

Oracle to Buy Demantra

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Oracle announced an agreement to buy Demantra, a leading global provider of demand-driven planning solutions. The transaction is expected to close in June 2006. Until such time, each company will continue to operate independently.

Demantra is a best-in-class provider of demand management, sales & operations planning, and trade promotions management solutions. With this acquisition, Oracle plans to offer customers a compelling, comprehensive solution for the extended enterprise that enhances demand visibility with powerful analytics for more accurate demand-driven planning, forecasting, and modeling. With Demantra's proven demand chain solutions, and Oracle's leading technology infrastructure and existing ERP and supply chain applications, Oracle plans to provide a seamless solution for the lean enterprise.

Some of the pertinent details surrounding this acquisition include the following:

- Oracle has offered employment to the entire Demantra team.
- This will be Oracle's Demand Planning solution going forward. While the solution has greater functionality than existing Oracle solutions it is designed to be "complex on the inside, so that it is simple on the outside." This means it needs less tuning and less experienced demand planners will find it easier to work with than many solutions.
- Existing Oracle Demand Management users can choose to upgrade to equivalent capability within this solution without having to pay for the additional license fees.
- Technically the solution is a good fit with Oracle's technology, requiring only minor work.
- This suite includes promotion application functionality, which some CRM applications have as well. However, Oracle sees very little overlap with the Siebel CRM application. Where Siebel is more focused on the overall promotion plan, Demantra is more focused on promotion forecasting and event planning. Similarly, there is a slight overlap with



the budgeting function in enterprise performance management solutions but Oracle sees this as more complementary than a competing application and is looking to integrate it with their EPM application.

Steve Banker, ARC Advisory Group, commented, "This is an acquisition I never would have predicted. But after taking a closer look, it does fill some holes, and it does deepen Oracle's capabilities in Demand Management. One interesting thing about the Demantra solution is that it is part application and part platform. The platform allows it to plug into companies' Sales and Operations Planning process, which tend to be very different from one company to the next."