reorganization for United States federal income tax purposes.

In addition, Stellent will not be required to complete the merger unless specified conditions are satisfied, including:

- that no rights have become exercisable under Optika s rights agreement;
- that holders of no more than 10% of the issued and outstanding shares of common stock of Optika have taken action to entitle them to demand payment for their shares under the appraisal rights provisions of Delaware law;
- receipt by Stellent of all material consents necessary to effect the merger without the breach of any material contract of Optika or the imposition of any encumbrance on any asset of Optika; and
- delivery by each of the directors of Optika to Stellent of his resignation from the board of directors of Optika effective as of the date on which the registration statement related to the options issued by Stellent to replace the Optika options assumed pursuant to the merger agreement becomes effective.

Termination of the Merger Agreement (See page 84.) Stellent and Optika can jointly agree to terminate the merger agreement at any time before completing the merger. In addition, either company can terminate the merger agreement if:

- the merger has not been completed by May 31, 2004;
- the shareholders of either party fail to approve the merger-related proposals on which they are voting;
- any of the conditions set forth in the second, third, fourth or fifth bullet points of Conditions of the Merger above become impossible to fulfill on or before May 31, 2004;
- either of the conditions set forth in the sixth or seventh bullet points of Conditions of the Merger above become, with respect to the other party, impossible to fulfill on or before May 31, 2004;
- the other company s board of directors withdraws or adversely modifies its recommendation that its stockholders vote in favor of the proposal required to complete the merger;
- the other party has materially breached any representation, warranty, covenant or agreement materially adversely affecting (or materially delaying) the consummation of the merger and the breach has not been cured within ten business days following written notice from the terminating party; or
- there has been a material adverse effect on the other party that has continued unabated for five consecutive business days.

The merger agreement may also be terminated by Optika if, at any time before the Optika stockholders meeting, Optika receives an unsolicited acquisition offer from a third party, and the board of directors of Optika determines the offer is reasonably likely to be more favorable to Optika s stockholders

than the merger with Stellent and for which financing, to the extent required, is committed or reasonably capable of being obtained. However, before terminating the merger agreement, Optika must have, among other things, given Stellent at least five business days notice and, during that period, a chance to propose such amendments to the terms of the merger agreement as would enable Optika s board of directors to determine that the merger with Stellent, as so amended, is at least as favorable to Optika s stockholders as the third party s offer.

A Termination Fee and Expense Reimbursement Will Be Payable Under Certain Circumstances (See page 85.) Optika will be obligated to pay Stellent a termination fee of $1.6 million, plus an amount, not to exceed $750,000, to reimburse Stellent s expenses relating to the merger, if:

Stellent terminates the agreement as a result of the Optika board of directors having withdrawn or adversely modified its recommendation of approval of the merger agreement and the merger;

Optika terminates the merger agreement in order to enter into an alternative transaction that the Optika board of directors has determined is reasonably likely to be more favorable to Optika s stockholders than the merger with Stellent, as described in the second paragraph under Termination of the Merger Agreement above; or

if the following conditions occur:

an alternative transaction is proposed to Optika and becomes publicly known before termination of the merger agreement;

Optika or Stellent terminates the merger agreement as a result of the merger not having been completed by May 31, 2004, or the shareholders of either company having failed to approve the proposal relating to the merger on which they are voting; and

within six months after termination, Optika completes, or enters into an agreement with respect to, an alternative transaction with a third party.

If the merger agreement is terminated by either party because the other party has materially breached any representation, warranty, covenant or agreement materially adversely affecting (or materially delaying) the consummation of the merger and the breach has not been cured within ten business days following written notice from the terminating party, the terminating party may require the other party to reimburse up to $750,000 of the terminating party s out-of-pocket expenses incurred in connection with the merger agreement, and the terminating party may seek additional remedies.

No Solicitation (See page 81.) Optika has agreed not to solicit an acquisition proposal from a third party while the merger is pending. Optika has also agreed not to engage in discussions or negotiations concerning an acquisition proposal unless the Optika board of directors determines that the unsolicited proposal is reasonably likely to be more favorable to Optika s stockholders than the merger with Stellent and that any required financing is committed or reasonably capable of being obtained by the third party. In addition, Optika has agreed to keep Stellent informed about any inquiries or discussions relating to any alternative transaction that is proposed by a third party.

Federal Securities Laws Consequences: Stock Transfer Restrictions (See page 75.)

All shares of Stellent common stock that Optika stockholders receive in connection with the merger will be freely transferable unless the holder is considered an affiliate of Optika or Stellent for purposes of the federal securities laws. Shares of Stellent common stock held by these affiliates may be sold only pursuant to a registration statement or an exemption under the Securities Act of 1933.

Stock Price and Dividend Information (See page 97.)

Stellent s shares of common stock are listed and trade on the Nasdaq National Market System. Optika s shares of common stock are listed and trade on the Nasdaq SmallCap Market System. Stellent trades under the symbol STEL, and Optika trades under the symbol OPTK. The following table presents the last reported sale price for Stellent common stock and for Optika common stock on January 9, 2004, the last trading day before our announcement of the signing of the merger agreement, and on February 1 , 2004, the last trading day before the printing of this document. The table also sets

forth the value of the merger consideration Optika stockholders would have received for one share of Optika common stock and Optika preferred stock assuming the merger had taken place on those dates.

Date	Stellent Common Stock	Optika Common Stock	Equivalent Price Per Share of Optika Common Stock	Equivalent Price Per Share of Optika Preferred Stock
January 9, 2004	$10.29	$4.28	$4.42	$15.01
February 1 , 2004	$ 1	$ 1	$ 1	$ 1

Past price performance is not necessarily indicative of future price performance. You should obtain current market quotations for shares of Optika and Stellent common stock.

Neither Stellent nor Optika has ever paid cash dividends to its shareholders. Stellent does not anticipate paying cash dividends for the foreseeable future.

Table of Contents

STELLENT, INC.

SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

(In thousands, except per share data)

The tables below present summary selected historical consolidated financial data of Stellent. You should read the information set forth below in conjunction with the consolidated financial statements (including the notes thereto) and management s discussion and analysis of financial condition and results of operations in Stellent s annual report on Form 10-K for the fiscal year ended March 31, 2003 and Stellent s quarterly report on Form 10-Q for the nine months ended December 31, 2003, which are incorporated by reference into this joint proxy statement/ prospectus. Please refer to the section of this joint proxy statement/ prospectus entitled Where You Can Find More Information, beginning on page 109.

The selected historical consolidated statement of operations data for the nine months ended December 31, 2003 and 2002 and the selected historical consolidated balance sheet data as of December 31, 2003 are derived from the unaudited condensed consolidated financial statements of Stellent contained in Stellent s quarterly report on Form 10-Q for the period ended December 31, 2003, which is incorporated by reference into this joint proxy statement/ prospectus. The selected historical consolidated balance sheet data as of December 31, 2002 is derived from the unaudited condensed consolidated financial statements of Stellent contained in Stellent s quarterly report on Form 10-Q for the period ended December 31, 2002, which is not included in or incorporated by reference into this joint proxy statement/ prospectus.

The unaudited historical consolidated results of operations data for the nine months ended December 31, 2003 are not necessarily indicative of the results to be expected for any other interim period or for the fiscal year ending March 31, 2004 as a whole. However, in the opinion of Stellent s management, the historical financial data presented reflects all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial condition at such date and the results of operations for such period. The historical financial data may not be indicative of Stellent s future performance.

The selected historical consolidated statement of operations data for the fiscal years ended March 31, 2003, 2002 and 2001 and the selected historical consolidated balance sheet data as of March 31, 2003 and 2002 are derived from the audited consolidated financial statements of Stellent contained in Stellent s consolidated financial statements and the related notes thereto, which are incorporated by reference in this joint proxy statement/ prospectus. The selected historical consolidated statement of operations data for the years ended March 31, 2000 and 1999 and the selected historical consolidated balance sheet data as of March 31, 2001, 2000, and 1999 are derived from audited financial statements that are not included in, or incorporated by reference into, this joint proxy statement/ prospectus.

Table of Contents

	Year Ended March 31,					Nine Months Ended December 31,	
	1999	2000	2001	2002	2003	2002	2003
Historical consolidated statement of operations data:							
Revenues:							
Product license	$ 9,303	$ 17,480	$ 53,853	$ 66,908	$ 40,364	$ 30,367	$ 30,239
Services	2,099	4,880	12,868	21,432	25,070	18,254	24,891
Hardware integration and support	5,629						
Total revenues	$17,031	$ 22,360	$ 66,721	$ 88,340	$ 65,434	$ 48,621	$ 55,130
Gross profit	$10,390	$ 18,252	$ 54,932	$ 68,977	$ 44,916	$ 33,299	$ 38,128
Loss from operations	$ (1,143)	$ (987)	$ (14,271)	$ (20,331)	$ (32,624)	$ (26,761)	$ (11,249)
Net income (loss)	$ (1,359)	$ 479	$ (7,671)	$ (22,298)	$ (32,400)	$ (25,790)	$ (10,083)
Basic and diluted net income (loss) per share	$ (0.12)	$ 0.03	$ (0.36)	$ (1.00)	$ (1.45)	$ (1.15)	$ (0.46)
Shares used in computing basic net income (loss) per common share	11,151	16,462	21,472	22,286	22,345	22,367	21,949
Shares used in computing diluted net income (loss) per share	11,151	18,057	21,472	22,286	22,345	22,367	21,949
Historical consolidated balance sheet data (at end of period):							
Cash, cash equivalents and marketable securities	$ 2,177	$133,742	$106,510	$ 96,158	$ 81,169	$ 76,970	$ 73,328
Working capital	$ 3,713	$137,112	$109,279	$102,850	$ 69,823	$ 79,662	$ 68,483
Total assets	$ 8,464	$147,315	$181,586	$165,926	$129,709	$137,723	$122,550
Long-term debt	$ 108	$ 11	$ 37	$	$	$	$
Total shareholders equity	$ 4,719	$140,970	$167,444	$151,987	$112,236	$123,406	$104,493

Table of Contents

OPTIKA INC.

SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

(In thousands, except per share data)

The tables below present summary selected historical consolidated financial data of Optika. You should read the information set forth below in conjunction with the consolidated financial statements (including the notes thereto) and management s discussion and analysis of financial condition and results of operations in Optika s annual report on Form 10-K for the fiscal year ended December 31, 2003, which is incorporated by reference into this joint proxy statement/ prospectus and attached as Annex H.

The selected historical consolidated statement of operations data for the years ended December 31, 2003, 2002 and 2001 and the selected historical consolidated balance sheet data as of December 31, 2003 and 2002 are derived from the audited consolidated financial statements of Optika contained in Optika s consolidated financial statements, and the related notes thereto, that are incorporated by reference in this joint proxy statement/ prospectus and attached as Annex H. The selected historical consolidated statement of operations data for the years ended December 31, 2000 and 1999 and the selected historical consolidated balance sheet data as of December 31, 2001, 2000 and 1999 are derived from audited financial statements that are not included in, or incorporated by reference into, this joint proxy statement/ prospectus. The historical financial data may not be indicative of Optika s future performance.

	Year Ended December 31,				
	1999	2000	2001	2002	2003
Historical consolidated statement of operations data:					
Revenues:					
Product license	$11,457	$ 5,241	$ 6,306	$ 5,655	$ 6,833
Services	10,585	10,865	10,354	12,218	13,084
Total revenues	$22,042	$ 16,106	$16,660	$17,873	$19,917
Gross profit	$16,997	$ 10,583	$12,118	$13,624	$15,500
Loss from operations	$ (1,598)	$(13,915)	$ (4,534)	$ (649)	$ (474)
Net loss	$ (844)	$(16,041)	$ (4,174)	$ (518)	$ (384)
Net income (loss) applicable to common stockholders	$ (844)	$(22,105)	$ 1,325	$ (518)	$ (384)
Basic net income (loss) per common share	$ (0.12)	$ (2.78)	$ 0.16	$ (0.06)	$ (0.04)
Shares used in computing basic net income (loss) per common share	7,192	7,948	8,184	8,292	8,741
Diluted net loss per common share	$ (0.12)	$ (2.78)	$ (0.46)	$ (0.06)	$ (0.04)
Shares used in computing basic and diluted net loss per share	7,192	7,948	8,984	8,292	8,741
Historical consolidated balance sheet data (at end of period):					
Cash, cash equivalents and short-term investments	$ 7,182	$ 11,704	$ 7,696	$ 8,408	$ 9,082
Working capital	$ 5,737	$ 8,512	$ 5,762	$ 5,860	$ 5,280
Total assets	$18,097	$ 18,524	$13,901	$13,889	$17,055
Redeemable convertible preferred stock	$	$ 10,849	$	$	$
Total stockholders equity	$11,356	$ 769	$ 7,395	$ 6,988	$ 7,934

SUMMARY SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED

CONSOLIDATED FINANCIAL DATA

The following summary selected unaudited pro forma condensed combined consolidated financial data gives effect to the proposed merger between Stellent and Optika using the purchase method of accounting for the business combination. This data should be read in conjunction with Stellent s unaudited pro forma condensed combined consolidated financial statements and related notes thereto, which you can find beginning on page 91 of this joint proxy statement/ prospectus.

There can be no assurance that Stellent and Optika will not incur charges in excess of those included in the pro forma adjustments related to the merger or that Stellent management will be successful in its effort to integrate the operations of the companies.

The summary selected unaudited pro forma condensed combined consolidated financial data is derived from the unaudited pro forma condensed combined consolidated financial statements included elsewhere in this joint proxy statement/ prospectus.

The unaudited pro forma condensed combined consolidated balance sheet data of Stellent gives effect to the proposed merger as if it had occurred on December 31, 2003, and combines the unaudited historical consolidated balance sheet of Stellent as of December 31, 2003 with the audited historical consolidated balance sheet of Optika as of December 31, 2003.

