

ORACLE®



Oracle and Demantra

Acquisition Announcement –
Customer and Partner Presentation
June 1, 2006

Setting the New Standard in Today's Demand-Driven Planning Solutions

Disclaimer

This document is for informational purposes only 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 a purchasing decision. The development, release and timing of any features or functionality remains at the sole discretion of Oracle. The proposed transaction is subject to closing conditions.

Agenda

- What We Are Announcing
- Strategic Rationale
- Customer and Partner Benefits
- Demantra Overview
- Comprehensive Demand and Supply Chain Planning Offering

What We Are Announcing

- Oracle has agreed to acquire Demantra, Inc. (“Demantra”)
 - Transaction expected to close June 2006
 - Terms undisclosed
- About Demantra
 - Best-in-class provider of demand-driven planning solutions for predicting the impact of today’s business decisions on tomorrow’s business performance
 - Demantra’s *Spectrum Suite* includes segment leading solutions for Demand Management, Real-time Sales & Operations Planning, Trade Promotions Management & Optimization and Retail Planning & Store Replenishment
 - Marquee customers in multiple key industries: consumer packaged goods, consumer durables, media & entertainment, medical devices and retail
 - Approximately 85 employees
 - World-class talent with deep domain expertise across R&D, sales and services

Overview of Strategic Rationale

- Demand-driven planning is a large, growing segment with attractive dynamics
 - Market changes, process implications and business impacts are driving increased requirements for sophisticated demand management solutions
 - Demand management, collaboration, and sales & operational planning represent 3 of the 4 top planned initiatives in supply chain management*
- Demantra has proven segment leadership and world-class capabilities
- Creates comprehensive demand and supply chain solution for Fusion infrastructure
 - Combination extends Oracle's supply chain planning footprint
 - Complementary products in an integrated solution to synchronize sales, marketing and the supply chain
 - Most compelling, comprehensive applications / infrastructure demand and supply chain planning offering for combined customers
- Complementary customer base provides immediate benefits
 - Demantra products built on Oracle database
 - Over 75% of Demantra customers own Oracle applications
- Furthers Oracle's goal to become #1 globally in applications

