

Overview and Frequently Asked Questions

Overview

Oracle Buys Demantra: Setting the New Standard in Today's Demand-Driven Planning Solutions

On June 1, 2006, Oracle announced our agreement to buy Demantra, a leading global provider of demand driven planning solutions. The transaction officially closed on June 13, 2006. We would like to take this opportunity to pledge our continued commitment to the success of your business and outline the benefits this transaction will deliver.

Demantra is a best-in-class provider of demand management, sales & operations planning and trade promotions management solutions. Demantra was founded in 1996 with a vision to deliver demand-driven planning solutions that enable the convergence of sales, marketing and the supply chain to create and execute a "one-number plan." Demantra's Spectrum Suite combines the strength of innovative, deep analytics with strong business-centric collaboration. Demantra's customer base includes marquee names in multiple key industries including consumer packaged goods, consumer durables, media & entertainment, medical devices and retail. Demantra is headquartered in Waltham, Massachusetts and has assembled one of the largest teams focused on demand chain planning 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. The combined footprint will enable customers to draw on powerful demand intelligence and advanced supply planning across their enterprise, from the point of customer contact through to the factory floor and beyond. Oracle and Demantra have complementary products with a shared focus that information and adaptive business processes are key to achieving corporate goals. We are also committed to supporting our respective customers, which include many of the most successful companies in the world. With Demantra's proven

enterprise planning solutions, and Oracle's leading technology infrastructure and existing ERP and supply chain applications, we plan to provide a seamless solution for the lean enterprise.

Customer Benefits

The combination is expected to provide customers with the following benefits:

- Customers will have access to proven best-in-class demand and supply chain capabilities combined with comprehensive, world-class capabilities in ERP applications and technology infrastructure – all from the same vendor. This is expected to significantly reduce total cost of ownership while increasing customers' ability to operate an integrated, information driven enterprise.
- Our integrated solutions for demand management, supply chain planning, and promotion planning enable customers to enhance demand visibility with powerful analytics for more accurate enterprise planning, forecasting and monitoring
- Our combined solutions will facilitate transformation of customers' supply chain operations to leading-edge infrastructure that improves competitive advantage.
- By combining the talents of both organizations, we will be better able to address evolving customer needs and effectively respond to industry trends that are driving the demand for complex demand and supply chain planning solutions.
- Customer investments in Oracle demand planning products will be fully supported and protected. We plan to offer such customers access to Demantra's comprehensive capabilities and a compelling end-to-end solution footprint.

Partner Benefits

The combination of Oracle and Demantra is expected to provide partners with the following benefits:

- Work with single vendor to address customer needs for supply chain planning & execution, promotion planning & execution, ERP, CRM, analytics, and infrastructure software. Partners will benefit from Oracle's worldwide resources and Demantra's best-in-class demand-driven enterprise planning solutions
- Opportunity for System Integrators specializing in demand management, supply chain planning and promotion planning to provide world-class solutions to customers across multiple industries with an expanded application footprint and strengthened go-to-market capabilities through Oracle's global sales force.
- Broaden existing ISV and developer partnerships and establish new partnerships to compete with a combined footprint. We'll work to develop joint product roadmaps with our customers that include customer-driven requirements.

Frequently Asked Questions

Product Overview, Product Roadmap, and Strategy

What products does Demantra sell?

Demantra provides a comprehensive set of products to address Demand Management, Sales and Operations Planning, and Promotions Planning and Optimization needs and include:

Demand Management

- Demantra Infrastructure
- Collaboration Workbench
- Distributed Engine
- Demantra Anywhere
- Demand Planner Web

Sales and Operations Planning

- Real time Sales & Operations Planning

Promotions Management

- Trade Promotions Management
- Promotion Modeling
- Promotion Optimization
- Deductions and Settlement Management

What is the Demantra architecture and technology?

Demantra is a web-based application, based on Java, which requires only a web browser to access the application for end-users. The user interface is highly configurable and flexible, yielding a high impact, high functionality user experience and fast enterprise adoption. The architecture provides an extensible platform for delivering business applications across a broad set of business functions from supply-chain to sales & marketing applications. The extensible platform combines a collaboration portal, a real-time read-write interactive OLAP planning framework, a flexible business process engine and advanced mathematical modeling engines. The architecture is optimized by advanced caching capabilities across the client, middle and data tiers to provide scalable performance for rich analytical applications. The causal modeling engines are based on machine learning techniques to provide automated discovery of demand drivers and scalable forecasting functions as interactive simulations or batch processes. In addition, Demantra has a comprehensive set of Web Services designed to facilitate rapid integration and collaboration.