The unaudited pro forma condensed combined consolidated statement of operations data of Stellent gives effect to the proposed merger as if it had occurred on April 1, 2002. The unaudited pro forma condensed combined consolidated statement of operations data of Stellent for the year ended March 31, 2003 combines the audited historical consolidated statement of operations of Stellent for the year ended March 31, 2003 with the audited historical consolidated statement of operations of Optika for the year ended December 31, 2002.

The unaudited pro forma condensed combined consolidated statement of operations data of Stellent for the nine months ended December 31, 2003 combines the unaudited historical consolidated statement of operations of Stellent for the nine months ended December 31, 2003 with the unaudited historical consolidated statement of operations of Optika for the nine months ended September 30, 2003.

The pro forma adjustments are preliminary, and revisions to the preliminary purchase price allocations may have a significant impact on the pro forma adjustments. A final valuation of the net assets to be acquired from Optika, which will be conducted by Stellent s independent valuation specialists, has not been made prior to the completion of this joint proxy statement/prospectus. The consideration of this final valuation may result in a change in the value assigned to the intangible assets acquired and to the amounts of the future amortization expense.

The unaudited pro forma condensed combined consolidated financial data is for comparative purposes only and does not purport to represent what Stellent s financial position or results of operations would actually have been had the events noted above in fact occurred on the assumed dates or to project the financial position or results of operations of Stellent for any future date or future period.

	Year Ended March 31, 2003	Nine Months Ended December 31, 2003
	(In thousands, except per share data) (Unaudited)	
Pro forma condensed combined consolidated statement of operations data:		
Revenues	$ 83,307	$ 69,480
Gross profit	$ 57,407	$ 48,357
Net loss	$(35,158)	$ (12,431)
Basic and diluted net loss per common share	$ (1.35)	$ (0.48)
Pro forma condensed combined consolidated balance sheet data (at end of period):		
Working capital		$ 62,263
Total assets		$179,425

Total shareholders equity	$ 152,247

19

Table of Contents

COMPARATIVE PER SHARE DATA

The following table reflects the historical net loss and book value per share of Stellent common stock and the historical net loss and book value per share of Optika common stock in comparison with unaudited pro forma net loss and book value per share after giving effect to the pending merger of Stellent and Optika. The information in the following table should be read in conjunction with the unaudited pro forma condensed combined consolidated financial statements and the Stellent historical consolidated financial statements and the Optika historical consolidated financial statements incorporated by reference or included elsewhere in this joint proxy statement/ prospectus. The pro forma information is presented for illustrative purposes only. You should not rely on the pro forma financial data as an indication of the combined financial position or results of operations of future periods or the results that actually would have been realized had the entities been a single entity during the period or as of the date presented.

The historical book value per share information presented is computed by dividing total stockholders equity for each of Stellent or Optika by the number of shares of Stellent or Optika common stock, respectively, outstanding as of the respective balance sheet date.

The pro forma combined net loss per share information is computed by dividing the pro forma combined net loss by the sum of Stellent s weighted average common shares outstanding during each period and the number of shares of Stellent common stock to be issued in connection with the proposed merger, as if it had been consummated on April 1, 2002. The pro forma combined net loss per equivalent Optika share information is computed by multiplying Stellent pro forma condensed combined consolidated loss per share amounts by the base exchange ratio of 0.44.

The unaudited pro forma condensed combined consolidated book value per Stellent share is computed by dividing total pro forma combined stockholders equity by the pro forma number of shares of Stellent common stock outstanding at December 31, 2003 assuming the merger had occurred on that date. Pro forma combined book value per equivalent Optika common share is computed by multiplying Stellent s pro forma combined book value per common share by the base exchange ratio of 0.44.

	Year Ended March 31, 2003	Nine Months Ended December 31, 2003
Stellent historical (balance sheet data at end of period):		
Basic and diluted net loss per common share	$(1.45)	$(0.46)
Book value per common share at the end of the period	$ 5.14	$ 4.71

	Year Ended December 31, 2002	Nine Months Ended September 30, 2003
Optika historical (balance sheet data at end of period):		
Basic and diluted net loss per common share	$(0.06)	$(0.08)
Book value per common share at the end of the period	$ 0.84	$ 0.80

Unaudited Pro Forma Combined Per Share Data

	Year Ended March 31, 2003	Nine Months Ended December 31, 2003
Stellent and Optika pro forma combined (balance sheet date at end of period):		
Pro forma basic and diluted combined net loss per common share	$(1.35)	$(0.48)

Pro forma basic and diluted combined net loss per equivalent Optika common share	$(0.59)	$(0.21)
Pro forma combined book value per Stellent share		$ 5.79
Pro forma combined book value per equivalent Optika common share		$ 2.55

Neither Stellent nor Optika has ever paid cash dividends to its shareholders. Stellent does not anticipate paying cash dividends for the foreseeable future.

Table of Contents

RISK FACTORS

In addition to the risks described in each company s reports on Forms 10-K and 10-Q relating to each company as an independent business, you should carefully consider the risks described below relating to the merger and to the ownership of Stellent common stock before deciding how to vote your shares. You also should consider the other information contained in, or incorporated by reference into, this joint proxy statement/ prospectus. Please refer to the section of the joint proxy statement/ prospectus entitled Where You Can Find More Information beginning on page 109. If any of the events described in these risks actually occur, the business, financial condition or prospects of Stellent or Optika, as the case may be, may be seriously harmed. In such case, the market price of Stellent common stock, or Optika common stock, as the case may be, may decline, and you may lose all or part of your investment.

Risks Relating to the Merger

The merger involves risk for Stellent and Optika shareholders. Optika stockholders will be choosing to invest in Stellent common stock by voting in favor of the merger. In addition to other information included in this joint proxy statement/ prospectus, including the matters addressed in the section of this joint proxy statement/ prospectus Cautionary Statement Concerning Forward-Looking Statement beginning on page 35, you should carefully consider the following risks before deciding whether to vote in favor of the merger proposal and the amendment to the certificate of designation, in the case of Optika stockholders, or for the issuance of shares of Stellent common stock pursuant to the merger agreement, in the case of Stellent shareholders. Please refer to the section of this joint proxy statement/ prospectus entitled Where You Can Find More Information beginning on page 109. Additional risks and uncertainties not presently known to Stellent or Optika or that are not currently believed to be important to you also may adversely affect the merger and the combined company following the merger.

Stellent and Optika may be unable to obtain the shareholder approvals required to complete the merger.

The closing of the merger is subject to approvals by the shareholders of Optika and Stellent, which might not be obtained. The issuance of shares of Stellent common stock pursuant to the merger agreement requires the affirmative vote of a majority of the total votes cast at the Stellent special meeting, provided a quorum is present at the meeting. Approval of the Optika merger proposals requires the affirmative vote of a majority of the outstanding shares of Optika common stock and Optika preferred stock (voting together with the Optika common stock on an as-converted-to-common-stock basis). If the requisite shareholder approvals are not obtained, the conditions of closing of the merger will not be satisfied and the closing of the merger will not occur. If the merger is not completed, the business and operations of Stellent and Optika may be harmed to the extent that customers, suppliers and others believe that the companies cannot effectively compete in the marketplace without the merger and the market prices of Stellent common stock and Optika common stock may decline.

The number of shares that holders of Optika common stock will be entitled to receive is fixed; if the market price of Stellent s common stock declines, Optika stockholders will be entitled to receive less in value for their shares of Optika common stock.

Upon the closing of the merger, each holder of shares of Optika common stock will be entitled to receive a fixed portion of a share of Stellent common stock for each share of Optika common stock held by such stockholder at the closing of the merger. The market value of Stellent s shares fluctuates based upon general market and economic conditions, Stellent s business and prospects and other factors, as discussed in this joint proxy statement/ prospectus. Because of these fluctuations and because the total number of shares of Stellent common stock to be received as consideration by holders of Optika common stock in the merger may be decreased if shares of Stellent common stock are allocated to holders of the Optika preferred stock, as discussed in this joint proxy statement/ prospectus, but will not, in any case be increased, the exact value of the consideration that holders of Optika common stock will be entitled to receive in the merger cannot be determined until the closing of the merger.

There will be no increase to the exchange ratio (except for reclassifications to reflect the effect of any stock split, reverse stock split, stock dividend, reorganization, recapitalization, reclassification or other like

change with respect to Stellent common stock or Optika common stock), and the parties do not have the right to terminate the merger agreement based upon changes in the market price of either Stellent common stock or Optika common stock. Accordingly, if Stellent s stock price decreases, Optika s stockholders will be entitled to receive less in value for their shares of Optika common stock.

Some of the directors and executive officers of Stellent and Optika have interests and arrangements that could have affected their decisions to support or approve the transaction.

All Stellent officers and directors will serve in their current capacity for the combined company.

The directors and executive officers of Optika will receive continuing indemnification against liabilities and some of the directors and executive officers of Optika have Optika stock options that potentially provide them with interests in the merger, such as accelerated vesting upon completion of the merger in certain cases, that are different from, or are in addition to, your interests in the merger. An Optika director will serve on the board of directors of the combined company. In addition, Mark K. Ruport has entered into an employment agreement with Stellent that will become effective upon the consummation of the merger. Under the agreement, Mr. Ruport is entitled to receive compensation and benefits as described under the section of this joint proxy statement/ prospectus The Merger Interests of Directors and Executive Officers of Optika in the Merger beginning on page 69.

The stock prices and businesses of Stellent and Optika may be adversely affected if the merger is not completed.

If the merger is not completed, the market prices of Stellent common stock and Optika common stock may decline. In addition, Stellent s and Optika s businesses and operations may be harmed to the extent that customers, suppliers and others believe that the companies cannot effectively compete in the marketplace without the transaction, or there is customer or employee uncertainty surrounding the future direction of the product and service offerings and strategy of Stellent or Optika on a standalone basis. Completion of the merger is subject to several closing conditions, including obtaining requisite regulatory and shareholder approvals, and Stellent and Optika may be unable to obtain such approvals on a timely basis or at all. If the transaction is not completed, Stellent and Optika would not derive the strategic benefits expected to result from the transaction. Stellent and Optika will also be required to pay significant costs incurred in connection with the transaction, including legal, accounting and financial advisory fees, and certain fees and expenses of TWCP and certain of it affiliates, whether or not the transaction is completed. Moreover, under specified circumstances described in this joint proxy statement/ prospectus, Stellent may be required to pay Optika s expenses incurred in connection with the merger agreement or the merger of up to $750,000 in connection with the termination of the merger agreement, or Optika may be required to pay Stellent a termination fee of $1.6 million and Stellent s expenses incurred in connection with the merger agreement or the merger of up to $750,000 pursuant to the merger agreement, in connection with the termination of the merger agreement.

The combined company may not realize benefits from the merger because of integration and other challenges.

Any failure of the combined company to meet the challenges involved in integrating the operations of Stellent and Optika successfully or to realize any of the anticipated benefits or synergies of the merger could seriously harm the results of the combined company. Realizing the benefits of the merger will depend in part on the ability of the combined company to overcome significant challenges, including timely, efficient and successful execution of post-merger strategies, including:

- combining the operations of two companies;
- integrating and managing the combined company;
- retaining and assimilating the key personnel of each company;
- integrating the sales channels of each company;
- retaining existing customers of each company and attracting new customers;

Table of Contents

retaining strategic partners of each company and attracting new strategic partners; and

creating and maintaining uniform standards, controls, procedures, policies and information.

The risks related to the execution of these post-merger strategies include:

the potential disruption of the combined company s on-going business and distraction of its management;

difficulties inherent in combining product offerings, coordinating sales and marketing efforts to effectively communicate the capabilities of the combined company;

the potential need to demonstrate to customers that the merger will not result in adverse changes in customer service standards or business; and

impairment of relationships with employees, suppliers and customers as a result of any integration of new management personnel.

Charges to earnings resulting from the application of the purchase method of accounting may adversely affect the market value of the combined company s common stock following the merger.

In accordance with accounting principles generally accepted in the United States of America, the combined company will account for the merger using the purchase method of accounting, which will result in charges to earnings that could have a material adverse effect on the market value of Stellent common stock following the closing of the merger. Under the purchase method of accounting, the combined company will allocate the total estimated purchase price to Optika s net tangible assets, amortizable intangible assets, intangible assets with indefinite lives and in-process research and development, if any, based on their fair values as of the date of the closing of the merger, and record the excess of the purchase price over those fair values as goodwill. The portion of the estimated purchase price allocated to purchased in-process technology, if any, will be expensed by the combined company in the quarter in which the merger is completed. The combined company will incur additional depreciation and amortization expense over the useful lives of certain of the net tangible and intangible assets acquired in connection with the merger. In addition, to the extent the value of goodwill or intangible assets with indefinite lives becomes impaired, the combined company may be required to incur material charges relating to the impairment of those assets. These depreciation, amortization and potential impairment charges could have a material impact on the combined company s results of operations.

In order to be successful, the combined company must retain and motivate key employees, which will be more difficult in light of uncertainty regarding the merger, and failure to do so could seriously harm the combined company.

In order to be successful, the combined company must retain and motivate executives and other key employees, including those in managerial, sales and technical positions. Employees of Stellent or Optika may experience uncertainty about their future role with the combined company until or after strategies with regard to the combined company are announced or executed. In addition, a portion of Optika s employee options have exercise prices in excess of the current value of the merger consideration. These circumstances may adversely affect the combined company s ability to attract and retain key management, sales and technical personnel. The combined company also must continue to motivate employees and keep them focused on the strategies and goals of the combined company, which may be particularly difficult due to the potential distractions of the merger.

The market price of Stellent s common stock may decline as a result of the merger.

The market price of Stellent s common stock may decline as a result of the merger for a number of reasons, including if:

the integration of Stellent and Optika is not completed in a timely and efficient manner;

the combined company does not achieve the perceived benefits of the merger as rapidly or to the extent anticipated by financial or industry analysts;

the effect of the merger on the combined company s financial results is not consistent with the expectations of financial or industry analysts; or

significant shareholders of Stellent or Optika decide to dispose of their stock following completion of the merger.

Uncertainty regarding the merger and the effects of the merger could cause each company s customers or strategic partners to delay or defer decisions.