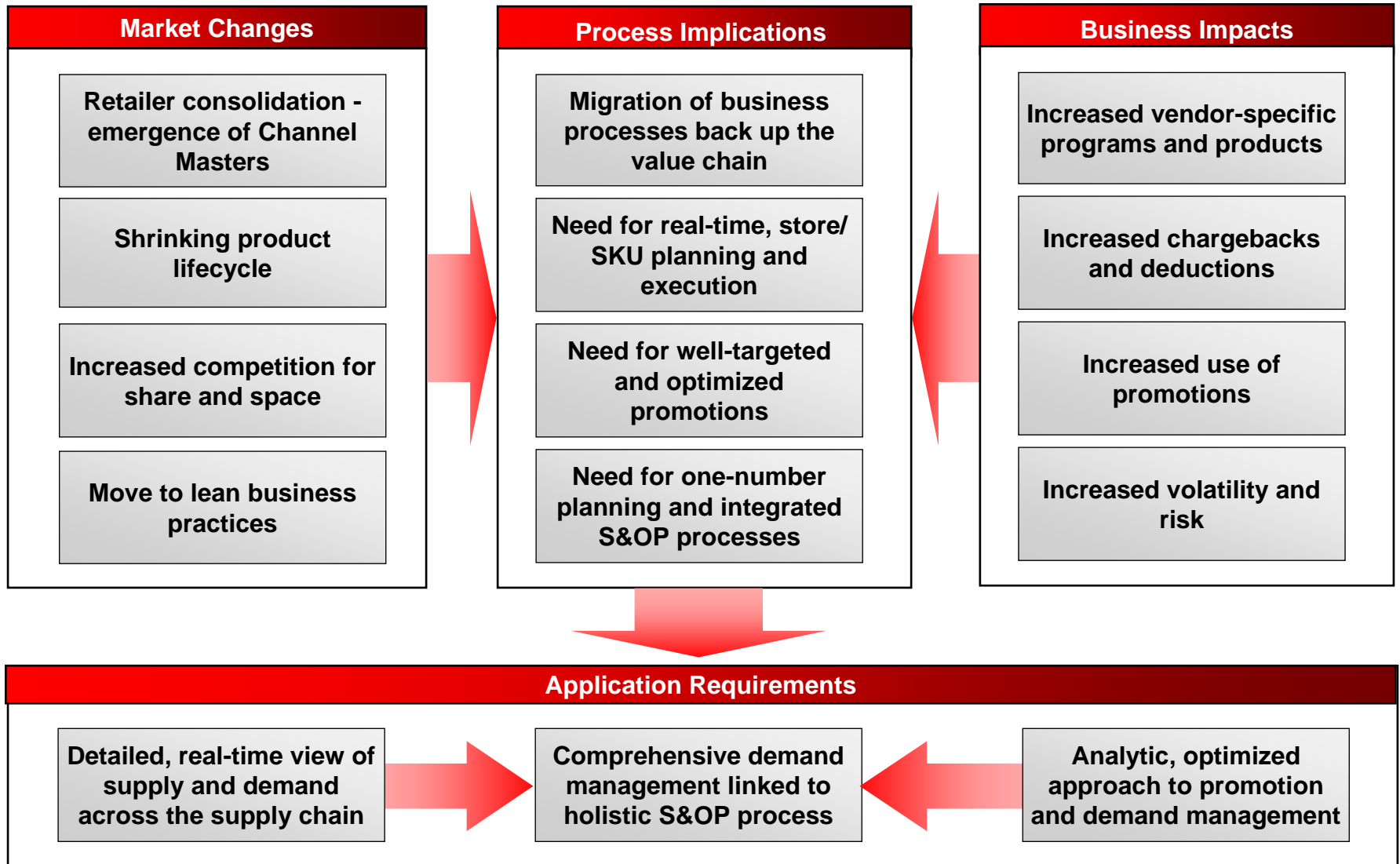
Anticipated Mutual Customer Benefits

- Compelling integrated demand and supply chain planning solution with significant benefits to customers
 - Enhances demand visibility with powerful analytics for more accurate enterprise planning, forecasting and monitoring
 - Reduces complexity, time to benefit and overall cost of ownership
- Effectively address evolving customer needs by harnessing the talent and resources of combined companies
 - Respond to industry trends that are driving the demand for complex, comprehensive planning solutions
- After transaction closing, Demantra customers' investments will be supported by Oracle's global resources and infrastructure
 - Continued focus through dedicated, expanded teams within Oracle
- Continue to support existing Oracle and JDE demand planning users
 - Plan to offer customers access to Demantra's comprehensive capabilities and a compelling end-to-end footprint
- Facilitate transformation of customers' supply chain operations to leading edge infrastructure that improves competitive advantage

Anticipated Mutual Partner Benefits

- Work with single vendor to address customer needs for demand and supply chain planning & execution, ERP, CRM, analytics and infrastructure software
 - Benefit from Oracle's worldwide resources and partner investment
 - Benefit from Demantra's best-in-class demand-driven planning solutions
 - Preserves partners' investments and experience with Demantra
- Opportunity for SIs specializing in demand and supply chain planning to provide world-class solutions to customers across multiple industries
 - Expanded application footprint offers additional opportunities
 - Strengthened go-to-market capabilities through Oracle's global sales force
- Broaden existing ISV and developer partnerships and establish new partnerships to complete combined footprint
 - Develop joint product roadmaps
 - Customer-driven requirements

Drivers for Advanced Demand Management



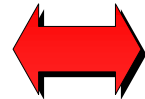
Demantra's End-to-End Solution for Demand-Driven Planning

Shape Demand

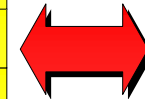
Plan for Demand

Annual Budget
Sales and Marketing Forecast
Demand / Supply Balancing
KPI and Management Dashboards
Real-Time Sales and Operations Planning

