

Overview and Frequently Asked Questions

Overview

Oracle Buys Bharosa: Delivers Next-Generation Risk-Based Access Management

On July 18th, 2007 Oracle announced our plan to buy Bharosa, a leading provider of fraud prevention and strong authentication security solutions. The transaction will extend Oracle's Identity Management capabilities by adding proactive, real time risk-analysis, strong authentication and fraud prevention. The transaction is subject to customary conditions and is expected to close in August 2007. Until the deal closes, each company will continue to operate independently, and it is business as usual.

Online fraud has increased, causing users to lose confidence in web-based services and leading to significant impact to business. Driven by specific regulatory mandates such as FFIEC, PCI, and HIPAA, organizations are under pressure to proactively detect and prevent fraud and provide more granular reporting of their progress toward protecting the privacy of consumers. Bharosa provides key capabilities spanning strong authentication, mutual authentication, contextual authorization, proactive real-time risk monitoring and fraud detection, and real-time reporting and analysis. Their proven technology secures leading consumer web sites, including those of Wells Fargo, National City Bank, and 30 others, protecting over 25 million users. Bharosa's products restore confidence in the Web channel, reduce the costs and complexity of interacting with consumers, protect users against online threats, and mitigate misuse from privileged users within the enterprise.

The acquisition of Bharosa will extend Oracle's ability to offer its customers comprehensive web-based access management solutions. Combined with Oracle's identity management products, these innovative solutions will deliver the next generation of adaptive risk-based access management providing our customers with a comprehensive set of tools to protect and manage access to their assets.

Customer Benefits

The proposed combination of Oracle and Bharosa is expected to result in several benefits to customers after the close of the transaction:

Bharosa customers will benefit from:

- Oracle's global reach and 24X7 capabilities
- Alignment with other Oracle product releases
- Additional product functionality, supportability, and 3rd party integration

Oracle customers will benefit from:

- Rapid evolution toward the next generation access management solutions
- Better integration with Oracle Access Manager and other Oracle products
- Reduced cost and complexity for a complete, end-to-end solution

Partner Benefits

The proposed combination of Oracle and Bharosa is expected to result in several benefits to partners after the close of the transaction:

- The addition of leading proactive, real time risk analysis, strong authentication and fraud prevention technology extends Oracle's Identity Management offering. This product family is an integral part of the Oracle Fusion Middleware application development and deployment platform many partners build to today.

- Oracle offers a global partnering infrastructure and capabilities, allowing existing Bharosa partnerships to be broadened, while providing for new ones as well.
- Broader opportunities for ISVs to embed their technology.
- System Integrators benefit from increased strategic opportunities

Frequently Asked Questions

Product Overview and Strategy

What is Bharosa's overall strategy?

Bharosa is a leading, innovative provider of enterprise security software solutions. These solutions provide stronger authentication, proactive real time fraud prevention, and risk analysis capabilities that protect consumers facing applications and prevent misuse of internal applications by privileged users. Bharosa provides horizontal security solutions that are easily adapted to the particular challenges of vertical markets such as financial services, healthcare, e-government, and others. Bharosa's solutions are easy to use and integrate and provide state-of-the-art protection against a variety of online and internal enterprise threats.

How does the acquisition by Oracle change that strategy?

After the closing of the transaction, Oracle expects to deliver Bharosa's solutions under the same tenets that drive Oracle's identity and access management and security strategy today:

- Comprehensive solution: deliver an, integrated suite of best-of-breed components that may also be deployed as individual components
- Application centric: provide a middleware platform that can be leveraged for both development and deployment and that delivers an "application centric" approach to integrating security and identity management with key business systems
- Hot pluggable: provides standards-based solutions that integrate across leading applications, web servers, application servers, portals, databases and IT systems in use in the heterogeneous enterprise.

What products does Bharosa currently develop and support?

Bharosa develops and supports two main products:

- Bharosa Tracker, a comprehensive anti-fraud software solution that works behind the scenes by verifying a host of factors used to confirm identity. Tracker scores risk and alerts the organization in real time to potential fraud.
- Bharosa Authenticator, which includes a suite of highly secure software-based authentication devices. These authentication devices provide a lightweight, cost effective solution that work with any browser to protect passwords, PINs, and other sensitive user information from malicious programs or man-in-the-middle attacks.