Stellent s and/or Optika s customers and strategic partners, in response to the announcement of the merger, may delay or defer decisions regarding the license of the combined company s products and services, which could have a material adverse effect on the business of the combined company or the relevant company if the merger is not completed.

Optika could lose an opportunity to enter into a merger or business combination with another party on more favorable terms as the merger agreement restricts Optika from soliciting such proposals.

While the merger agreement is in effect, subject to certain limited exceptions, Optika is restricted from entering into or soliciting, initiating or encouraging any inquiries or proposals that may lead to a proposal or offer for a merger with any persons other than Stellent. As a result of the restriction, Optika may lose an opportunity to enter into a transaction with another potential partner on more favorable terms. If Optika terminates the merger agreement to enter into another transaction, Optika likely would be required to pay a termination fee to Stellent that may make an otherwise more favorable transaction less favorable. See The Merger Agreement Termination Fee and Expenses of this joint proxy statement/ prospectus beginning on page 85. In addition, if the merger agreement is terminated and the Optika board of directors determines that it is in the best interests of the Optika stockholders to seek a merger or business combination with another strategic partner, Optika cannot assure you that it will be able to find a partner offering terms equivalent or more attractive than the price and terms offered by Stellent.

Stellent and Optika may be unable to obtain the regulatory approvals that may be required to complete the merger or, in order to obtain such approvals, the combined company may be required to comply with material restrictions or conditions.

The merger may be subject to review by the United States Federal Trade Commission under the HSR Act. In addition, the merger may be subject to review by the governmental authorities of various other jurisdictions under the antitrust laws of those jurisdictions.

The reviewing authorities may not permit the merger at all or may impose restrictions or conditions on the merger that may seriously harm the combined company if the merger is completed. These conditions could include a complete or partial license, divestiture, spin-off or the holding separate of assets or businesses. Stellent may refuse to complete the merger if material restrictions or conditions are required by governmental authorities. Any delay in the completion of the merger could diminish the anticipated benefits of the merger, result in additional transaction costs or result in loss of revenue or other effects associated with uncertainty about the transaction.

Stellent and Optika also may agree to restrictions or conditions imposed by antitrust authorities in order to obtain regulatory approval, and these restrictions or conditions could harm the combined company s operations. Unless required by law, no additional shareholder approval is expected to be required for any decision by Stellent and Optika, after the special meetings of Stellent shareholders and Optika stockholders, to agree to any terms and conditions necessary to resolve any regulatory objections to the merger.

In addition, during or after the statutory waiting periods, and even after the completion of the merger, governmental authorities could seek to block or challenge the merger as they deem necessary or desirable in the public interest. Moreover, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Stellent, Optika or the combined company may not prevail, or may incur significant costs, in defending or settling any action under the antitrust laws.

Table of Contents

The combined company is not profitable on a pro forma basis and may not be profitable in the future.

On a pro forma basis, the combined company had a net loss of approximately $12.4 million for the nine months ended December 31, 2003. We cannot assure you that the combined company s revenue will increase or continue at current levels or growth rates or that the combined company will achieve profitability or generate cash from operations in future periods. In view of the rapidly evolving nature of the combined company s business and the limited histories of Stellent and Optika in producing many of their current products, period-to-period comparisons of operating results are not necessarily meaningful and you should not rely on them as indicating what the combined company s future performance will be. We expect that the combined company will continue to incur significant sales, marketing, product development and administrative expenses. As a result, the combined company will need to generate significant revenue to achieve profitability and we cannot assure you that it will achieve profitability in the future.

The merger may be completed even though material adverse changes may result from the announcement of the merger, industry-wide changes and other causes.

In general, either party may refuse to complete the merger if there is a material adverse change affecting the other party before the closing. However, certain types of changes will not prevent the completion of the offer or the merger, even if they would have a material adverse effect on Stellent or Optika, including:

- changes or conditions generally affecting the industries or segments in which Stellent and Optika operate unless the change or condition has a materially disproportionate effect on Stellent or Optika, as the case may be;
- changes in general economic, market or political conditions unless the change has a materially disproportionate effect on Stellent or Optika, as the case may be;
- actual or threatened litigation by stockholders of Stellent or Optika relating to the announcement or completion of the offer or the merger (unless the offer or the merger is enjoined);
- any disruption of customer, business partner, supplier or employee relationships that resulted from the announcement of the merger agreement or the completion of the merger; and
- changes in Stellent s or Optika s common stock market price or trading volume, in and of themselves.

If material adverse changes occur but we must still complete the merger, Stellent s stock price may suffer. This in turn may reduce the value of the merger to Stellent s and Optika s shareholders.

Our focus on integrating the combined companies may divert us from other potential transactions.

Our industry has experienced recent consolidation. Even after the merger, many competitors of the combined company will have substantially more resources than it has. Management s focus on realizing the benefits of the merger for the combined companies may divert us from pursuing other potential transactions that could further increase the resources an marketing opportunities of the combined companies.

There is a risk of potentially unfavorable United States federal income tax consequences to Optika stockholders.

Optika stockholders may be subject to potentially material adverse United States federal income tax consequences if the Internal Revenue Service were to successfully contend that the consideration transferred by Stellent to the Optika common and preferred stockholders should be treated not as it was actually received, but rather as it would have been received by such stockholders prior to the amendment of the certificate of designation of the Optika preferred stock, pursuant to which the stated liquidation preference of the Optika preferred stock will be terminated. To review the material United States federal income tax consequences to stockholders in greater detail, see The Merger Material United States Federal Income Tax Consequences of the Merger beginning on page 72.

Table of Contents

Risks Relating to Stellent s Business

If the merger is successfully completed, holders of Optika common stock will become holders of Stellent common stock. Stellent s business differs from Optika s business, and Stellent s results of operations, as well as the price of Stellent common stock, may be affected by factors different than those affecting Optika s results of operations and the price of Optika common stock before the merger. In this section, we means Stellent and our means Stellent s.

Fluctuations in our operating results may make it difficult to predict our future performance.

While our products and services are not seasonal, our revenues and operating results are difficult to predict and may fluctuate significantly from quarter to quarter. If our quarterly revenues or operating results fall below the expectations of investors or securities analysts, the price of our common stock could fall substantially. A large part of our sales typically occurs in the last month of a quarter, frequently in the last week or even the last days of the quarter. If these sales were delayed from one quarter to the next for any reason, our operating results could fluctuate dramatically. In addition, our sales cycles may vary, making the timing of sales difficult to predict. Furthermore, our infrastructure costs are generally fixed. As a result, modest fluctuations in revenues between quarters may cause large fluctuations in operating results. These factors all tend to make the timing of revenues unpredictable and may lead to high period-to-period fluctuations in operating results.

Our quarterly revenues and operating results may fluctuate for several additional reasons, many of which are outside of our control, including the following:

- demand for our products and services;
- the timing of new product introductions and sales of our products and services;
- unexpected delays in introducing new products and services;
- increased expenses, whether related to sales and marketing, research and development or administration;
- changes in the rapidly evolving market for Web content management solutions;
- the mix of revenues from product licenses and services, as well as the mix of products licensed;
- the mix of services provided and whether services are provided by our staff or third-party contractors;
- the mix of domestic and international sales;
- costs related to possible acquisitions of technology or businesses;
- general economic conditions; and
- public announcements by our competitors.

Potential acquisitions may be difficult to complete or to integrate and may divert management s attention.

We may seek to acquire or invest in businesses, products or technologies that are complementary to our business. If we identify an appropriate acquisition opportunity, we may be unable to negotiate favorable terms for that acquisition, successfully finance the acquisition or integrate the new business or products into our existing business and operations. In addition, the negotiation of potential acquisitions and the integration of acquired businesses or products may divert management time and resources from our existing business and operations. To finance acquisitions, we may use a substantial portion of our available cash or we may issue additional securities, which would cause dilution to our shareholders.

We may not be profitable in the future.

Our revenues may not grow in future periods and we may not achieve profitability. If we do not achieve profitability, the market price of our stock may fall. Our ability to achieve profitable operations depends upon many factors beyond our direct control. These factors include, but are not limited to:

- the demand for our products;
- our ability to quickly introduce new products;
- the level of product and price competition;
- our ability to control costs; and
- general economic conditions.

The intense competition in our industry may reduce our future sales and profits.

The market for our products is highly competitive and is likely to become more competitive. We may not be able to compete successfully in our chosen marketplace, which may have a material adverse effect on our business, operating results and financial condition. Additional competition may cause pricing pressure, reduced sales and margins, or prevent our products from gaining and sustaining market acceptance. Many of our current and potential competitors have greater name recognition, access to larger customer bases, and substantially more resources than we have. Competitors with greater resources than ours may be able to respond more quickly than we can to new opportunities, changing technology, product standards or customer requirements.

We depend on the continued service of our key personnel.

We are a small company and depend greatly on the knowledge and experience of our senior management team and other key personnel. If we lose any of these key personnel, our business, operating results and financial condition could be materially adversely affected. Our success will depend in part on our ability to attract and retain additional personnel with the highly specialized expertise necessary to generate revenue and to engineer, design and support our products and services. Like other software companies, we face intense competition for qualified personnel. We may not be able to attract or retain such personnel.

We have relied and expect to continue to rely on sales of our universal content management software and content component software products for our revenues.

We currently derive all of our revenues from product licenses and services associated with our system of content management and viewing software products. The market for content management and viewing software products is new and rapidly evolving. We cannot be certain that a viable market for our products will continue or that it will be sustainable. If we do not increase employee productivity and revenues related to our existing products or generate revenues from new products and services, our business, operating results and financial condition may be materially adversely affected. We will continue to depend on revenues related to new and enhanced versions of our software products for the foreseeable future. Our success will largely depend on our ability to increase sales from existing products and generate sales from product enhancements and new products. We cannot be certain that we will be successful in upgrading and marketing our existing products or that we will be successful in developing and marketing new products and services. The market for our products is highly competitive and is subject to rapid technological change. Technological advances could make our products less attractive to customers and adversely affect our business. In addition, complex software product development involves certain inherent risks, including risks that errors may be found in a product enhancement or new product after its release, even after extensive testing, and the risk that discovered errors may not be corrected in a timely manner.

Our success depends on our ability to protect our proprietary technology.

If we are unable to protect our intellectual property, or incur significant expense in doing so, our business, operating results and financial condition may be materially adversely affected. Any steps we take to protect our intellectual property may be inadequate, time consuming and expensive. We currently have

one pending patent application; but, no patent has yet been issued. Without significant patent or copyright protection, we may be vulnerable to competitors who develop functionally equivalent products. We may also be subject to claims that our current products infringe on the intellectual property rights of others. Any such claim may have a material adverse effect on our business, operating results and financial condition.

We anticipate that software product developers will be increasingly subject to infringement claims due to growth in the number of products and competitors in our industry, and the overlap in functionality of products in different industries. Any infringement claim, regardless of its merit, could be time-consuming, expensive to defend, or require us to enter into royalty or licensing agreements. Such royalty or licensing agreements may not be available on commercially favorable terms, or at all.

We rely on trade secret protection, confidentiality procedures and contractual provisions to protect our proprietary information. Despite our attempts to protect our confidential and proprietary information, others may gain access to this information. Alternatively, other companies may independently develop substantially equivalent information.

Our products may not be compatible with commercial Web browsers and operating systems.

Our products utilize interfaces that are compatible with commercial Web browsers. In addition, our Stellent Content Management System is a server-based system written in Java that functions in both Windows NT and UNIX environments. We must continually modify our products to conform to commercial Web browsers and operating systems. If our products were to become incompatible with commercial Web browsers and operating systems, our business would be harmed. In addition, uncertainty related to the timing and nature of product introductions or modifications by vendors of Web browsers and operating systems may have a material adverse effect on our business, operating results and financial condition.

We could be subject to product liability claims if our products fail to perform to specifications.

If software errors or design defects in our products cause damage to customers data and our agreements do not protect us from related product liability claims, our business, operating results and financial condition may be materially adversely affected. In addition, we could be subject to product liability claims if our security features fail to prevent unauthorized third parties from entering our customers intranet, extranet or Internet Web sites. Our software products are complex and sophisticated and may contain design defects or software errors that are difficult to detect and correct. Errors, bugs or viruses spread by third parties may result in the loss of market acceptance or the loss of customer data. Our agreements with customers that attempt to limit our exposure to product liability claims may not be enforceable in certain jurisdictions where we operate.

Future regulations could be adopted that restrict our business.

Federal, state or foreign agencies may adopt new legislation or regulations governing the use and quality of Web content. We cannot predict if or how any future laws or regulations would impact our business and operations. Even though these laws and regulations may not apply to our business directly, they could indirectly harm us to the extent that they impact our customers and potential customers.

We have been named a defendant in securities class-action lawsuits and we may in the future be named in additional litigation, which may result in substantial costs and divert management s attention and resources.

Shareholder class-action suits have been filed naming Stellent and certain of our current and former officers and directors as co-defendants. We intend to vigorously defend ourselves against the suits and seek the suits dismissal at the appropriate time. However, it is possible that the litigation could be resolved adversely, could result in substantial costs and/or could divert management s attention and resources, which could seriously harm our business.

More generally, securities class-action litigation has often been brought against companies following periods of volatility in the price of their securities. This risk is greater for technology companies, which

Table of Contents

have experienced greater-than-average stock price volatility in recent years and, as a result, have been subject to, on average, a greater number of securities class-action claims than companies in other industries. We may in the future be the target of this kind of litigation, and such litigation could also result in substantial costs and divert management s attention and resources.

The market price of our common stock could fluctuate significantly.

The market price of our common stock has fluctuated significantly in the past and may do so in the future. The market price of our common stock may be affected by each of the following factors, many of which are outside of our control:

- variations in quarterly operating results;
- changes in estimates by securities analysts;
- changes in market valuations of companies in our industry;
- announcements of significant events, such as major sales;
- acquisitions of businesses or losses of major customers;
- additions or departures of key personnel; and
- sales of our equity securities.

Our performance will depend on the continuing growth and acceptance of the Web.