Optimization
Promotion Modeling
Deductions Management
Volume Planning
Funds Management
Event Planning
Trade Promotion Management & Optimization



Assumptions Planning
POS Monitoring
Collaboration
Modeling & Analytics
Forecasting
Demand Management

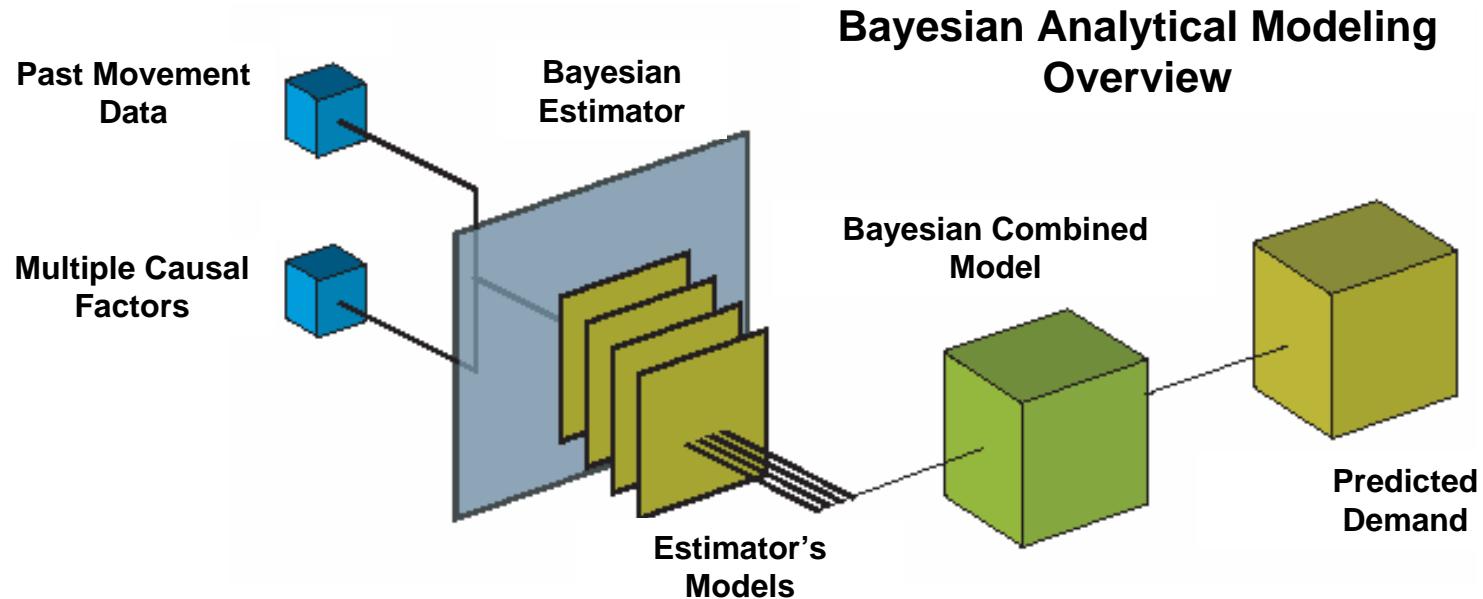


Resets and Openings
Replenishment
New Product Introduction
Assortment Planning
Retail Planning & Store Replenishment

Understand Demand

Respond to Demand

Superior Bayesian – Markov Forecasting Technology



- 15 model library
 - Auto-regressive moving average (ARMA)
 - Regression integrated winters
 - Logistic and logarithmic models
 - Ridge regression, Markov chain regression
 - Intermittent regression
- Base + price + multi-event lift decomposition
- Pre and post event effects
- Unlimited causal factors
- Cross-product and cross-location effects
- Automatic outlier detection
- Trend long, short, dampening
- Missing data interpolation
- Seasonality, weather, market indicators
- Shape modeling and auto-correction
- Regime change
- Fit and forecast validation
- Bayesian mix modeling