How compatible are these technologies with Oracle Applications?

Very compatible. Demantra has been written from the ground-up using current innovative approaches to application development. It is architected over a common collaborative platform designed to support the easy exchange of worksheets and analytics information. The underlying data model is implemented in Oracle RDBMS. The application components interact using XML messaging, controlled by a workflow engine. Demantra is built on a Service Oriented Architecture (SOA) platform that incorporates SOAP messaging between client and application server and XML based integration to external systems.

In summary, it is architecturally advanced, and compatible with current Oracle products, and very well aligned with Oracle's Fusion Architecture.

How does this fit into Oracle's Fusion Applications strategy?

Very well. Demantra's product will form a basis for Oracle's Demand Management and Trade Promotions Planning and Optimization capabilities for Oracle Fusion Applications. In addition, Demantra is built on a Service Oriented Architecture (SOA) that facilitates improved flexibility in terms of upgrades, deployment, and integration.

Will this acquisition impact the product roadmap of Demantra's solutions?

Demantra and Oracle plan to provide continuity in roadmap and direction. Currently, we plan to continue with Demantra's existing release schedule.

Will you continue to sell Demantra into otherwise non-Oracle Application situations?

Yes. We plan to pursue Demantra opportunities that do not involve other Oracle applications. Demantra has demonstrated its ability to compete for and to win business from customers running varied applications suites, including SAP, Infor, SSA Global and others due to Demantra's superior functionality, scalability and ease of integration.

Does Demantra support multiple languages?

The Demantra products are currently available in English only. Today, the products are not translated but are multi-byte enabled and are capable of being translated.

How will Demantra be integrated with the Oracle E-Business Suite and JD Edwards EnterpriseOne? Are there any plans to integrate Demantra with PeopleSoft SCM?

We plan to strengthen the integration between the Demantra solution with Oracle E-Business Suite, as well as with JD Edwards EnterpriseOne. However, it should be noted that several customers are already using Demantra with Oracle Applications and by nature the integration to demand planning and promotion planning solutions is not as onerous as with other applications. The same is true of integrations between Siebel products and Demantra Promotions Planning. The details are

being worked out and will be communicated by Oracle R&D. At this point we do not have any plans to integrate Demantra to PeopleSoft SCM.

Will you continue to sell and support your existing Demand Planning products namely Oracle Demand Planning, JD Edwards (Numetrix) Demand Forecasting, Demand Consensus, and Sales & Operations Planning?

We plan to continue to sell these products while we modify the Demantra products to better fit within the Oracle family and delivery process. Once that process is complete, the Demantra products will become the go-forward Demand Management solution for Oracle EBS and JDE customers. However, Oracle will strive to preserve and enhance the value of customer's existing investments, and we will continue to support Oracle EBS and JD Edwards (Numetrix) Demand Planning products in accordance with our Lifetime Support Policy.

What should existing users of Oracle's and JD Edwards' (Numetrix) Demand Planning products do and what should they expect?

Oracle plans to support existing customers of the Oracle's demand planning products, including upgrades to Oracle E-Business Suite Release 12 (R12) and JD Edwards Supply Chain Planning (Numetrix) 8.12, in accordance with our Lifetime Support Policy, so there is no need for these customers to make any change. Since we expect that the proposed combination will protect and support customers' investments in Oracle's demand planning products, in addition to offering Demantra's comprehensive capabilities and a compelling end-to-end solution footprint, customers should discuss their options with their Oracle account executive.

Will the R12 plans for Oracle Demand Planning change? Will the 8.12 plans for JD Edwards (Numetrix) Demand Forecasting, Demand Consensus, and Sales and Operations Planning change?

We are currently evaluating our plans for Oracle Demand Planning in Release 12. We intend that any existing customer of Oracle Demand Planning will be able to upgrade its current version to Release 12. The same applies to our plans for JD Edwards (Numetrix) 8.12. We will communicate any changes, if necessary.

Can I exchange my existing licenses for Oracle or JD Edwards (Numetrix) demand planning products for the equivalent licenses for Demantra products?

Our goal is to protect your investment in Oracle's products. While existing Demand Planning customers are not required to migrate their existing licenses to Demantra, there may be customers who determine that they would like to migrate their Oracle or JD Edwards (Numetrix) Demand Planning products to the new Oracle Demantra products. Oracle's strategy includes offering customers a migration path from their Oracle or JD Edwards Demand Planning licenses to the Demantra products that contain substantially similar functionality and features at no additional cost, provided the customer is current on their Software Update and License Support agreement for the Oracle or JD Edwards Demand Planning products. It should be noted that Demantra product options and/or incremental stand alone products are licensed separately.