Our products are designed to be used with intranets, extranets and the Internet. If the use of these methods of electronic communication does not grow, our business, operating results and financial condition may be materially adversely affected. Continued growth in the use of the Web will require ongoing and widespread interest in its capabilities for communication and commerce. Its growth will also require maintenance and expansion of the infrastructure supporting its use and the development of performance improvements, such as high speed modems. The Web infrastructure may not be able to support the demands placed on it by continued growth. The ongoing development of corporate intranets depends on continuation of the trend toward network-based computing and on the willingness of businesses to reengineer the processes used to create, store, manage and distribute their data. All of these factors are outside of our control.

Our existing shareholders have significant influence over us.

As of December 31, 2003, Robert F. Olson, our President, Chief Executive Officer and the Chairman of our Board of Directors, holds approximately 10.2% of our outstanding common stock. Accordingly, Mr. Olson is able to exercise significant control over our affairs. As a group, our directors and executive officers beneficially own approximately 13.3% of our common stock. These persons have significant influence over our affairs, including approval of the acquisition or disposition of assets, future issuances of common stock or other securities and the authorization of dividends on our common stock. Our directors and executive officers could use their stock ownership to delay, defer or prevent a change in control of our company, depriving shareholders of the opportunity to sell their stock at a price in excess of the prevailing market price.

We can issue shares of preferred stock without shareholder approval, which could adversely affect the rights of common shareholders.

Our articles of incorporation permit us to establish the rights, privileges, preferences and restrictions, including voting rights, of unissued shares of our capital stock and to issue such shares without approval from our shareholders. The rights of holders of our common stock may suffer as a result of the rights granted to holders of preferred stock that may be issued in the future. In addition, we could issue preferred stock to prevent a change in control of our company, depriving shareholders of an opportunity to sell their stock at a price in excess of the prevailing market price.

Table of Contents

Our shareholder rights plan and certain provisions of Minnesota law may make a takeover of Stellent difficult, depriving shareholders of opportunities to sell shares at above-market prices.

Our shareholder rights plan and certain provisions of Minnesota law may have the effect of discouraging attempts to acquire Stellent without the approval of our board of directors. Consequently, our shareholders may lose opportunities to sell their stock for a price in excess of the prevailing market price.

Risks Relating to Optika s Business

In this section, we means Optika and our means Optika s.

A significant portion of our revenues has been, and we believe will continue to be, derived from a limited number of orders, and the timing of such orders and their fulfillment have caused, and are expected to continue to cause, material fluctuations in our operating results.

A significant portion of our revenues has been, and we believe will continue to be, derived from a limited number of orders, and the timing of such orders and their fulfillment have caused, and are expected to continue to cause, material fluctuations in our operating results. Revenues are also difficult to forecast because the markets for our products are rapidly evolving, and our sales cycle and the sales cycle of our value added resellers is lengthy and varies substantially from end-user to end-user. To achieve our quarterly revenue objectives, we depend upon obtaining orders in any given quarter for shipment in that quarter. Product orders are typically shipped shortly after receipt. Consequently, order backlog at the beginning of any quarter has in the past represented only a small portion of that quarter s revenues. Furthermore, we have often recognized most of our revenues in the last month, or even in the last weeks or days, of a quarter. Accordingly, a delay in shipment near the end of a particular quarter may cause revenues in a particular quarter to fall significantly below our expectations and may materially adversely affect our operating results for such quarter. Conversely, to the extent that significant revenues occur earlier than expected, operating results for subsequent quarters may fail to keep pace with results of previous quarters or even decline. We also have recorded generally lower sales in the first quarter than in the immediately preceding fourth quarter, as a result of, among other factors, end-users purchasing and budgeting practices and our sales commission practices. To the extent that future international operations constitute a higher percentage of total revenues, we anticipate that we may also experience relatively weaker demand in the third quarter as a result of reduced sales in Europe during the summer months. Significant portions of our expenses are relatively fixed in the short term. Accordingly, if revenue levels fall below expectations, operating results are likely to be disproportionately and adversely affected. As a result of these and other factors, we believe that our quarterly operating results will vary in the future, and that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indications of future performance. Furthermore, due to all of the foregoing factors, it is likely that in some future quarter our operating results will be below the expectations of public market analysts and investors. In such event, the price of our common stock would likely decline and such decline could be significant.

Substantially all of our current license revenue is derived from one product.

The Optika Acorde family of products accounts for substantially all of our current license revenue. Our future financial performance will depend in general on the acceptance of our product offerings, and in particular on the successful development, introduction and customer acceptance of new and enhanced versions of our products.

Capital market conditions could materially and adversely affect our ability to raise additional needed capital.

Current capital market conditions have materially and adversely affected the ability of many technology companies to raise additional capital in both private and public markets. Although we believe that our existing cash balances and liquid resources will be sufficient to fund our operating activities, capital expenditures and other obligations through at least the next twelve months, if market conditions do not improve and we are not successful in generating sufficient cash flow from operations or in raising

additional capital when required in sufficient amounts and on terms acceptable to us, we may be required to reduce our planned expenditures and scale back the scope of our business plan.

Our ability to compete effectively and to manage any future growth will require that we continue to attract and assimilate new personnel and to train and manage our work force.

Most of our senior management team has joined us within the last five years. These individuals may not be able to achieve and manage growth, if any, or build an infrastructure necessary for us to operate. Our ability to compete effectively and to manage any future growth will require that we continue to assimilate new personnel and to train and manage our work force. Our future performance depends to a significant degree upon the continuing contributions of our key management, sales, marketing, customer support, and product development personnel. We have at times experienced, and continue to experience, difficulty in recruiting qualified personnel, particularly in sales, software development and customer support. We believe that there may be only a limited number of persons with the requisite skills to serve in those positions, and that it may become increasingly difficult to hire such persons. Competitors and others have in the past, and may in the future, attempt to recruit our employees. We have from time to time experienced turnover of key management, sales and technical personnel. The loss of key management, sales or technical personnel, or the failure to attract and retain key personnel, could harm our business.

Our future results of operations will depend on the success of our marketing and distribution strategy, which relies, to a significant degree, upon third parties.

Our future results of operations will depend on the success of our marketing and distribution strategy, which relies, to a significant degree, upon value added resellers to sell and install our software, and provide post-sales support. These relationships are usually established through formal agreements that generally do not grant exclusivity, do not prevent the distributor from carrying competing product lines and do not require the distributor to purchase any minimum dollar amount of our software. Some value added resellers may not continue to represent us or sell our products. Other value added resellers, some of which have significantly greater financial, marketing and other resources than we have, may develop or market software products that compete with our products or may otherwise discontinue their relationship with, or support of, us. Some of our value added resellers are small companies that have limited financial and other resources that could impair their ability to pay us. Selling through indirect channels may hinder our ability to forecast sales accurately, evaluate customer satisfaction or recognize emerging customer requirements. Our future results of operations also depend on the success of our continuing efforts to build a direct sales force.

Our future performance will depend in significant part upon our ability to respond effectively to rapid technological change and changes in customer requirements.

The markets for our products are characterized by rapid technological change, changes in customer requirements, frequent new product introductions and enhancements, and emerging industry standards. Our future performance will depend in significant part upon our ability to respond effectively to these developments. The introduction of products embodying new technologies and the emergence of new industry standards can render existing products obsolete, unmarketable or noncompetitive. We are unable to predict the future impact of such technology changes on our products. Moreover, the life cycles of our products are difficult to estimate. Our future performance will depend in significant part upon our ability to enhance current products, and to develop and introduce new products and enhancements that respond to evolving customer requirements. The inability, for technological or other reasons, to develop and introduce new products or enhancements in a timely manner in response to changing customer requirements, technological change or emerging industry standards, or maintain compatibility with heterogeneous computing environments, would have a material adverse effect on our business and results of operations.

We rely on third-party software licenses, the loss of which could materially and adversely affect our business and financial condition.

We license software from third parties, which is incorporated into our products. These licenses expire from time to time. These third-party software licenses may not continue to be available to us on

commercially reasonable terms. The loss of, or inability to maintain, any such software licenses could result in shipment delays or reductions until equivalent software could be developed, identified, licensed and integrated, which in turn could materially and adversely affect our business and financial condition. In addition, we generally do not have access to source code for the software supplied by these third parties. Certain of these third parties are small companies that do not have extensive financial and technical resources. If any of these relationships were terminated or if any of these third parties were to cease doing business, we may be forced to expend significant time and development resources to replace the licensed software.

Licensing our software products requires a lengthy and complex sales cycle.

The license of our software products is typically an executive-level decision by prospective end-users, and generally requires our value added resellers and us to engage in a lengthy and complex sales cycle (typically between six and twelve months from the initial contact date). In addition, the implementation by customers of our products may involve a significant commitment of resources by such customers over an extended period of time. For these and other reasons, the sales and customer implementation cycles are subject to a number of significant delays over which we have little or no control. Our future performance also depends upon the capital expenditure budgets of our customers and the demand by such customers for our products. Certain industries to which we sell our products, such as the financial services industry, are highly cyclical. Our operations may in the future be subject to substantial period-to-period fluctuations as a consequence of such industry patterns, domestic and foreign economic and other conditions, and other factors affecting capital spending. Such factors may have a material adverse effect on our business and results of operations.

The market for our product offerings is intensely competitive.

The market for our product offerings is intensely competitive and can be significantly affected by new product introductions and other market activities of industry participants. Our competitors offer a variety of products and services to address the electronic content management market and the emerging market for e-business solutions. Because our products are designed to operate in non-proprietary computing environments and because of low barriers to entry in the marketplace, we expect additional competition from established and emerging companies, as the market for our products continues to evolve. Current and potential competitors have established or may establish cooperative relationships among themselves or with third parties, to increase the ability of their products to address the needs of our prospective customers. In addition, several competitors have recently made, or attempted to make, acquisitions to enter the market or increase their market presence. Accordingly, new competitors or consolidation and alliances among competitors may emerge and rapidly acquire significant market share. Increased competition may result in price reductions, reduced gross margins and loss of market share.

Many of our current and potential competitors are substantially larger than we are, have significantly greater financial, technical and marketing resources and have established more extensive channels of distribution. As a result, such competitors may be able to respond more rapidly to new or emerging technologies and changes in customer requirements, or to devote greater resources to the development, promotion and sale of their products than we can. We expect our competitors to continue to improve the performance of their current products and to introduce new products or new technologies that provide added functionality and other features. Our failure to keep pace with our competitors through new product introductions or enhancements could cause a significant decline in our sales or loss of market acceptance of our products and services, result in continued intense price competition, or make our products and services or technologies obsolete or noncompetitive. To be competitive, we will be required to continue to invest significant resources in research and development, and in sales and marketing.

We rely on our ability to protect our proprietary rights to the technologies used in our principal products.

Our performance depends in part on our ability to protect our proprietary rights to the technologies used in our principal products. We rely on a combination of copyright and trademark laws, trade secrets, confidentiality provisions and other contractual provisions to protect our proprietary rights, which are

measures that afford only limited protection. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products, or to obtain and use information that we regard as proprietary. In addition, the laws of some foreign countries do not protect our proprietary rights as fully as do the laws of the United States. Our means of protecting our proprietary rights in the United States or abroad may not be adequate, and competitors may independently develop similar technologies. Third parties may claim infringement by our products of their intellectual property rights. We expect that software product developers will increasingly be subject to infringement claims if the number of products and competitors in our industry segment grows and the functionality of products in different industry segments overlaps. Any such claims, with or without merit, and regardless of the outcome of any litigation, will be time-consuming to defend, result in costly litigation, divert management s attention and resources, cause product shipment delays, or require us to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on terms acceptable to us, if at all. A successful claim of infringement against our products and failure or inability to license the infringed or similar technology may adversely affect our business and results of operations.

Our inability to successfully expand our international operations in a timely manner, or at all, could materially and adversely affect our business and results of operations.

Sales outside the United States accounted for approximately 10%, 9% and 12% of our revenues in 2003, 2002 and 2001, respectively. We have only limited experience in developing localized versions of our products and we may not be able to successfully localize, market, sell and deliver our products internationally. Our inability to successfully expand our international operations in a timely manner, or at all, could materially and adversely affect our business and results of operations. Our international revenues may be denominated in foreign currencies or the U.S. dollar. We do not currently engage in foreign currency hedging transactions; as a result, a decrease in the value of foreign currencies relative to the U.S. dollar could result in losses from transactions denominated in foreign currencies and could make our software less price-competitive.

A successful product liability claim against us could have a material adverse effect upon our business and results of operations.

Our license agreements typically contain provisions designed to limit our exposure to potential product liability claims. These limitations of liability provisions may not be effective under the laws of certain jurisdictions. The sale and support of our products may entail the risk of such claims, and we could be subject to such claims in the future. A successful product liability claim against us could have a material adverse effect upon our business and results of operations. Software products such as those we offer frequently contain errors or failures, especially when first introduced or when new versions are released. We have in the past released products that contained defects, and have discovered software errors in certain of our new products and enhancements after introduction. We could in the future lose or delay recognition of revenues as a result of software errors or defects, the failure of our products to meet customer specifications or otherwise. Our products are typically intended for use in applications that may be critical to a customer s business. As a result, we expect that our customers and potential customers have a greater sensitivity to product defects than the market for general software products. Despite our testing and testing by current and potential customers, errors or defects may be found in new products or releases after commencement of commercial shipments, and our products may not meet customer specifications, resulting in loss or deferral of revenues, diversion of resources, damage to our reputation, or increased service and warranty and other costs.

We must continue to successfully integrate the people, products and business lines of our acquisitions.

We have acquired, and we may in the future acquire, businesses, products or technologies that we believe complement or expand our existing business. For example, in May 2003, we acquired Select Technologies, Inc., a records management software company based in Boise, Idaho. Our ability to achieve favorable results in 2004 and beyond will be dependent in part upon our ability to continue to successfully integrate the people, products and business lines of our acquisitions. In addition, we will need to work with our acquired companies customers and business partners, as well as our current customers and business

partners, to expand relationships based upon the broader range of products and services available from us. In some instances, we may need to discontinue relationships with business partners whose interests are no longer aligned with ours. We must accomplish the synergies we identified during the acquisition process. Failure to execute on any of these elements and accomplish the favorable financial results from the integration process could adversely affect our business and results of operations.