Demantra's Key Customer Segments

Consumer Packaged Goods



Medical Devices



Consumer Durables



Quick Serve Restaurants



Media & Entertainment



Customer: VTech



- VTech is a global provider of corded and cordless, telephones, electronic learning products and contract manufacturing services
- Challenge
 - Improve service levels and on-shelf availability with big box retailers in order to increase revenues, while keeping inventory levels and logistics costs to a minimum
- Strategy
 - Implement a consumer driven planning process with retailers to reach consensus demand and fulfillment plans, using POS data and retailer merchandising plans
- Solution
 - Demand management, real-time sales & operational planning; integrated with Oracle E-Business Suite
- Results
 - Rapid time-to-benefit with implementation in 90 days
 - Increased order fill rate from 55% to over 95%
 - Increased inventory turns from 3x to 6x per year
 - Reduced retail compliance fines by 85%
 - Reduced logistics costs by 65%
 - Reduced price protection claims by 40%

Customer: DeRoyal



- DeRoyal is a leading global manufacturer of medical supplies
- Challenge
 - Serve customers more efficiently by reducing inventory costs while maintaining high service levels
- Strategy
 - Align customer demand with the supply chain planning process by involving marketing, sales, and manufacturing in a global collaborative sales & operations planning process
- Solution
 - Demand management, real-time sales & operations planning, integrated with Oracle Enterprise One (JDE)
- Results
 - Reduced finished goods inventory costs by 8%
 - Improved forecast accuracy 5% to 10% at the SKU level
 - Enabled a comprehensive S&OP process