How will Oracle offer Bharosa's products?

Until the closing of the acquisition, Bharosa and Oracle remain separate companies. After the closing of the transaction, Oracle expects to continue to offer Bharosa's products on a standalone basis. In addition, Oracle expects to integrate Bharosa's solutions with our market leading Identity and Access Management Suite.

How will this acquisition impact how Bharosa's solutions are supported for existing customers?

Until the closing of the acquisition, Bharosa and Oracle remain separate companies. After the closing of the transaction, Oracle plans to support and protect customers' investment in Bharosa's products. Oracle plans to continue to support customers' solutions as part of a standalone offering or integrated with Oracle's Identity and Access Management Suite.

How will this acquisition impact on-going development of Bharosa solutions?

Until the closing of the acquisition, Bharosa and Oracle remain separate companies. Bharosa intends to continue to deliver enhancements and improvements to its products as currently contemplated. After the closing, Bharosa and Oracle plan to provide continuity in roadmap and direction. Oracle plans to support and protect customers' investments in Bharosa

applications. Research and development investments in Bharosa solutions are expected to increase after the closing as it will then have the backing of Oracle's \$1.9B R&D budget.

How does Bharosa fit into Oracle's overall identity management strategy?

Bharosa products will become part of Oracle's Identity Management offering. Bharosa's innovative solution will add multiple layers of controls to Oracle Access Manager's authentication and authorization techniques and provide metrics for assessing risks and detecting fraud during online transactions. Bharosa's products bring critical adaptive capabilities to Oracle's identity management suite and helping customers evolve toward a new generation of access management technologies. Bharosa can enhance the confidence in each transaction by providing a risk basis for Oracle's proven identity management and access control technologies.

Will Oracle continue to support customers running Bharosa solutions on non-Oracle databases?

Oracle plans to continue to support Bharosa's products on alternative databases to serve customer needs, as it does today with other Oracle Identity Management offerings.

Will Oracle continue to support customers running Bharosa solutions with non-Oracle identity and access management components?

After the closing of the transaction, Oracle expects to continue to support Bharosa's solutions integrated with identity and access management solutions such as CA SiteMinder.

Will Oracle continue to support customers running Bharosa solutions with non-Oracle ERP and CRM applications?

Oracle plans to continue to support Bharosa's solutions with alternative ERP and CRM applications to serve customer needs, as it does today with other Oracle Identity Management offerings.

How compatible are Bharosa's products with Oracle's products?

Bharosa and Oracle solutions are very compatible. Bharosa brings to Oracle a complementary set of solutions, built using industry standards that are already integrated with Oracle Identity Management, Oracle Database, and Oracle Fusion Middleware solutions.

How does Oracle plan to maintain Bharosa's industry and domain expertise after the closing?

The goal of the combination is to complement the offerings of Oracle. Bharosa brings significant market domain expertise and is considered a leader in this segment by leading analysts. Bharosa management and employees will be an integral part of the identity management business within Oracle for the combined companies. Bharosa's executive management and founders as well as Bharosa employees are anticipating joining Oracle.

Customers and Partners

How is the proposed transaction between Oracle and Bharosa expected to benefit Bharosa customers?

Bharosa and Oracle have complementary products and a shared focus on providing secure authentication and authorization solutions. Bharosa customers will benefit in a number of ways from this transaction:

- Access to Oracle's global reach and 24x7 capabilities
- The backing and R&D budget of the world's largest enterprise software company
- Alignment with other Oracle products spanning middleware, database, and applications
- Additional product functionality, supportability, and 3rd party integration

How will customers' investments in Bharosa solutions be protected by Oracle?

Customer investments in Bharosa solutions will be supported and protected. Bharosa's current product plans and support plans continue as currently contemplated. In addition, Oracle plans to fully support and continue development of Bharosa's solutions on an ongoing basis.

As an Oracle customer, how can I benefit from Bharosa's products and services capabilities?