The market price of our shares of common stock has been, and is likely to continue to be, highly volatile.

Effective February 4, 2003, our common stock began trading on the Nasdaq SmallCap Market under the symbol OPTK. Previously, our stock was traded on the Nasdaq National Market under the same symbol. The market price of our shares of common stock has been, and is likely to continue to be, highly volatile and may be significantly affected by factors such as:

- Actual or anticipated fluctuations in our operating results;
- Announcements of technological innovations;
- New products or new contracts by us or our competitors;
- Sales of common stock by management, directors or other related parties;
- Sales of significant amounts of common stock into the market;
- Developments with respect to proprietary rights;
- Conditions and trends in the software and other technology industries;
- Adoption of new accounting standards affecting the software industry;
- Changes in financial estimates by securities analysts and others;
- General market conditions; and
- Other factors that may be unrelated to us or our performance.

In addition, the stock market has from time to time experienced significant price and volume fluctuations that have particularly affected the market prices for the common stock of technology companies. These broad market fluctuations may adversely affect the market price of our common stock. In the past, following periods of volatility in the market price of a particular company s securities, securities class-action litigation has often been brought against such company. Such litigation may be brought against us in the future. Such litigation, regardless of its outcome, would result in substantial costs and a diversion of management s attention and resources that could have a material adverse effect upon our business and results of operations.

Certain provisions of our certificate of incorporation, equity incentive plans, bylaws, and Delaware law may discourage certain transactions involving a change in control of Optika.

Certain provisions of our certificate of incorporation, equity incentive plans, bylaws, and Delaware law may discourage certain transactions involving a change in control of our company, even if such a transaction would be in the best interest of our stockholders. Our classified board of directors and the ability of the board of directors to issue blank check preferred stock without further stockholder approval, may have the effect of delaying, deferring or preventing a change in our control and may also affect the market price of our stock. We also have a stockholders rights plan under which all stockholders of record as of July 18, 2001 received one right for each share of common stock then owned by them to purchase, upon the occurrence of certain triggering events, one one-hundredth of a share of Series B preferred stock at a price of $30, subject to adjustment. The rights are exercisable only if a person or group acquires 15% or more of our common stock in a transaction not approved by our board of directors. These provisions, and certain other provisions of our amended and restated certificate of incorporation and certain provisions of our amended and restated bylaws and of Delaware law, could delay or make more difficult a merger, tender offer or proxy contest.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/ prospectus 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 with respect to the merger and financial condition, results of operations, plans, objectives, future performance, and business of Stellent and Optika, which are usually identified by the use of words such as will, may, anticipates, believes, estimates, expects, projects, plans, predicts, continues, intends, should, would, or similar expressions intend for these forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with these safe-harbor provisions.

These forward-looking statements reflect current views and expectations about the relevant company s plans, strategies, and prospects, which are based on the information currently available and on current assumptions.

Although each company believes that its plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable, it can give no assurance that the plans, intentions, or expectations will be achieved. Investors are cautioned that all forward-looking statements involve risks and uncertainties and actual results may differ materially from those discussed as a result of various factors including those factors described in the Risk Factors section of this joint proxy statement/ prospectus. Listed below and discussed elsewhere in this joint proxy statement/ prospectus are some important risks, uncertainties, and contingencies that could cause actual results, performances or achievements of Stellent, Optika, or the combined company to be materially different from the forward-looking statements made in this joint proxy statement/ prospectus. These risks, uncertainties and contingencies include, but are not limited to, the following:

- the risk that the merger may not be completed due to the failure to obtain necessary shareholder approvals or other conditions to completion of the transaction not being satisfied;
- the possibility that the combined company will be unable to realize the anticipated benefits and synergies of the merger;
- difficulties associated with successfully integrating Stellent s and Optika s businesses and technologies and the costs associated with this integration;
- the possible failure of the combined company to retain and hire key executives, technical personnel, and other employees;
- difficulties associated with the combined company managing its growth and the difficulty of successfully managing a larger organization;
- the possible failure of the combined company to successfully manage its changing relationships with customers, suppliers, distributors, and strategic partners;
- risks relating to Stellent s and Optika s businesses and how they could affect the operations of the combined company;
- the combined company s ability to maintain customer acceptance of its products by meeting shifting consumer demands and changing requirements;
- government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, and taxes;
- competitive factors and industry trends, technological advances achieved, and intellectual property protections obtained by competitors and the relevant company s ability to respond to those actions; and
- economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of these fluctuations on revenues, expenses, and resulting margins.

Table of Contents

In addition, events may occur in the future that we are not able to accurately predict or control and that may cause actual results to differ materially from the expectations described in the forward-looking statements.

Readers should not place undue reliance on the forward-looking statements contained in this joint proxy statement/ prospectus. These forward-looking statements speak only as of the date on which the statements were made. In evaluating forward-looking statements, you should consider these risks and uncertainties, together with the other risks described from time to time in Stellent s and Optika s reports and documents filed with the SEC.

Neither Stellent nor Optika assumes any obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/ prospectus.

Table of Contents

THE STELLENT SHAREHOLDERS MEETING

Time and Place

The special meeting of Stellent shareholders will be held on l , 2004 at l a.m., Central Time, at Stellent s headquarters at 7777 Golden Triangle Drive, Eden Prairie, Minnesota.

Matters to Be Considered

The purpose of the meeting is to consider and vote upon

- the issuance of shares of Stellent common stock in the merger, as more fully discussed elsewhere in this document; and
- any other and further business as may properly come before the special meeting or any adjournments or postponements of the special meeting, including potential adjournments or postponements for the purpose of soliciting additional proxies in order to approve the issuance of shares of Stellent common stock in the merger.

The Stellent board of directors unanimously recommends that Stellent shareholders vote FOR the share-issuance proposal.

Record Date

Only holders of record of Stellent common stock at the close of business on l , 2004 are entitled to receive notice of and vote at the Stellent shareholders meeting. As of that time, there were l shares of Stellent common stock entitled to vote, held by approximately l holders of record. Each share of Stellent common stock is entitled to one vote.

Quorum

Holders of a majority of the outstanding shares of Stellent common stock entitled to vote, present in person or represented by proxy, will constitute a quorum for the transaction of business at the meeting.

Vote Required

The affirmative vote of the holders of a majority of the number of shares of Stellent common stock present in person or by proxy at the meeting is required to approve the share-issuance proposal.

Votes at the meeting will be tabulated by an independent inspector of election appointed by Stellent or by Stellent s transfer agent.

Share Ownership as of the Record Date

As of the close of business on l , 2004, directors and executive officers of Stellent owned and were entitled to vote l shares of Stellent common stock. Those shares represented l % percent of the outstanding shares of Stellent common stock as of that time. All of the directors and executive officers of Stellent have entered into a voting agreement with Optika in which they have agreed to vote all of their shares of Stellent common stock in favor of the issuance of shares in connection with the merger.

How to Vote by Proxy

If your shares are registered in your name, there are three ways to vote your shares by proxy: by telephone, through the internet, or by mail.

Vote by Telephone Toll-free (800) 560-1965.

Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until l (Central Time) on l , 2004.

Please have your proxy card and the last four digits of your social security number available. Follow the simple instructions the voice provides you.

Vote Through the Internet http://www.eproxy.com/ STEL/

37

Use the Internet to vote your proxy 24 hours a day, 7 days a week, until l (Central Time) on l , 2004.

Please have your proxy card and the last four digits of your social security number available. Follow the simple instructions to obtain your records and create an electronic ballot.

Vote by Mail

Mark, sign, and date your proxy card and return it in the postage-paid envelope that we have provided or return it to Stellent, Inc. c/o Wells Fargo Shareowner Services, P.O. Box 64873, St. Paul, Minnesota 55164-0873.

If your shares are held in street name through a broker, bank, or other nominee, then you may receive a separate voting-instruction form with voting instructions, or you may need to contact your broker, bank, or other nominee to determine whether you will be able to vote electronically using the telephone or the Internet.

If you vote by telephone or through the Internet, please do not mail your proxy card.

How Proxies Will Be Voted

Robert Olson and Gregg Waldon, both of whom are executive officers of Stellent, have been named as proxies in the Stellent proxy. Shares represented by proxy will be voted at the special shareholders meeting as specified in the proxy. Properly executed proxies that do not contain voting instructions will be voted **FOR** the approval of the issuance of shares in the merger. The proxies will be entitled to vote in their discretion on any other matters that may properly come before the meeting, such as adjournment.

Treatment of Abstentions and Broker Non-Votes

If you submit a proxy that indicates an abstention from voting, your shares will be counted as present for purposes of determining the existence of a quorum and they will have the effect of votes against the share-issuance proposal.

Under NASD rules, if you hold your shares in street name, your bank or broker cannot vote your shares of Stellent common stock without specific instructions from you. If you do not provide instructions with your proxy, your bank or broker may deliver a proxy card expressly indicating that it is NOT voting your shares; this indication that a bank or broker is not voting your shares is referred to as a broker non-vote. Broker non-votes will not be counted for the purpose of determining the existence of a quorum and will have no effect on the determination of whether the share-issuance proposal is approved.

How to Revoke Your Proxy

You may revoke your proxy and change your vote by:

- delivering a written notice to any corporate officer of Stellent, before the vote on the share-issuance proposal, stating that you are revoking your proxy;
- completing and signing a later-dated proxy card and returning it by mail before the Stellent shareholder meeting or by voting again by telephone or through Internet before the deadline described in this document; or
- attending the Stellent shareholders meeting and voting in person after having delivered to any corporate officer of Stellent a written notice revoking your proxy.

If your shares are held in an account at a brokerage firm or a bank, you should contact your brokerage firm or bank to change your vote.

Solicitation of Proxies

Each of Stellent and Optika will bear its own cost of soliciting proxies from its shareholders, except that the cost of printing and mailing this document to Stellent and Optika shareholders is being shared by the companies equally.

Table of Contents

In addition to solicitation by mail, Stellent directors, officers, and employees may solicit proxies from shareholders by telephone, in person, or through other means. Stellent will not compensate these people for this solicitation, but we will reimburse them for reasonable out-of-pocket expenses that they have incurred in connection with this solicitation. Stellent will also arrange for brokerage firms, fiduciaries, and other custodians to send solicitation materials to the beneficial owners of shares held of record by those persons. Stellent will reimburse these brokerage firms, fiduciaries, and other custodians for their reasonable out-of-pocket expenses. Stellent has retained l to assist it in the solicitation of proxies, using the means referred to above, at an anticipated cost of $ l , plus reimbursement of out-of-pocket expenses.

No Other Business; Adjournments

Under Minnesota law and Stellent s bylaws, the business to be conducted at the meeting will be limited to considering and voting on the share-issuance proposal.

Adjournments may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment of up to 120 days in the aggregate may be made from time to time by the chairman or otherwise with the approval of the holders of shares representing the greater of (a) a majority of the votes present in person or by proxy at the time of the vote, whether or not a quorum exists, or (b) a majority of the minimum number of votes that would constitute a quorum, without further notice other than by an announcement made at the original meeting of the date, time, and place of the adjourned meeting.

THE OPTIKA STOCKHOLDERS MEETING

Time and Place; Matters to be Considered

The special meeting of Optika Inc. stockholders will be held on l , 2004 at l a.m., Mountain Time, at l , in Colorado Springs, Colorado. At the meeting, Optika stockholders will be asked to consider and vote upon:

a proposal to approve the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/ prospectus, and the merger of Optika with and into a subsidiary of Stellent upon the terms and subject to the conditions of the merger agreement;

a proposal to amend and restate the certificate of designation of Optika s preferred stock in connection with and as a condition precedent to the merger, as described in Annex I to this joint proxy statement/ prospectus; and

to transact any other and further business as may properly come before the special meeting or any adjournments or postponements of the special meeting, including potential adjournments or postponements for the purpose of soliciting additional proxies in order to approve the merger agreement and merger, and the amendment to the certificate of designation.

If the merger is consummated, Optika will effectively become a wholly owned subsidiary of Stellent.

The matters to be considered at the special meeting are of great importance to the stockholders of Optika. Accordingly, you are urged to read and carefully consider the information presented in this joint proxy statement/ prospectus, and to complete, date, sign and promptly return your proxy via mail, telephone or the Internet, as described below.

Record Date; Quorum

Only holders of record of Optika common stock and preferred stock at the close of business on l , 2004 are entitled to receive notice of and vote at the special meeting of Optika stockholders or any adjournments or postponements of the special meeting. As of that date, there were l shares of Optika common stock outstanding held by approximately l holders of record, and 731,851 shares of Optika preferred stock outstanding (representing 1,097,777 shares of common stock on an as-converted-to-common-stock basis). Each common share is entitled to one vote and each preferred share is entitled to one vote per share of common stock represented by such preferred share on an as-converted-to-common-stock basis. Holders of at least a majority of the outstanding voting power of shares of Optika capital stock (consisting of shares of Optika common stock and Optika preferred stock on an as-converted-to-common-stock basis) entitled to vote, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Optika meeting. Abstentions and broker non-votes count as being present to establish a quorum. If a quorum is not present at the Optika special meeting, we expect that the meeting will be adjourned or postponed to solicit additional proxies.

Votes Required

The affirmative vote of the holders of at least a majority of the outstanding voting power of shares of Optika capital stock entitled to vote at the special meeting is required to approve the Optika merger proposals. **If you abstain or fail to vote your shares on a proposal, it will have the same effect as voting against the proposal.**

On l , 2004, directors and executive officers of Optika owned and were entitled to vote l shares of Optika common stock. These shares represented approximately l % of the outstanding voting power of shares of Optika capital stock on the record date. Eleven directors and officers of Optika have agreed to vote any Optika shares owned by them on the record date for the approval of the Optika merger proposals. On l , 2004, TWCP and its affiliates owned 695,258 shares of Optika preferred stock and were entitled to vote 1,042,887 shares of Optika common stock on an as-converted-to-common-stock basis. These shares represented approximately l % of the outstanding voting power of shares of Optika capital stock on the record date. TWCP and each of its affiliates has agreed to vote their shares of Optika capital stock for the approval of the Optika merger proposals. Consequently, holders

Table of Contents

of approximately l % of the outstanding voting power of shares of Optika capital stock who are not party to a voting agreement must vote in favor of the Optika merger proposals in order for stockholder approval to be obtained.