Customer: Welch's

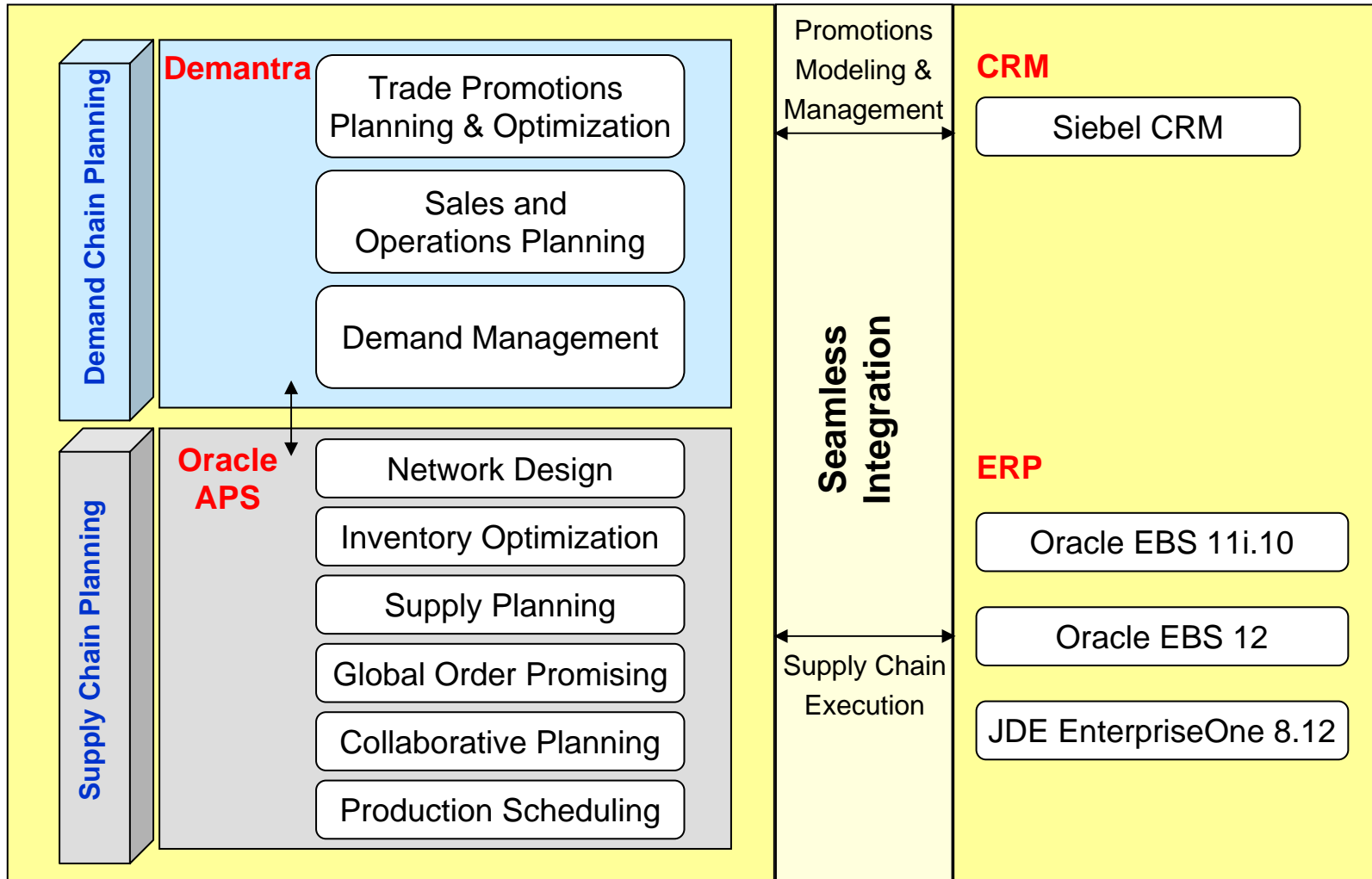


- Welch's is the world's leading processor and marketer of grape-based products
- Challenge
 - Manage, analyze and understand the effectiveness of the thousands of trade promotions that run annually
 - Improve sales force productivity
 - Analyze risks with respect to spending, revenues and profits
- Strategy
 - Integrate trade promotion management, demand planning and promotion analytics to provide an accurate one-number plan across the company
 - Automate trade promotion management and sales planning to increase sales force productivity, increase promotion ROI, and drive supply chain efficiencies
- Solution
 - Demand management, promotion planning; integrated with Oracle E-Business Suite
- Results
 - One-number forecast, with increased SKU-level accuracy
 - 1% reduction in trade spending
 - Significant savings in supply chain costs
 - Productivity improvements in headquarter sales, field sales and broker sales force

Compelling Combined Solution

- Combination creates a comprehensive demand and supply chain planning offering for Fusion infrastructure
 - Demantra: Best-in-class solutions for demand management, sales & operations planning and trade promotions management & optimization
 - Oracle: Supply chain planning and enterprise management applications, middleware and database technologies
- Seamless integration of Oracle and Demantra solutions
- Shared vision and aligned strategies based on industry standards
 - Demantra products have been built on Oracle's database
 - Readily compatible with Oracle Fusion infrastructure
- Deep roster of talent with industry expertise and algorithmic capabilities
- Global reach and resources

Comprehensive Demand-Driven Planning Footprint



Post Transaction Operating Plan

- Demantra team to lead Oracle's demand management initiatives
 - Draw on proven expertise and success
- Integrate Demantra staff into Oracle functional organizations
 - Create specialist teams to maintain focus
- Develop seamless integrations between Demantra and Oracle products
 - Supply chain execution: Oracle E-Business Suite (EBS) and JD Edwards (JDE)
 - Promotions management: Siebel CRM
- Plan to sell Demantra products as (i) standalone offering, and (ii) as a part of an integrated demand and supply chain planning offering
- Continue to support existing Oracle and JDE users as part of Lifetime Support Policy
 - Oracle: Demand Management
 - JDE: Demand Forecasting, Advanced Forecast Modeling, Demand Consensus, Sales & Operations Planning
- Draw on Oracle global infrastructure to support and expand Demantra products globally

Next Steps

- General announcements – June 1, 2006
 - Press release
- Communicate extensively with all constituencies
 - Outreach to customers and partners
- Transaction expected to close June 2006
- More information on www.oracle.com/Demantra