Customers

How can existing Demantra customers benefit from this acquisition?

By becoming part of Oracle, Demantra will be able to draw on Oracle's global resources, worldwide sales, consulting and support organization, as well as our unparalleled R&D organization and technology groups.

Due to a prior reseller agreement between Demantra and JDE, there are already many JD Edwards customers using Demantra.

How can Oracle customers benefit from Demantra's success in the Demand Driven Supply Chain segment?

As many of our customers expand into more complex global operations and penetrate new segments, they have a strong need for superior demand management and promotion planning systems. In addition, they have a need to better monitor their global business, sense demand better, integrate with sales organization activities, and react quickly to disruptions in their supply chain. Demantra solutions provide an innovative approach to address these business challenges with the following key differentiators:

- **Superior Forecast Accuracy:** Improves forecast accuracy by 10-40%. Using a combination of forecasting models based

on Bayesian-Markov mathematics that support simultaneous analysis of multiple causal factors, Demantra's customers regularly exceed 95% forecast accuracy.

- **Attribute-based Forecasting:** Provides the ability to group, forecast, and display demand by attributes and characteristics. The product attributes can also be used as demand variables to predict the demand and to model the shape of a new product introduction. This unique capability enable companies in short life cycle industries to better manage their demand.
- **Sophisticated Analytics:** Incorporates advanced analytics to determine the impact of promotions, new products, pricing, product mix, market-mix, location, seasonality, weather and other variables on demand
- **Scalability:** Creates precise demand plans at the most granular levels by forecasting at the SKU/store/shelf level.
- **Demand Management Workflow:** Enables coordination across production, marketing, sales, and logistics groups within a company based on a flexible, defined business process. Identifies user ownership and steps to follow for each exception, using an advanced push driven alert management.
- **Mixed Demand Management Ability:** Enables demand from all the different sales channels to be planned and managed on a single platform even when underlying demand data has different characteristics.
- **Real-Time Sales and Operations Planning:** Provides managers real-time information using sophisticated analytics to prepare an actionable operating plan and frequently monitor progress to continuously adjust plans based on real-time data.
- **Trade Promotion Planning and Optimization:** Provides integrated volume planning, account planning, baseline demand and promotional lift estimates, promotional ROI analysis including halo, cannibalization, and cross-effects, and promotional calendar scenarios and optimization.

How can Oracle Siebel CRM customers benefit from this acquisition?

Many Siebel customers have demanding needs for promotion planning, modeling and optimization, to complement existing Trade Promotion Management capabilities. This is driven by

their complex, often global supply chains and by needs to manage and execute trade promotions effectively. Demantra has proven capabilities to address all of these by enabling:

- Integrated precise volume forecasting with optimization and predictive modeling capabilities to measure promotion effectiveness and ensure demand plans are synchronized with promotion plans
- Best in class analytic capabilities to measure promotion effectiveness
- Optimization capability to determine the right promotion tactics that maximize ROI while taking into account effects such as cannibalization.

Business Continuity

Can I still purchase Demantra products?

Yes, Please contact your Demantra sales representative to assist you, or visit www.Demantra.com for contact information.

Should Demantra customers continue to call the Demantra Support Center?

Yes. Demantra customers will continue to receive support and services from Demantra, and should continue to use existing Demantra contacts for support, professional services, and sales to address immediate and ongoing needs. We will communicate all changes and transitions occurring well in advance through these familiar channels.

Should Demantra customers continue to contact their Demantra sales representative?

Yes. Demantra continues customers should continue to rely on existing relationships. We will communicate any changes, if necessary.

Will training on Demantra products continue?

Yes. We currently plan to combine the Demantra 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 existing Demantra customer contracts be honored?

Yes. Oracle intends to honor the terms and conditions of existing Demantra contracts.

What happens next?

The transaction closed in June 2006. A series of communications is taking place and will continue to take place to inform you of next steps.

Will the Demantra leadership and employees be retained?

Yes. The goal of this combination is to complement Oracle offerings with Demantra leadership, development, sales and service teams.

What will happen to the Demantra user conference?

Existing and future Demantra customer relationships will continue to be a priority. Demantra and Oracle have invited the Demantra user group to Oracle OpenWorld.

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

For more information, please visit Oracle.com/Demantra

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.