Recommendation of Optika s Board of Directors

The Optika board of directors has unanimously approved the merger agreement, the merger, and the amendment to the certificate of designation and recommends that you vote FOR the adoption of the merger agreement and the merger and FOR the adoption of the amendment to the certificate of designation.

In considering the recommendation of the Optika board of directors with respect to the Optika merger proposals, you should be aware that some of the directors and officers of Optika have interests in the merger that are different from, or are in addition to, the interests of Optika stockholders generally. Please see the section entitled Interests of Directors and Executive Officers of Optika in the Merger on page *[ ] of this proxy statement/ prospectus.

How Shares Will Be Voted; Proxies

If you are a record holder of shares of Optika common stock or Optika preferred stock, in order for your shares to be included in the vote, you must vote your shares in person or by proxy. There are three ways to vote your shares by proxy: by telephone, through the Internet or by mail.

Vote by Telephone Toll-free (l) l .

Use any touch-tone telephone to vote your proxy, 24 hours a day, 7 days a week, until l (Mountain Time) on l , 2004.

Have your proxy card in hand when you call and follow the simple instructions provided.

Vote Through the Internet http://www.proxyvote.com

Use the Internet to vote your proxy, 24 hours a day, 7 days a week, until l (Mountain Time) on l , 2004.

Have your proxy card in hand when you access the Web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

Vote by Mail

Mark, sign, and date the enclosed proxy card and return it in the postage-paid envelope provided.

Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must bring to the meeting a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares. Brokers who hold shares of Optika common stock in street name for customers who are the beneficial owners of those shares may not give a proxy to vote those shares without specific instructions from those customers.

Mark K. Ruport and Steven M. Johnson, both of whom have been named as proxies in the Optika proxy, are directors and/or executive officers of Optika. Shares represented by a proxy will be voted at the special meeting as specified in the proxy. Properly executed proxies that do not contain voting instructions will be voted **FOR** each of the Optika merger proposals to be considered at the special meeting, and the proxy holder may vote the proxy in its discretion as to any other matter which may properly come before the meeting. Only shares affirmatively voted for the adoption of the Optika merger proposals, including properly executed proxies that do not contain voting instructions, will be counted as votes in favor of the adoption of the Optika merger proposals. The persons named as proxies by an Optika stockholder may propose and vote for one or more adjournments of its special meeting, including adjournments to permit further solicitations of proxies. No proxy voted against the proposal to adopt the merger agreement will be voted in favor of any such adjournment or postponement. Optika does not expect that any matter other than the Optika merger proposals will be brought before its special meeting. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their judgment.

Table of Contents

Treatment of Abstentions and Broker Non-Votes

If you submit a proxy that indicates an abstention from voting on any of the proposals being submitted to stockholders for a vote, your shares will be counted as present for purposes of determining the existence of a quorum, but they will not be voted on the proposal or proposals as to which you are abstaining from voting. An abstention from voting on a proposal will have the same effect as a vote against the proposal.

Under NASD rules, your broker cannot vote your shares of Optika common stock without specific instructions from you. If you do not provide instructions with your proxy, your bank or broker may deliver a proxy card expressly indicating that it is not voting your shares; this indication that a broker is not voting your shares is referred to as a broker non-vote. Broker non-votes will be counted for the purpose of determining the existence of a quorum but will not be voted on any of the proposals. A broker non-vote will therefore have the same effect as a vote against the proposals.

How to Revoke Your Proxy

You may revoke or change your proxy at any time before the meeting by filing with Steven M. Johnson, Optika s corporate secretary, at Optika s principal executive offices, Optika Inc., 7450 Campus Drive, Suite 200, Colorado Springs, Colorado 80920, a notice of revocation or another signed proxy with a later date or by voting again by telephone or through the Internet before the deadline described in this document. Mere attendance at the special meeting will not in and of itself revoke a proxy, unless you actually vote in person at the meeting. Stockholders that have instructed a broker to vote their shares must follow directions received from their broker in order to change their vote, revoke their proxy or vote at the special meeting.

Solicitation of Proxies

Each of Optika and Stellent will bear the cost of soliciting proxies from its own stockholders, except that the cost of printing and mailing this joint proxy statement/ prospectus to each company s stockholders is being shared by the companies equally. In addition to solicitation by mail, Optika s directors, officers, and employees may solicit proxies from stockholders by telephone, in person, or through other means. Optika will not compensate these people for this solicitation, but Optika will reimburse them for reasonable out-of-pocket expenses they have incurred in connection with this solicitation. Optika will also arrange for brokerage firms, fiduciaries, and other custodians to send solicitation materials to the beneficial owners of shares held of record by those persons. Optika will reimburse these brokerage firms, fiduciaries, and other custodians for their reasonable out-of-pocket expenses. Optika has retained l to assist it in the solicitation of proxies, using the means referred to above, at an anticipated cost of $ l , plus reimbursement of out-of-pocket expenses.

THE MERGER

This section of the joint proxy statement/ prospectus describes the material aspects of the proposed merger and the related transactions, but it may not contain all of the information that is important for you to know. For a more complete understanding of the merger, you should carefully read this entire joint proxy statement/ prospectus, the Annexes and the other documents incorporated by reference into this joint proxy statement/ prospectus. You may obtain the information incorporated by reference into this joint proxy statement/ prospectus without charge by following the instructions in the section entitled Where You Can Find More Information beginning on page 109 of this joint proxy statement/ prospectus.

General

The Stellent board of directors and the Optika board of directors each have approved, each by unanimous vote, the merger agreement pursuant to which the businesses of Stellent and Optika will be combined. At the effective time of the merger, Optika will merge with and into STEL Sub, Inc., a newly formed, wholly owned subsidiary of Stellent, with STEL Sub, Inc. surviving the merger and continuing as a wholly owned subsidiary of Stellent under the name Optika Inc.

What Optika Stockholders Will Receive in the Merger

Upon completion of the merger:

- each outstanding share of Optika common stock will be converted into the right to receive 0.44 of a share of Stellent common stock, subject to adjustment described below; and

- all outstanding shares of Optika preferred stock will be converted into the right to receive a total of $10 million in cash and, in certain circumstances described below, shares of Stellent common stock.

If the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over a period ending shortly before the merger is consummated, is greater than $4.00, then:

- 80 percent of the per-share value in excess of $4.00 will be allocated to the holders of Optika common stock; and

- 20 percent of the per-share value in excess of $4.00 will be allocated to the holders of the Optika preferred stock.

This allocation will be accomplished by reducing the total number of Stellent shares to be issued to holders of Optika common stock and by issuing those shares to the holders of the Optika preferred stock. The total number of shares to be issued by Stellent will not change. As a result, if there is such an allocation, the exchange ratio per share of Optika common stock will be reduced to something less than 0.44 of a share of Stellent common stock for each outstanding share of Optika common stock.

Also upon completion of the merger, each outstanding Optika stock option will be converted into an option to purchase a number of shares of Stellent common stock that is equal to the product of the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock (as described above) multiplied by the number of shares of Optika common stock that would have been obtained before the merger upon the exercise of the option, rounded to the nearest whole share. The exercise price per share will be equal to the exercise price per share of Optika common stock subject to the option before the conversion divided by the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock, rounded to the nearest whole cent.

Promptly upon completion of the merger, Stellent s exchange agent will mail to each Optika stockholder of record a letter of transmittal containing instructions on how to surrender Optika stock certificates in exchange for Stellent stock certificates. Upon surrendering their Optika common stock, the letter of transmittal and any other documents required by the exchange agent, the holders of Optika stock certificates will be entitled to receive a certificate representing that number of whole shares of Stellent common stock which that holder has the right to receive and cash in lieu of any fractional share of Stellent common and stock.

Holders of Optika common stock should not send in their certificates until they receive a letter of transmittal from the exchange agent.

Ownership of Stellent Following the Merger

We anticipate that former Optika stockholders will own approximately 1 % of the outstanding shares of Stellent common stock following the merger.

Background of the Merger

The Optika board of directors has from time to time considered the desirability of exploring strategic alternatives with potential business partners. Among the reasons for this were:

- the relatively small size of Optika;
- its needs for expansion in certain key business areas, including direct sales and marketing, would be difficult for Optika to achieve on a stand-alone basis;
- a trend of increasing consolidation in its industry resulting in larger, better-financed competitors with increasingly broad and deep product lines and increasing demands by customers for fewer suppliers of more comprehensive solutions;
- the instability of the financial markets and the anticipated difficulty that Optika would have in raising outside capital; and
- the potential dilution and liquidation preference associated with the Optika preferred stock.

On August 28, 2003, Robert F. Olson, Chairman and Chief Executive Officer of Stellent, called Mark K. Ruport, Chairman and Chief Executive Officer of Optika, to express Stellent s interest in exploring a potential business combination between the two companies. Mr. Ruport and Mr. Olson agreed to meet at Stellent s Minneapolis headquarters the following week.

On September 3, 2003, Mr. Olson and Mr. Ruport met at Stellent s headquarters in Minneapolis for strategic discussions regarding the possibility of a business combination between the two companies. Daniel P. Ryan, Executive Vice President of Marketing and Business Development of Stellent, also participated in the meetings. The parties agreed that further discussions were warranted.

On September 18, 2003, Mr. Ruport, Steven M. Johnson, Chief Financial Officer and Executive Vice President of Optika, Mr. Olson, Mr. Ryan and representatives of RBC held a teleconference. During the teleconference, Mr. Ruport provided the group with an overview of Optika s business. At the conclusion of this teleconference, both parties agreed that further discussions under a confidentiality agreement were warranted.

On September 21, 2003, Stellent and Optika entered into a confidentiality agreement pursuant to which each of them agreed to treat confidentially certain information provided by the other in connection with determining whether a transaction between them would be desirable. Stellent and Optika thereafter exchanged confidential information relating to their business and strategic initiatives.

On October 9, 2003, Frank A. Radichel, Vice President of Research and Development of Stellent, Mr. Ruport, William J. Kearney, Vice President of Strategic Relationships of Optika, and Randall S. Weakly, Vice President of Research and Development of Optika, met at Optika s offices in Colorado Springs, Colorado. During the meeting, Mr. Weakly and Mr. Kearney provided Mr. Radichel with an overview of Optika s technology and its software architecture.

On October 14, 2003, Mr. Ruport, Mr. Olson and Mr. Ryan had a brief teleconference to discuss the announcement of EMC Corporation acquiring Documentum, Inc. The parties agreed that this was further evidence of the current opportunity for consolidation of the content management software market.

On October 15, 2003, the Optika board of directors held a regularly scheduled meeting in Colorado Springs, Colorado. The meeting was also attended by members of Optika s senior management, and representatives of E*Law Group, Optika s legal counsel, and Revolution Partners, an investment banking firm. At the meeting, senior management briefed the Optika board of directors regarding the status of the ongoing

exchange of information between Stellent and Optika, as well as ongoing discussions with other

third parties that had expressed recent interest in exploring a potential business combination with Optika. After reviewing a detailed presentation by Revolution Partners, Optika s board of directors unanimously authorized the retention of Revolution Partners to act as Optika s investment banker and assist management in identifying and considering strategic transactions involving Optika. Optika s board of directors also unanimously authorized Revolution Partners to negotiate with TWCP, which is, together with its affiliates, the principal holder of Optika s preferred stock, as the approval of the holders of a majority of the preferred stock would be necessary for Optika to consummate a transaction with Stellent where less than the stated liquidation preference would be paid to holders of Optika s preferred stock.

On October 16, 2003, Optika entered into an engagement letter with Revolution Partners.

On October 20, 2003 representatives of RBC provided representatives of Revolution Partners with a preliminary due diligence request list for Optika.

On October 22, 2003, representatives of Revolution Partners met with representatives of TWCP at TWCP s offices in New York, New York to update TWCP on the status of Optika s strategic discussions through that date, and to discuss the consideration that would be paid to holders of the Optika preferred stock in connection with a proposed transaction with Stellent.

On October 23, 2003, Mr. Ruport, Mr. Johnson, Patrick M. Donovan, Director of Finance of Optika, representatives of RBC, representatives of Revolution Partners and Mr. Olson met at Optika s Colorado Springs headquarters to review Optika s initial response to Stellent s preliminary due diligence request. Optika management also made a presentation regarding Optika s operations, sales processes and finances. Mr. Ruport and Mr. Olson held further discussions regarding their visions for a combined company and how the combined company would be managed.

On October 30, 2003, Mr. Ruport and Mr. Olson talked telephonically. They both reiterated their desire to pursue a combination. Mr. Olson informed Mr. Ruport that a non-binding term sheet would be delivered to Optika s representatives within a few days.

On November 3, 2003, representatives of RBC provided representatives of Revolution Partners with a preliminary proposed non-binding term sheet for Stellent to acquire Optika, which included the financial terms of the proposed transaction.

On November 4, 2003, representatives of Revolution Partners discussed the terms of the Stellent term sheet with representatives of TWCP. In that meeting, TWCP (as holder, together with certain of its affiliates, of a majority of the Optika preferred stock) indicated that the implied consideration proposed to be paid to the holders of Optika preferred stock in the Stellent term sheet would likely not be sufficient to induce TWCP and certain of its affiliates to consent to the proposed transaction.

On November 4, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika s legal counsel, met telephonically with the Optika board of directors to present and discuss the initial proposal from Stellent. The Optika board of directors unanimously authorized senior management and Revolution Partners to continue negotiations with Stellent to improve both the financial and non-financial terms of the proposal. The Optika board of directors also directed Revolution Partners to contact a number of other companies that senior management had identified as potential acquirers to determine whether any of such parties had a serious interest in making a proposal to acquire Optika. The Optika board of directors also directed Revolution Partners to accelerate its discussions with TWCP.