Current Oracle Identity Management customers benefit from this addition of Bharosa's products in several ways:

- Access to leading strong authentication and fraud prevention technologies
- Rapid evolution toward the next generation access management solutions
- Better integration with Oracle Access Manager and other Oracle products
- Reduced cost and complexity for a complete, end-to-end solution

How is the proposed transaction expected to benefit partners?

After the transaction is complete, Oracle and Bharosa partners will benefit by working with a single vendor to address customer needs for identity management and real time fraud analysis and prevention. Oracle partners are expected to benefit from Bharosa's best-in-class solutions for strong authentication and risk analysis. Bharosa partners are expected to benefit from Oracle's increased support of Bharosa partners and increased investment in Bharosa and Oracle Identity Management products. Both companies' partners are expected to benefit from the complementary solutions that provide an opportunity to increase business value and drive down cost of ownership throughout an integrated, standards-based enterprise software stack.

How will Oracle continue to support and broaden relationships with Bharosa partners?

To provide for a smooth transition, existing Bharosa partner contracts will remain in effect until after the closing, and your existing Bharosa contracts for support, professional services, and sales remain the same. As contact information changes, we will communicate these changes through normal channels. As a Bharosa partner, Bharosa representatives will be reaching out to you to answer any questions you might have. You may also use your current Oracle channels for support for any questions. Oracle will continue to provide access to Oracle PartnerNetwork and establish a partner focus area for Bharosa partners.

How is this acquisition expected to impact any existing project, deployment, or services engagements?

Bharosa and Oracle remain separate companies until the closing of the acquisition. It is not expected that this transaction will impact any existing project, deployment or services engagement.

How will Oracle provide for a smooth integration of the two companies after the closing?

Oracle is very focused on customer satisfaction and plans to provide for a smooth transition without customer disruption. Oracle is experienced with integrating companies quickly and efficiently. Oracle will provide dedicated personnel from key functional areas for integration and utilize proven templates and processes for repeatable success in integration. We will communicate regularly throughout this process to keep our customers and employees well informed.

Business Continuity

Can I still purchase Bharosa products?

Yes, Bharosa and Oracle remain separate companies until the closing of the acquisition. Please contact your Bharosa sales representative to assist you, or visit www.Bharosa.com for contact information.

Should Bharosa customers continue to call the Bharosa support services?

Yes. Until the closing of the transaction, Bharosa continues to operate as a separate business. Bharosa customers will continue to receive support and services from Bharosa, and should continue to use existing Bharosa contacts for support, professional services, and sales to address immediate and ongoing needs. We will communicate all changes and transitions occurring after the close of the transaction well in advance through these familiar channels.

Should Bharosa customers continue to contact their Bharosa sales representative?

Yes. Until the closing of the transaction, Bharosa continues to operate as a separate business and, until further advised, customers should continue to rely on existing relationships.

Will training on Bharosa products continue?

Yes. Until the closing of the transaction, Bharosa continues to operate as a separate business. After the transaction closes, we currently plan to combine the Bharosa education program with Oracle University. We want to ensure that our customers' software provides the best possible service for their organizations, and we know excellent training is critical to reach that goal.

Will the Bharosa leadership and employees be retained?

The goal of this combination is to complement the offerings of Oracle. The acquisition of Bharosa significantly increases Oracle's commitment to Identity Management. Bharosa's employees, who have significant domain expertise in strong authentication and fraud detection will be an integral part of the identity management and security business within Oracle for the combined companies.

What is the acquisition integration timeline?

Until the transaction officially closes, we cannot comment on future integration plans, but we will communicate any updates with customers when they become available. We currently expect the transaction to close in August 2007.

Where can I find out more information about the proposed Oracle and Bharosa combination?

For more information, please visit Oracle.com/Bharosa.

The above is for informational purposes and may not be incorporated into a contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decision. The development, release, and timing of any features or functionality described for oracle's products remains at the sole discretion of Oracle. The development, release, and timing of any features or functionality described for Bharosa's products remains at the sole discretion of Bharosa. This acquisition is subject to the satisfaction of a variety of conditions. Oracle is not affiliated with Bharosa and Bharosa is not affiliated with Oracle until the official close of the transaction.