On November 12, 2003, at a regularly scheduled meeting, Stellent s board of directors discussed a possible transaction with Optika. Officers of Stellent, representatives of RBC and representatives of Faegre & Benson LLP, Stellent s legal counsel, attended the meeting. Stellent s officers summarized Optika s business and explained the strategic and marketing benefits of a potential transaction. Representatives of RBC presented initial valuation analyses of Optika. Stellent s board of directors unanimously authorized Stellent s management to continue its discussions with Optika regarding a potential acquisition of Optika. In addition, Stellent s board of directors unanimously ratified the selection of RBC as Stellent s financial advisor in the transaction and authorized Stellent s management to enter into an engagement letter with RBC.

On November 14, 2003, after continued discussions among Stellent, Optika, RBC and Revolution Partners, representatives of RBC provided representatives of Revolution Partners with a revised proposal pursuant to which Stellent would acquire Optika, and which included financial terms of the proposed transaction.

On November 14, 2003, and again on November 20, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika s legal counsel, met telephonically with the Optika board of directors to discuss the status of ongoing negotiations between Optika and Stellent regarding the terms of Stellent s revised proposal, as well as the status of Revolution Partners discussions with other potential acquirers and TWCP. The Optika board of directors unanimously authorized senior management and Revolution Partners to continue negotiations with Stellent to improve both the financial and non-financial terms of the proposal, and to determine whether the terms of the revised proposal would be acceptable to TWCP.

On November 17, 2003, representatives of Revolution Partners and TWCP continued their negotiations. TWCP (as holder, together with certain of its affiliates, of a majority of the Optika preferred stock) advised Revolution Partners that the consideration proposed to be paid to the holders of Optika s preferred stock set forth in Stellent s November 14 proposal would not likely be sufficient to induce TWCP and certain of its affiliates to consent to the proposed transaction.

On November 24, 2003, at a special telephonic meeting, Stellent s management provided its board of directors with a report on the status of the possible transaction with Optika. Officers of Stellent, representatives of RBC and representatives of Stellent s legal counsel participated on the call. Representatives of RBC presented revised analyses regarding the valuation of Optika and a potential transaction. Stellent s board of directors unanimously authorized Stellent s management to continue its discussions with Optika regarding a potential acquisition of Optika, to express to Optika an indication of interest in acquiring Optika on terms consistent with the valuation analyses presented to the board of directors and to enter into an agreement for mutual due diligence and exclusive negotiations between Stellent and Optika.

On November 24, 2003, representatives of RBC provided representatives of Revolution Partners with a revised proposal pursuant to which Stellent would acquire Optika. The basic terms of the revised proposal were that each share of Optika common stock outstanding as of the closing date of the merger would be exchanged for a fixed fraction of a share of Stellent common stock. The fixed exchange ratio would be determined based on the average price of Stellent s common stock during a period shortly prior to announcement of the merger, subject to a minimum and a maximum exchange ratio. Based on the proposal, and the trading price of Stellent s common stock at the time, if the price of Stellent s common stock remained constant, the fixed exchange ratio would result in 0.43 of a share of Stellent common stock being issued in exchange for each outstanding share of Optika common stock. The merger agreement would provide for a cash payment of $10 million to the holders of Optika s preferred stock and the assumption of all Optika stock options by Stellent in accordance with the exchange ratio. The closing prices of Optika common stock and Stellent common stock on November 24, 2003 were $4.00 and $9.39, respectively.

On November 25, 2003, representatives of Revolution Partners discussed the terms of the most recent Stellent proposal with representatives of TWCP. In that meeting, TWCP (as holder, together with certain of its affiliates, of a majority of the Optika preferred stock) indicated that the consideration to be paid to the holders of Optika s preferred stock was generally acceptable to it in circumstances where the common stockholders would otherwise receive $4.00 per share or less at closing, but that the preferred stockholders should also receive 20% of any consideration to the Optika common stockholders in excess of $4.00 per share. Revolution Partners conveyed this position to RBC.

On November 26, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika s legal counsel, met telephonically with the Optika board of directors to present and discuss the most recent proposal from Stellent. Revolution Partners advised the Optika board of directors of the conditions under which TWCP had indicated that it would consent to the revised Stellent proposal. Revolution Partners also advised the Optika board of directors that, despite making a number of contacts

with potential third-party acquirers, there were no third parties that were reasonably likely to make an offer that would be superior to the one proposed by Stellent or within a time frame that would not jeopardize the board of directors ability to accept the Stellent offer. The Optika board of directors also considered the absence of price protection in the Stellent proposal and the adequacy of the proposed exchange ratio. Representatives from Revolution Partners and Optika s legal counsel advised the board of directors that they had discussed with RBC and Stellent s legal counsel the possibility of including in the merger agreement a price-protection provision to ensure that the value of the merger would remain the same in the event of fluctuations within defined parameters in the price of Stellent stock, commonly known as a collar provision, or a clause allowing Optika to walk away if the consideration to be received by the Optika common stockholders fell below a predetermined price at closing, and that Stellent had expressed an unwillingness to proceed with a transaction that included such provisions.

On November 28, 2003, representatives of RBC provided representatives of Revolution Partners with a revised draft of a preliminary term sheet pursuant to which Stellent would acquire Optika. The basic terms of the deal were unchanged from the term sheet provided on November 26, 2003, except that the revised term sheet provided that any consideration received by the holders of Optika s common stock in excess of $4.00 per share would be allocated 20% to the holders of Optika s preferred stock and 80% to the holders of Optika s common stock. The total number of shares of common stock that Stellent would issue in the transaction for the outstanding shares of Optika common stock did not change. The closing prices of Optika common stock and Stellent common stock on November 28, 2003 were $4.35 and $9.87, respectively.

On December 1, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika s legal counsel, met telephonically with the Optika board of directors to present and discuss the revised proposal from Stellent. The Optika board of directors reviewed the financial and legal terms of the Stellent proposal in detail with senior management and representatives from Revolution Partners and Optika s legal counsel.

On December 2, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika s legal counsel, met telephonically with the Optika board of directors. The Optika board of directors unanimously authorized senior management to enter into a non-binding letter of intent, including exclusive negotiation provisions with Stellent through December 22, 2003, and a term sheet with Stellent, and to proceed expeditiously to negotiate a definitive merger agreement with Stellent and complete financial and legal due diligence on Stellent. The Optika board of directors also unanimously authorized management to enter into a binding agreement with TWCP and certain of its affiliates pursuant to which TWCP and certain of its affiliates would consent to the proposed merger. On that date, management of Optika and Stellent executed the non-binding letter of intent and term sheet.

From December 2, 2003 through December 3, 2003, Mr. Olson, Gregg A. Waldon, Executive Vice President, Chief Financial Officer, Secretary and Treasurer of Stellent, representatives of Stellent s legal counsel and representatives from RBC performed legal and financial due diligence on Optika in Colorado Springs, Colorado.

On December 5, 2003, TWCP and Optika entered into a letter of intent pursuant to which TWCP agreed to enter into an agreement to consent to the proposed merger on the condition that, among other things, the consideration to be paid to the holders of Optika s preferred stock and the common stock would be as set forth in the Stellent term sheet approved by the Optika board of directors. This letter of intent would automatically terminate in the event that a definitive merger agreement was not executed on or before January 8, 2004.

From December 8, 2003 through December 9, 2003, Mr. Ruport, Mr. Johnson, Mr. Donovan, representatives of Optika s legal counsel and representatives from Revolution Partners and KPMG LLP, Optika s independent accountants, performed legal and financial due diligence on Stellent in Minneapolis, Minnesota.

From December 9, 2003 through December 10, 2003, representatives of Grant Thornton, Stellent s independent accountants, performed financial due diligence on Optika in Denver, Colorado.

Table of Contents

The companies and their legal representatives thereafter engaged in additional due diligence exchanges, which included interviews of persons responsible for the financial affairs of Stellent and Optika, respectively, as well as due diligence regarding strategic, management, legal, financial, accounting and business issues.

On December 10, 2003, counsel for Stellent provided counsel for Optika with a first draft of a proposed form of merger agreement, in accordance with the terms of the non-binding term sheet executed by the parties.

Between December 10, 2003 and December 22, 2003, the parties continued their respective due diligence investigations and exchanged comments on the merger agreement and certain ancillary documents circulated by counsel to Stellent, including a proposed voting agreement to be entered into by TWCP at the time the merger agreement was executed, pursuant to which TWCP would agree to vote all of its shares of capital stock of Optika in favor of the merger and deliver an irrevocable proxy to Stellent in favor of the merger agreement and the merger.

On December 22, 2003, the exclusivity period in the letter of intent expired, but the parties orally agreed to continue working on the proposed merger agreement.

On January 2, 2004, senior management of Optika and Stellent exchanged preliminary summary financial information related to the quarter ended December 31. In connection with these discussions, Optika s management noted that, based on the method of determining the base exchange ratio set forth in the term sheet and the recent relative prices of Optika s and Stellent s stock, the value of the consideration to be received by Optika s stockholders in the proposed transaction was likely to be at a discount to the market price of Optika s common stock. The closing prices of Optika common stock and Stellent common stock on January 2, 2004 were $4.67 and $10.029, respectively.

Between January 2, 2004 and January 5, 2004, the parties continued to discuss potential ways to reduce the likelihood that the consideration in the proposed transaction would represent a discount to the market price of Optika s common stock and other open legal and business issues in the merger agreement.

On January 5, 2004, management of both companies and their respective financial advisors discussed the issue of adjusting the fixed base exchange ratio contemplated by the letter of intent and the value of the per share consideration that would be issued to holders of Optika common stock. Based on the trading price of Stellent s common stock at the time, the base exchange ratio determined in accordance with the term sheet would have been 0.40 of a share of Stellent common stock for each outstanding share of Optika common stock. Based on the prices of the common stock of Stellent and Optika at the time, and the allocation of consideration between the holders of Optika s common stock and Optika s preferred stock, the value of the consideration to be offered under the term sheet for outstanding shares of Optika s common stock would have represented a discount to the market price of Optika s common stock. The parties agreed to recommend to their respective boards of directors that the exchange ratio be adjusted to be 0.44 of a share of Stellent common stock in exchange for each outstanding share of Optika common stock. The adjustment to allocate 20% of the value of 0.44 of a share of Stellent common stock in excess of $4.00 to the holders of the Optika preferred stock would remain unchanged. The closing prices of Optika common stock and Stellent common stock on January 5, 2004 were $4.35 and $10.18, respectively.

On January 6, 2004, at a special telephonic meeting, Stellent s management provided its board of directors with an update regarding the possible transaction with Optika. Officers of Stellent, representatives of RBC and representatives of Stellent s legal counsel participated on the call. Representatives of RBC reviewed the trading history of Optika s common stock and Stellent s common stock since the meeting of Stellent s board of directors on November 24, 2003. Representatives of RBC presented financial analyses of a merger with Optika at a fixed exchange ratio of 0.44 shares of Stellent common stock for each outstanding share of Optika common stock, and $10 million in cash to the holders of Optika s preferred stock. Stellent s management reviewed the terms of Mr. Ruport s employment agreement with Optika and presented terms of a proposed employment agreement between Mr. Ruport and Stellent, to become effective upon the closing of a merger with Optika. Stellent s board of directors unanimously authorized Stellent s management to continue its discussions with Optika regarding a potential acquisition of Optika

on terms consistent with the term sheet delivered to Optika, but with an exchange ratio of 0.44 of a share of Stellent common stock for each share of Optika common stock. Stellent s board of directors also unanimously authorized Stellent s management to create STEL Sub, Inc.

On January 7, 2004, the expiration date of the letter of intent between Optika and TWCP was extended from January 8, 2004 to January 14, 2004.

On January 10, 2004, a proposed form of merger agreement and related ancillary agreements were forwarded by Optika s legal counsel to the Optika board of directors for review and consideration. In addition, Revolution Partners forwarded a copy of its financial presentation to the Optika board of directors for review and consideration.

On January 10, 2004, a proposed form of merger agreement and related ancillary agreements were forwarded to the Stellent board of directors for review and consideration. In addition, RBC forwarded a draft copy of its financial presentation to the Stellent board of directors for review and consideration.

On January 11, 2004, the boards of directors of each of Stellent and Optika held separate special telephonic meetings to consider the proposed merger. Officers of Stellent, representatives of RBC and representatives of Stellent s legal counsel participated in the Stellent board of directors meeting. Stellent s officers discussed with its board of directors the strategic rationale for a combination of the two companies and the results of Stellent s due diligence investigation of Optika. Representatives of Stellent s legal counsel then discussed with the board of directors the proposed terms of the merger agreement and the ancillary agreements and the board s fiduciary duties in considering approval of the proposed merger. RBC then presented its financial analysis to the Stellent board of directors relating to the proposed merger and delivered both an oral and written opinion to the board of directors that, based upon and subject to the matters described in the opinion, the consideration proposed to be issued in the merger was fair, from a financial point of view, to Stellent. After deliberations, the Stellent board of directors unanimously approved the proposed merger, declared it to be advisable and in the best interest of Stellent s shareholders, and resolved to recommend that Stellent s shareholders vote in favor of the issuance of shares of Stellent common stock in the merger, and authorized senior management to proceed with the transaction.

Members of Optika s management, Optika s legal counsel, and representatives of Revolution Partners participated in the meeting of the Optika board of directors. Optika s officers discussed with the board Stellent s and Optika s separate and pro forma combined financial and business information, the strategic rationale for a combination of the two companies, and the results of Optika s due diligence investigation of Stellent. Revolution Partners then presented its financial analysis to the Optika board relating to the proposed merger and delivered both an oral and written opinion to the board that, based upon and subject to the matters described in the opinion, the consideration proposed to be issued in the merger was fair, from a financial point of view, to Optika s stockholders. Optika s legal counsel then discussed with the board the proposed terms of the merger agreement and the ancillary agreements referred to therein, the proposed amendment and restatement of the certificate of designation of Optika s preferred stock and the board s fiduciary duties in considering approval of the proposed merger and related proposals. After deliberations, the Optika board of directors unanimously approved the proposed merger, declared it to be advisable and in the best interest of Optika s stockholders, and resolved to recommend that Optika s stockholders vote in favor of the merger and the proposed amendment and restatement of the certificate of designation of the preferred stock effective upon the closing of the merger, and authorized senior management to proceed with the transaction. The Optika board of directors also unanimously authorized an amendment to the Optika rights agreement, exempting the transactions contemplated by the merger agreement from the rights agreement. The closing price of Optika common stock and Stellent common stock on January 9, 2004, the last trading day prior to January 11, was $4.279 and $10.29, respectively.

On January 11, 2004, the parties executed the merger agreement and various related agreements, including voting agreements whereby certain directors and executive officers of each company and TWCP and certain of its affiliates agreed to vote all of their shares of capital stock in favor of the merger. The transaction was announced through a joint press release preceding the opening of the market on January 12, 2004.

Stellent s Reasons for the Merger

Stellent s board of directors has unanimously approved the merger agreement and the issuance of shares of Stellent common stock pursuant to the terms of the merger agreement. In reaching its decision, the Stellent board of directors identified several reasons for, and potential benefits of, the merger to Stellent shareholders. These potential benefits include the following:

combining Stellent s strength in content management with Optika s strength in business process automation will enable Stellent to create a platform of products that encompasses content management, integrated document management, document imaging, content distribution, business process management, collaboration and record management;

combining Optika s product offering with Stellent s product offering will provide marketing opportunities by enabling customers to satisfy multiple facets of their content management and document processing needs with a single vendor;

greater entity size and marketing resources may present improved opportunities for marketing the products of the combined company;

combined technological resources may allow Stellent to compete more effectively by enhancing its ability to develop new products and add functionality to existing products;

the combined and, in large part, non-overlapping customer base of the two companies may present new sales opportunities;

the particular strength that Optika has in the manufacturing, retail, distribution, state and local government and financial services markets could enable Stellent to better serve these markets;

the opportunity to leverage Stellent s existing international sales and marketing infrastructure to expand the distribution of Optika s products;

the ability to eliminate, as combined companies, Optika s expenses of being a public reporting company;

Stellent s expectation that the transaction would be immediately accretive on a pro forma basis, excluding the effects of non-cash or non-recurring charges related primarily to expenses such as amortization of intangible assets and acquisition costs; and

the increased float of Stellent common stock resulting from the merger may afford shareholders of the combined companies an opportunity to benefit from greater trading liquidity and may, with the greater size of the combined companies, increase research coverage.

Recommendation of the Merger by the Stellent Board of Directors

At a meeting held on January 11, 2004, the Stellent board of directors unanimously:

determined that the merger is advisable and in the best interests of Stellent and its shareholders;

approved the merger agreement, the merger and the cash payment and issuance of Stellent common stock in the merger;

directed that the issuance of Stellent common stock in the merger be presented for approval by Stellent shareholders at the Stellent special meeting; and

resolved to recommend that the Stellent shareholders approve the issuance of Stellent common stock in the merger.

In the course of reaching its unanimous decision to approve the merger agreement, Stellent s board of directors consulted with Stellent s senior management, legal counsel and financial advisor, and reviewed a significant amount of information and considered the following factors:

the strategic reasons for the merger (described in the section of this joint proxy statement/ prospectus entitled Stellent s Reasons for the Merger beginning on page 50);

general market conditions and the competitive environment for Stellent s products and services;

50

the potential benefits to Stellent shareholders as a result of growth opportunities following the acquisition;

financial market conditions, historical market prices, volatility and trading information with respect to Stellent s common stock and Optika s common stock;

historical and current information about Stellent s and Optika s businesses, prospects, financial performance and condition, operations, technology, management and competitive position, including public reports concerning results of operations during the most recent fiscal year and fiscal quarter of each company filed with the SEC, analyst estimates, market data and management s knowledge of the industry;

the opinion of RBC Dain Rauscher Inc. dated January 11, 2004 that, as of that date, the consideration to be paid in the merger was fair to Stellent from a financial point of view. A copy of the RBC opinion is attached to this proxy statement as Annex D. This written opinion should be read in its entirety for a description of the procedures followed, assumptions and qualifications made, matters considered and limitations of the review undertaken by RBC (described in the section of this joint proxy statement/ prospectus entitled Opinion of Financial Advisor to Stellent beginning on page 55);

the potential impact of the merger on Stellent s customers;

the fact that the shareholders of Stellent will have the opportunity to vote upon the issuance of Stellent common stock in the merger;

the likelihood that Stellent and Optika will be able to complete the transaction;

reports from Stellent s management, legal advisors and financial advisors about the results of the due diligence investigation of Optika;

the terms and conditions of the merger agreement, including:

the prohibition on Optika s ability to solicit an alternative acquisition proposal and the limitations on Optika s ability to engage in negotiations with, provide any confidential information or data to, and otherwise have certain discussions with any person relating to an alternative acquisition proposal,

the conditions to each party s obligation to effect the merger,

the definition of material adverse effect, and

the limited ability of Optika to terminate the merger agreement;

Stellent s prospects going forward without the combination with Optika; and

the potential for other third parties to enter into strategic relationships with or to acquire Optika.

In reaching its determination, the Stellent board of directors believes that the factors described above generally figured positively with respect to the acquisition, as advantages or opportunities to be derived from the merger, except for the last three factors above, which figured both positively and negatively. The Stellent board of directors also considered the following potentially negative factors in its deliberations concerning the merger:

the possibility that the merger might not be consummated and the effect of a public announcement of the merger on:

Stellent s revenues and other operating results,

Stellent s ability to attract and retain key management, marketing and technical personnel, and

customer relationships;

the risk that the potential benefits sought in the merger might not be realized;

the substantial expenses to be incurred in connection with the merger, including costs of integrating the businesses and transaction expenses arising from the merger;

the risk that key technical and management personnel might not remain employed by the combined company and key customers might terminate their relationships with the combined company;

various other risks associated with the merger and the business of Optika described in the section of this joint proxy statement/ prospectus entitled Risk Factors beginning on page 21.

The above discussion of the material factors is not intended to be exhaustive, but does set forth the principal factors considered by the Stellent board of directors. After due consideration, the Stellent board of directors unanimously concluded that the potential benefits of the merger outweighed the risks associated with the merger.

In view of the wide variety of factors considered by the Stellent board of directors in connection with the evaluation of the merger and the complexity of these matters, the Stellent board of directors did not consider it practical to quantify, rank or otherwise assign relative weights to the foregoing factors, and it did not attempt to do so. Rather, the Stellent board of directors made its recommendation based on the totality of the information presented to it, and the investigation conducted by it. The Stellent board of directors considered all these factors and determined that these factors, as a whole, supported the conclusions and recommendations described above.

Taking into account all of the material facts, matters and information, including those described above, the Stellent board of directors believes that the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Stellent and its shareholders. **The Stellent board of directors unanimously recommends that the Stellent shareholders vote FOR approval of the issuance of Stellent shares pursuant to the merger agreement.**

Optika s Reasons for the Merger

In unanimously approving the merger agreement and the merger and in recommending that Optika s stockholders approve the Optika merger proposals, the Optika board consulted with Optika s management, as well as its financial and legal advisors, and considered a number of factors. The material factors considered by the Optika board of directors in approving and recommending adoption of the Optika merger proposals are described below.

combining Stellent s strength in content management with Optika s strength in business process automation will enable the combined company to create a platform of products that encompasses content management, integrated document management, document imaging, content distribution, business process management, collaboration and record management;

combining Optika s product offering with Stellent s product offering will provide marketing opportunities for the combined company by enabling customers to satisfy multiple facets of their content management and document processing needs with a single vendor;

greater entity size and marketing resources may present improved opportunities for marketing the products of the combined company;

combined technological resources may allow the combined company to compete more effectively by enhancing its ability to develop new products and add functionality to existing products;

the combined and, in large part, non-overlapping customer base of the two companies may present new sales opportunities;

the opportunity to leverage Stellent s existing international sales and marketing infrastructure to expand the distribution of Optika s products;

through the receipt of Stellent common stock in the merger, Optika s stockholders will have the opportunity to participate in the potential for the greater growth, operational efficiencies, financial strength, and earning power of the combined company after the merger without the liquidation preference of the Optika preferred stock; and

the increased float of Stellent common stock resulting from the merger may afford shareholders of the combined companies an opportunity to benefit from greater trading liquidity and may, with the greater size of the combined companies, increase research coverage.

Table of Contents

Recommendation of the Merger by the Optika Board of Directors

At a meeting held on January 11, 2004, the Optika board of directors unanimously:

- determined that the merger is advisable, fair to and in the best interests of Optika and its stockholders;
- approved the merger agreement, the merger and the amendment to the certificate of designation;
- directed that the merger and the amendment to the certificate of designation be presented for approval by Optika stockholders at the Optika special meeting; and
- resolved to recommend that the Optika stockholders approve the Optika merger proposals.

In the course of reaching its unanimous decision to approve the Optika merger proposals, Optika s board of directors consulted with Optika s senior management, legal counsel and financial advisor, and reviewed a significant amount of information and considered the following factors:

- the strategic reasons for the merger (described in the section of this joint proxy statement/ prospectus entitled Optika s Reasons for the Merger beginning on page 52);
- general market conditions and the competitive environment for Optika s products and services;
- the near- and long-term prospects of Optika as an independent company;
- financial market conditions, historical market prices, volatility and trading information with respect to Stellent s common stock and Optika s common stock;
- historical and current information about Stellent s and Optika s businesses, prospects, financial performance and condition, operations, technology, management and competitive position, including public reports concerning results of operations during the most recent fiscal year and fiscal quarter of each company filed with the SEC, analyst estimates, market data and management s knowledge of the industry;
- the consideration to be received by Optika s stockholders in the merger and the relationship between the market value of Stellent common stock to be issued in exchange for shares of Optika common stock and the market value of Optika common stock;
- data involving a comparison of comparable merger transactions;
- the fact that representatives of Revolution Partners, on behalf of Optika, had solicited interest in a possible acquisition of Optika from third parties that Optika senior management and representatives of Revolution Partners believed were likely to have an interest in a potential transaction and that Optika had not received any offers from any of such other parties;
- the fact that the holders of a majority of the Optika preferred stock had agreed to enter into the TWCP written consent and voting agreement to facilitate the transaction and to accept the consideration set forth in the merger agreement;
- the oral and written opinion of Revolution Partners, LLC that, as of January 11, 2004, the consideration to be paid in the merger was fair to the stockholders of Optika from a financial point of view. A copy of the Revolution Partners opinion is attached to this proxy statement as Annex F. This written opinion should be read in its entirety for a description of the procedures followed, assumptions and qualifications made, matters considered and limitations of the review undertaken by Revolution Partners (described in the section of this joint proxy statement/ prospectus entitled Opinion of Financial Advisor to Optika beginning on page 61);
- the potential impact of the merger on Optika s customers, employees and strategic partners;
- the fact that the stockholders of Optika will have the opportunity to vote upon the merger and the amendment to the certificate of designation;

the likelihood that Stellent and Optika will be able to complete the transaction;

reports from Optika s management, legal advisors and financial advisors about the results of the due diligence investigation of Stellent;

- the terms and conditions of the merger agreement, including:
  - the ability of the Optika board of directors, under the merger agreement, to respond to unsolicited requests for nonpublic information, to participate in discussions and negotiations with unsolicited potential third-party acquirors under certain circumstances, and to terminate the merger agreement under certain circumstances in order to accept third-party offers, subject to the payment of a termination fee,
  - the conditions to each party s obligation to effect the merger,
  - the representations and warranties made by Stellent, and
  - the limited ability of Stellent to terminate the merger agreement;
- the parties intent to treat the merger as a reorganization for United States federal income tax purposes; and
- the fact that Delaware law entitles Optika stockholders who do not vote in favor of the merger and who file a written objection with Optika to obtain the fair value of their shares, as determined by a Delaware court, if the merger is completed.

In reaching its determination, the Optika board of directors believes that the factors described above generally figured positively with respect to the merger, as advantages or opportunities to be derived from the merger. The Optika board of directors also considered the following potentially negative factors in its deliberations concerning the merger:

- the possibility that the merger might not be consummated and the effect of a public announcement of the merger on:
  - Optika s revenues and other operating results,
  - Optika s ability to attract and retain key management, sales and technical personnel, and
  - customer and strategic partner relationships;
- the risk that the potential benefits sought in the merger might not be realized;
- the substantial expenses to be incurred in connection with the merger, including costs of integrating the businesses and transaction expenses arising from the merger;
- the risk that key technical and management personnel might not remain employed by the combined company and key customers and business partners might terminate their relationships with the combined company;
- that a termination fee of $1.6 million and up to a $750,000 expense reimbursement required to be paid by Optika under the merger agreement under certain circumstances might discourage a third party from seeking to acquire Optika;
- risks associated with fluctuations in Stellent s common stock price due to the fixed exchange ratio;
- risks associated with an unfavorable outcome to various shareholder litigation proceedings presently pending against certain current and former officers and directors of Stellent;
- risks associated with the treatment of the transaction for United States federal income tax purposes to Optika s stockholders as described in the section of this joint proxy statement/ prospectus entitled Material United States Federal Income Tax Consequences of the Merger beginning on page 72;
- the fact that the sole consideration to be received by the holders of the Optika common stock was Stellent common stock, which was subject to market risk, while the consideration to be received by the holders of the preferred stock would consist primarily of cash, which was not subject to market risk; and

various other risks associated with the merger and the business of Stellent described in the section of this joint proxy statement/ prospectus entitled Risk Factors beginning on page 21.

The above discussion of the material factors is not intended to be exhaustive, but does set forth the principal factors considered by the Optika board of directors. After due conside